uMGUNGUNDLOVU
UMASIPALA WESIFUNDA
DISTRICT MUNICIPALITY
DISTRIK MUNISIPALITEIT

PERFORMANCE AGREEMENT

Entered into by and between

uMGUNGUNDLOVU DISTRICT MUNICIPALITY REPRESENTED BY THE MUNICIPAL MANAGER, MR. T.L.S KHUZWAYO

("the Employer")

and

THE EXECUTIVE MANAGER: FINANCIAL SERVICES MR. B.W. NDLOVU

("the Employee")

FOR THE YEAR 1 JULY 2013 TO 30 JUNE 2014

Tel R.W

PERFORMANCE AGREEMENT

ENTERED INTO AND BETWEEN:

The District Municipality of uMgungundlovu herein represent by Terence Lancelot Sibusiso Khuzwayo in his capacity as the Municipal Manager (hereinafter referred to as the Employer) and Busani Welcome Ndlovu, employee of the uMgungundlovu District Municipality (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Acts 32 of 2000 ("the System Act"). The Employer and the Employee are hereinafter referred to as "the Parties".

1.2 Section 57(1) (b) of the Systems Act, read with the Contract of Employment concluded between the parties to conclude an annual performance Agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.

1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The Purpose of this Agreement is to -

2.1 Comply with the provisions of Section 57(1)(b),4(A),(4B) and (5)of the Systems Acts as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;

2.3 Specify accountabilities as set out in the Performance Plan (Annexure A);

2.4 Monitor and measure performance against set targeted outputs;

2.5 Use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and /or to assess whether the Employee has met the performance expectations applicable to his/her job;

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

3.1 This Agreement will commence on 1 July 2013 and will remain in force until 30 June 2014 whereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

3.4 The content of this Agreement may be revised at anytime during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure A) sets out-

4.1.1 The performance objectives and targets that must be met the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weighting

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in Terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Employer, management, and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Employer, management, and municipal staff to perform to the standards required.

5.3 The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

6 The Employee agrees to participate in the Performance Management and Development System that the Employer adopts.

6.1 The Employee undertakes to actively focus towards the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CMC's) respectively.

6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.2.3 KPA's covering the main areas of work will account for 80% and CMC's will account 20% of the final assessment.

6.3 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee. The CMCs will make up the other 20% of the Employee's assessment score. The KPAs and CMCs relating to the Employee's functional area, with weightings, include the following:

KEY PERFORMANCE AREAS (80%)	WEIGHTING
Municipal Financial Viability and Management	100%
TOTAL	**100%**
CORE MANAGEMENT CRITERIA (20%)	
Financial Management	40%
People Management and Empowerment	30%
Client Orientation and Customer Focus	30%
TOTAL	**100%**

7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) to this Agreement sets out-

7.1.1 The standards and procedures for evaluating Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

(a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

(b) An indicative rating on the five-point scale should be provided for each KPA.

(c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CMC's

(a) Each CMC should be assessed according to the extent to which the specified standards have been met.

(b) An indicative rating on the five-point scale should be provided for each CMC.

(c) The applicable assessment rating calculator must then be used to add the scores and calculate a final CMC score.

7.5.3 Overall Rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcomes of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPAs and CMCs:

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicate that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable Performance	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan .The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

7.7 For purpose of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established-

7.7.1 Municipal Manager;
7.7.2 Chair of the Audit Committee;
7.7.3 Member of the Executive Committee; and
7.7.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	: July 2013 – September 2013
Second quarter	: October 2013 – December 2013
Third quarter	: January 2014 – March 2014
Fourth quarter	: April 2014 – June 2014

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure 'A' from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of Annexure A whenever the Performance Management System is adopted, implemented, and /or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

9. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing development gaps is attached as Annexure A.

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall:

10.1.1 Create an enabling environment to facilitate effective performance by the Employee;

10.1.2 Provide access to skills development and capacity building opportunities;

10.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

10.1.4 On the request of the Employee delegates such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in term of this Agreement; and

10.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

11. CONSULTATION

11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

1.1.1 A direct effect on the performance of any of the Employee's functions;

1.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and

1.1.4 A substantial financial effect on the Employer.

11.2 The employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

12 MANAGEMENT OF EVALUATION OUTCOMES

12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

12.2 A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the outcome of the performance appraisal described in clause 7.5 above, provided that:

12.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%: and

12.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

12.3 In the case of unacceptable performance, the Employer shall-

12.3.1 Provide systematic remedial of development support to assist the Employee to improve his or her performance; and

12.3.2 After appropriate performance and counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13 DISPUTE RESOLUTION

13.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

13.1.1 The MEC for Local Government of the Province within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 By any other person appointed by the MEC.

13.1.3 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be available to the public by the Employer.

14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

Thus done and signed at Pietermaritzburg on this the ....18th.....day of July 2013

AS WITNESSES:

1._____

2._____

EMPLOYEE
B.W. NDLOVU

Thus done and signed at Pietermaritzburg on this the ..... day of July 2013

AS WITNESSES:

1._____

2._____

EMPLOYER
T.L.S. KHUZWAYO

Annexure A

ANNUAL PERFORMANCE PLAN, PERSONAL DEVELOPMENT PLAN & REVIEW FOR MANAGERS

The following annual management review on ***Key Performance Areas (KPA)*** and ***Core Management Criteria (CMC)*** agreed to in each Manager's Performance Agreement has to be completed.

The annual performance appraisal involves the assessment of the achievement of results of the KPAs and CMCs in accordance with the five-point scale of (1-5).

RATING	DEFINITION OF SCORE
5	Outstanding performance
4	Performance significantly above expectation
3	Fully effective
2	Performance not fully satisfactory
1	Unacceptable performance

DETAILS OF THE MANAGER

Period Under Review	1 July 2013 to 30 June 2014
Surname	Ndlovu
Name	Busani Welcome
Municipality	uMgungundlovu District Municipality
Department	Financial Services
Race	African
Gender	Male

1. Managers Performance Plan for the Year Under Review

KPA 1: Municipal Financial Viability And Management

Weight: 100%

STRATEGIC OBJECTIVES	MEASURABLE OUTPUT	PERFORMANCE MEASURES (KPI)	Year under Review: 2013 / 2014								COMMENTS	OWN RATING (1-5)	RATING BY PANEL MEMBER (1-5)
			Q1		Q2		Q3		Q4				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
To improve expenditure control	Monthly reconciliation of creditors and bank balances	No. of monthly reconciliations	3		3		3		3				
	Payment of creditors	No. of days of creditors age analysis	Within 30 days		Within 30 days		Within 30 days		Within 30 days				
	Compliance with prescribed dates of monthly returns	No. of monthly returns	3		3		3		3				
	Compliance with prescribed dates of annual returns	No. of annual returns	0		0		0		1				
	% of the capital budget actually spent on capital projects	% Spent (Total spending on capital projects / Total capital budget) x 100	100%		100%		100%		100%				
To improve the procurement system	Time taken to place an order reduced	No. of days for requisition to be converted to a purchase order outstanding	5 days		5 days		5 days		5 days				

TSU RNNC

	Time taken to finalize specification of Bid / Tender reduced	No. of days	8 days		8 days		8 days		8 days				
	Time taken to finalize evaluation of Bid / Tender reduced	No. of days from close of tender	10 days		10 days		10 days		10 days				
	Time between the evaluation process and the adjudication process reduced	No. of days	7 days		7 days		7 days		7 days				
	Legislative compliance (including completion of declaration of interest form by each employee) improved	% of submission of declarations of interest forms completed by Cllrs and Staff	100%		100%		100%		100%				
	Assets that are obsolete disposed of	Date of disposal							30-Jun				
To improve the budgeting and reporting processes	Budget / IDP Process Plan adhered to	Date of Process Plan fully implemented	30-Aug										
	Submission of all monthly returns	No. of returns submitted	3		3		3		3				
	Submission of all quarterly returns	No. of returns submitted	1		1		1		1				
	Submission of all bi annual returns	No. of returns submitted			1				1				
	AFSs submitted on time	Date of submission	30-Aug										

TCOL BN NC

	Fixed Asset Register reconciled with General Ledger	No. of reconciliations	3		3		3		3				
To improve income control	Total No. customers - database	% of customers billed/Total No, of Customers-database	100%		100%		100%		100%				
	Cash collected from customers	No. of days outstanding	Within 30 days		Within 30 days		Within 30 days		Within 30 days				
	Debt Collection %	% of collection: Amount collected / sales raised	35%		40%		50%		70%				
	Suspense Account	Monthly reconciled Suspense Account with Analysis of Balance	3		3		3		3				
	Consumer Deposits Reconciliations	Monthly reconciled - New customers and Terminated	3		3		3		3				
	Reviewed Daily Banking Report	No. of daily reviews	62 days		63 days		62 days		63 days				
	Debt coverage ratio	Ratio [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	16:1		16:1		16:1		16:1				
	Outstanding service debtors to revenue	No. of days debtors are outstanding (Total outstanding debtors / Actual revenue received for services) x 100	245		245		245		245				

Tchu B.N NC

	Cost coverage ratio	Ratio [All available cash at a particular time) + (Investments)- Conditional grants)]/ Monthly fixed operating expenditure)	1:1		1:1		1:1		1:1				
	R debtors outstanding as a % of revenue received for services	**% Achieved** ***(Total outstanding debtors/ Actual revenue received for services) x 100***	Nil %		Nil %		Nil %		Nil %				
To ensure mainstreaming and institutionalization of Batho Pele in line with the Municipality's Corporate Strategy of being Citizen-Centric	District –wide Batho Pele Forum established	Date of a fully Functional Batho Pele (Technical) Forum established	30 Sep										
		Batho Pele Campaigns implemented	1		1		1		1				
	Batho Pele Service Improvement Advisory Forum established in each Local Municipality	No. of functional (Community) Advisory Forums established	2		1		2		1				
	Consumer Education & Feedback Sessions conducted	No. of Consumer Education & Feedback sessions held	3		3		3		3				
	Standard Operating Procedures developed	Date of adoption of Standard Operating Procedure Manual			31 Dec								

TCR BM NC

COMMENTS TO THE EVALUATION PANEL

The Municipal Manager must alert the evaluation panel to specific areas of the Section 56 Manager's performance in terms of the performance agreement, which in the Municipal Manager's opinion illustrate **performance not fully satisfactory or performance significantly above expectations and outstanding**.

A brief explanation must be provided by the Municipal Manager for his assessment of each identified area.

EMPLOYER'S SIGNATURE
DATE: 22/07/2023

EMPLOYEE'S SIGNATURE
DATE:

DECLARATION OF INTEREST BY EMPLOYEES

IN TERMS OF PARAGRAPH 5 OF SCHEDULE 2 OF THE MUNICIPAL SYSTEMS ACT NO 32 OF 2000

uMGUNGUNDLOVU
UMASIPALA WESIFUNDA
DISTRICT MUNICIPALITY
DISTRIK MUNISIPALITEIT

Municipal Manager
uMgungundlovu District Municipality
PO Box 3235
PIETERMARITZBURG
3200

1. I, *(full name and address)* BUSANI NDLOVU

do hereby declare that I have the following interests:

	Financial Interest	Name of Entity	No of Shares	% Interest
1	Shares and Securities	SASOL MTN	300	
2	Membership			
3	Beneficiary of Trusts	MZOMUNYE NDLOVU FAMILY TRUST		
4	Directorships			
5	Partnerships			
6	Other business undertakings:			
7				
8				

2. I also have the following additional interests:

(i) I am employed by MAPHUMULO MUNIPALITY AS AUDIT COM MEMBER

and receive remuneration in the amount of R 700 ~~[illegible]~~ per hour.

(excludes employment and remuneration as an employee of uMgungundlovu District Municipality).

(ii) I either own or have an interest in the following properties, being mainly business property where there is financial gain:

~~ERF~~ 19 DAVID BAXTER ROAD SCOTTSVILLE (RENTAL INCOME)

(excludes residential property).

(iii) I receive a pension from _____

N/A

in the amount of R _____

(excludes pension from uMgungundlovu District Municipality).

(iv) I receive a subsidy and/or grant and/or sponsorship from the following organisations:

N/A

(excludes subsidy from uMgungundlovu District Municipality).

3. I undertake to advise the Municipal Manager if there is any change in the nature or detail of my financial interests as stated above.

_____

DEPONENT

I certify that the deponent has acknowledged that he/she knows and understands the contents of this affidavit, which was signed and sworn to before me at Pietermaritzburg on 18th July 2013, after the provisions of the Regulation contained in Government Notice No R1258 published in Government Gazette No 3619 dated 21 July 1972 and Government Notice No 1648 dated 19 August 1977, had been duly complied with.

COMMISSIONER OF OATHS
KENNETH PHILLIPS ST (SA)
Survey Technician STO212 Republic
mGungundlovu District Municipality
242 Longmarket Street
Pietermaritzburg KZN

_____

COMMISSIONER OF OATHS

AGREEMENT TO PERFORMANCE AND DEVELOPMENT PLAN:

I agree with the objectives as set out in the above Performance and Development Plan and undertake to achieve the objectives as agreed on. SIGNATURE: (Name of Manager: Bujani Ndlovu Date: 18/07/2013	I undertake to support ___(name of Manager) with the achievement of the above Performance and Development Plan SIGNATURE: Name of Reporting Officer: Kamwayo TLS Date: 22/07/2013

FEEDBACK ON INFORMAL QUARTERLY REVIEW:

FEEDBACK FROM REPORTING OFFICER:

.....

.....

Signature of Reporting Officer

Date:

Signature of Manager

Date: