



PERFORMANCE AGREEMENT

2024/2025

Mr. B Metembo
DIRECTOR: FINANCIAL SERVICES

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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 Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires 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;
- 1.5 In this Agreement the followings terms will have the meaning described thereto:
 - 1.5.1 "this agreement" – means the performance agreement between the employer and the employee and the annexures thereto;
 - 1.5.2 "the Municipal Manager" – means the Municipal Manager of the Municipality appointed in terms of Section 54 (A) of the Systems Act;
 - 1.5.3 "the Employee: means the Director appointed in terms of Section 56 of the Local Government: Municipal Systems Act;
 - 1.5.4 "the Employer" means Prince Albert Municipality; and
 - 1.5.5 "the Parties" means the employer and employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 Comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act 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 and outcomes;
- 2.5 Appropriately reward the Employee in accordance with section 11 of this agreement;



- 4.2.3 Target dates that describe the timeframe in which the work must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 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 municipality adopted for the employees of the municipality;
- 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 employees and relevant stakeholders to perform to the standards required;
- 5.3 The Employer will consult the employee about the specific performance standards and targets that will be included in the performance management system applicable to the employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Key Performance Areas (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 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;
- 5.6 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators and targets) identified as per attached Performance Plan, 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:

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COMPETENCY FRAMEWORK STRUCTURE				
		flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner	<ul style="list-style-type: none"> • Financial strategy and Delivery • Financial Reporting and Monitoring 	
5	Change Leadership	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Impact Monitoring and Evaluation 	1.67
6	Governance Leadership	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships	<ul style="list-style-type: none"> • Policy Formulation • Risk and Compliance Management • Cooperative Governance 	1.67
CORE COMPETENCIES				WEIGHT
7	Moral Competence	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behaviour that reflects moral competence		1.67
8	Planning and Organising	Able to plan, prioritise and organise information and resources effectively to ensure the quality-of-service delivery and build efficient contingency plans to manage risk		1.67

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- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
 - 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
 - 6.6.3 The assessment rating calculator must then be used to add the scores and calculate the final KPA score;
 - 6.6.4 The employee will submit his/her self-evaluation to the Employer prior to the formal assessment;
 - 6.6.5 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide evidence in such instances; and
 - 6.6.6 An overall score will be calculated based on the total of the individual scores calculated above.
- 6.7 Assessment of the Competencies
- 6.7.1 Each Competency will be assessed according to the extent to which the specified standards for the required proficiency level have been met.
 - 6.7.2 A rating on the five-point scale will be provided for each CCR which will then be multiplied by the weighting to calculate the final score.
 - 6.7.3 This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
 - 6.7.4 The assessment-rating calculator will be used to add the scores and calculate a final CCR score.
 - 6.7.5 An overall score will be calculated based on the total of the individual scores calculated above.

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6.10 The assessment of the performance of the Employee will be based on the following rating scale for Competencies:

RATING	ACHIEVEMENT LEVEL	DESCRIPTION
1	Poor	Do not apply the basic concepts to prove a basic understanding of local government operations and requires extensive supervision and development interventions
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
3	Competent	Develops and applies more progressive concepts, methods, and understanding. Plans and guides the work of others and executes progressive analyses
4	Advanced	Develops and applies complex concepts, methods, and understanding. Effectively directs and leads a group and executes in-depth analyses
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

A full description of achievement levels per competency is attached as **Annexure B**.

6.11 For purposes of evaluating the performance of the Employee for the mid-year and year-end reviews, an evaluation panel constituted of the following persons will be established –

- 6.11.1 Municipal Manager;
- 6.11.2 Chairperson of the Audit Committee;
- 6.11.3 Chairperson of relevant Portfolio Committee; and
- 6.11.4 Municipal Manager from another municipality

6.12 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to above.

6.13 The Municipal Manager will evaluate the performance of the Employee at the end of quarter 1 and quarter 3; and

6.14 The Municipal Manager will give performance feedback to the Employee after each quarterly and annual assessment meeting.

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9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and

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

10. CONSULTATION

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

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

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

10.1.3 A substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

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

11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;

11.3 A performance bonus will be awarded based on the following scheme:

PERFORMANCE RATING	PERFORMANCE BONUS CALCULATION:	
0% - 64%	Poor performance	0% of the Total package
65% - 69%	Average Performance	5% of the Total Package
70% - 74%	Fair Performance	9% of the Total Package
75% - 79%	Good Performance	11% of the Total Package
80% - 100%	Excellent Performance	14% of the Total Package



13. DISPUTE RESOLUTION

13.1 Any dispute about the nature of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated by –

13.1.1 The Executive Mayor within thirty (30) days of receipt of a formal dispute from the employee. The decision shall be final and binding on both parties.

13.2 Any dispute about the outcome of the employee's performance evaluation, must be mediated by –

13.2.1 A member of the municipal council, provided that such member was not part of the evaluation panel provided for in section 6.11, within thirty (30) days of receipt of a formal dispute from the employee. The Council member's decision shall be final and binding on both parties.

14. GENERAL

14.1 The contents of this agreement must be made available to the public by the Employer in accordance with the Municipal Finance Management Act, 2003 and Section 46 of the Systems Act.

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.

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**ANNEXURE A:
Performance Plan 2024/2025**

MR. B METEMBO

DIRECTOR: FINANCIAL SERVICES

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The assessment of the performance of the Employee will be based on the following rating scale for KPA's:

CATEGORY	COLOUR	EXPLANATION
KPI's Not Met/ Unacceptable performance	1	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA 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.
KPI's Almost Met / Not fully effective	2	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 indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
KPI's Met / Fully effective	3	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 PA and Performance Plan.
KPI's Well Met / Performance significantly above expectations	4	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.
KPI's Extremely Well Met / Outstanding Performance	5	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.

Reference	SDBIP Reference	Strategic Objective	National KPA	Key Performance Indicator	Unit of Measurement	Baseline	Portfolio of Evidence	TARGETS				Weight
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
5	TBC	To commit to the continuous improvement of human skills and resources to deliver effective services	Municipal Transformation and Institutional Development	Implement proposed correctives measures as identified in internal audit reports within 6 months	% of corrective measures implemented	New KPI	Progress reports to internal audit	95%	95%	95%	95%	2
6	TBC	To commit to the continuous improvement of human skills and resources to deliver effective services	Municipal Transformation and Institutional Development	Submit insurance claims within 30 days after incident to Expenditure & SCM	% of claims submitted	New KPI	Confirmation of inputs submitted	90%	90%	90%	90%	2
7	TBC	To commit to the continuous improvement of human skills and resources to deliver effective services	Municipal Transformation and Institutional Development	Investigate and report health and safety incidents within 7 days from when incident occurred	% of incidents investigated and reported	New KPI	Incident report	95%	95%	95%	95%	2
8	TBC	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Submit inputs for the Demand Management Plan to Expenditure & SCM by the end of February	Inputs submitted	New KPI	Confirmation of inputs submitted	-	-	1	-	2
9	TBC	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Achieve 90% of the activities of the Demand Management Plan on a monthly basis	% of activities achieved	New KPI	Confirmation of achievement by Expenditure & SCM	90%	90%	90%	90%	2

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Reference	SDBIP Reference	Strategic Objective	National KPA	Key Performance Indicator	Unit of Measurement	Baseline	Portfolio of Evidence	TARGETS				Weight
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
15	TBC	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Spend 90% of the approved capital budget by the end of June	% of capital budget spent	New KPI	Financial system Capital Expenditure Report	5%	25%	60%	90%	2
16	TBC	To commit to the continuous improvement of human skills and resources to deliver effective services	Municipal Transformation and Institutional Development	Implement proposed corrective measures as identified in internal audit reports within 6 months	% of corrective measures implemented	New KPI	Progress report to internal audit	95%	95%	95%	95%	2
STRATEGIC PERFORMANCE (TOP LAYER SDBIP)												
17	TL11	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Submit of the Annual Financial Statements to the Auditor-General by 31 August 2025	Annual Financial Statements submitted to the Auditor-General within the legislative deadline	1	Annual Financial Statements and E-mail correspondence to the Auditor-General	1	-	-	-	3
18	TL12	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Table the Annual Budget to Council by 31 May 2025	Annual Budget tabled to Council within the legislative deadline	1	Council Resolution where the Annual Budget was tabled	-	-	-	1	7

Reference	SDBIP Reference	Strategic Objective	National KPA	Key Performance Indicator	Unit of Measurement	Baseline	Portfolio of Evidence	TARGETS				Weight
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
22	TL16	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Percentage of debt coverage	13%	Annual Financial Statements	-	-	15%	3	
23	TL17	To maintain financial viability & sustainability through prudent expenditure, and sound financial systems	Municipal Financial Viability and Management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 ((Total outstanding service debtors/ revenue received for services) X100)	Percentage of outstanding service debtors (total outstanding debtors refers to total net debtors)	23%	Annual Financial Statements	-	-	25%	3	

Reference	SDBIP Reference	Strategic Objective	National KPA	Key Performance Indicator	Unit of Measurement	Baseline	Portfolio of Evidence	TARGETS				Weight
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
27	TL27	To provide quality, affordable and sustainable services on an equitable basis	Basic Service Delivery	Provide 6kl free basic water to registered indigent account holders per month	Number of registered indigent account holders receiving 6kl of free water.	1000	Billing data of financial system (Phoenix)	800	1000	1100	1200	4
28	TL29	To provide quality, affordable and sustainable services on an equitable basis	Basic Service Delivery	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets)	Number of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	800	Billing data of financial system (Phoenix)	1000	1050	1070	1100	4
								80%				

