

PERFORMANCE AGREEMENT



Made and entered into by and between:

Puseletso Isaac Radebe
ID No: 6402195585080

The Municipal Manager of the Mafube Local Municipality
duly authorized by Council
(‘the Municipal Manager’)

and

Nkabi Andrew Hlubi
ID No: 7807095561081
(Chief Financial Officer)

Two handwritten signatures are present. The first signature is on the left, and the second signature is on the right.

1. INTRODUCTION

The Municipal Manager has entered into a contract of employment with the Chief Financial Officer for a period of three (3) years starting from 15 May 2014 and ending 31 May 2017, in terms of section 56 (1) (a) (ii) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").

Section 57 (1) (a) (ii) of the Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement.

The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Chief Financial Officer reporting to the Municipal Manager, to a set of actions that will secure local government policy goals.

The performance contract is between, the Chief Financial Officer and Mafube Local Municipality, represented by the Municipal Manager. It is for the 2014/2015 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan and the Performance Management System for 2014/2015 financial year. The Integrated Development Plan and Performance Management System have been adopted by the Council and will be the basis for the assessment of performance.

The parties wish to ensure that there is compliance with section 57 (4A); 57 (4B); 57 (4c) and 57 (5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The parties agree that the purposes of this Agreement are to:

- 2.1 Comply with the provisions of Section 57 (1) (a) (ii) of the Systems Act;
- 2.2 State objectives and targets established for the Chief Financial Officer;
- 2.3 Specify accountabilities;
- 2.4 Monitor and measure performance;
- 2.5 Establish a transparent and accountable working relationship; and
- 2.6 Give effect to the Municipality's commitment to a performance-orientated Relationship with its Chief Financial Officer in attaining equitable and improved service delivery.
- 2.7 Give effect to the Municipality's commitment to a performance-orientated relationship with its Chief Financial Officer in attaining equitable and



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improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 The agreement will commence on the 01 July 2014 and will continue in force until 30 June 2015 where after a new performance agreement; performance plan and personal development plan shall be concluded between the parties for the next financial year.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement, performance plan and personal development plan that replaces this Agreement at least once a year by not later than July each financial year.
- 3.3 This Agreement will terminate on the termination of the Chief Financial Officer's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above mentioned 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 decision 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 Annexure "A" sets out:
 - 4.1.1 The performance objectives and targets that must be met by the Chief Financial Officer; 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 Municipal Manager in consultation with the Chief Financial Officer, and include key objectives; key performance indicators; target dates and weighting. The Municipal Manager shall report to the Executive Committee regarding the above.
- 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 weighting shows the relative importance of the key objectives to each other.
- 4.4 The Chief Financial Officer's performance will be measured in terms of contributions to the goals and strategies set out in the

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Municipalities Integrated Development Plan and Performance Management System and the Core Managerial Competencies (CMC).

- 4.5 The municipality will make available to the Chief Financial Officer such employees as the Chief Financial Officer may reasonable require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the Chief Financial Officer to ensure that he complies with those performance obligations and targets.
- 4.6 The Chief Financial Officer will at his request be delegated such powers by the Municipal Manager as may in the discretion of the Municipal Manager be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.
- 4.7 The Municipal Manager will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Chief Financial Officer will be fully consulted before any such change is made.
- 4.8 The provisions of Annexure "A" may be amended by the Municipal Manager when the Municipality's Performance Management System is adopted, implemented and/or amended as the case may be.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Chief Financial Officer agrees to participate in the Performance Management System that the municipality adopts or introduces for the Municipality, Management and Municipal Staff.
- 5.2 The Chief Financial Officer accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, Management and Municipal Staff to perform to the standards required.
- 5.3 The Municipal Manager will consult the Chief Financial Officer about the specific performance standards that will be included in the performance management system as applicable to the Chief Financial Officer.

6. EVALUATING PERFORMANCE

- 6.1 The criteria upon which the performance of the Chief Financial Officer shall be assessed consists of two components, both of which shall be contained in the performance agreement.

- 6.1.1 The Chief Financial Officer performance will be assessed against



both components with a weighting of 80:20 allocated to the Key Performance Areas (KPA) and the Core Managerial Competencies (CMCs) respectively.

- 6.1.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 6.1.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final score.
- 6.2 The Chief Financial Officer 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 KPAs, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Municipality and the Municipal Manager.
- 6.3 Annexure "A" to this Agreement sets out:
 - 6.3.1 The standards for evaluating the Chief Financial Officer in terms of the KPA.
 - 6.3.2 Intervals for the evaluation of the Chief Financial Officer performance;
- 6.4 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the performance of the Chief Financial Officer at any stage while the contract of employment remains in force.
- 6.5 Annexure "B" to this agreement sets out:
 - 6.5.1 Core Competency requirements for the Chief Financial Officer and weighting for each CMC.
- 6.6 The CMCs will make up another 20% of the Chief Financial Officer assessment 'score.
- 6.7 Each CMC will be assessed according to the extent to which the specified standards have been met.
- 6.8 Personal growth and development needs identified during any performance review discussions must be documented and, where possible, actions agreed, implemented and evaluated.



7. PERFORMANCE REVIEWS

7.1 The evaluation of the Chief Financial Officer performance will be done by:

- (i) The Municipal Manager
- (ii) Chairperson of the Audit Committee
- (iii) Representative from Department of COGTA
- (iv) Representative from SALGA Free State
- (v) Representative from Fezile Dabi District Municipality

7.2 An audited performance report will be tabled to the Executive Committee.

7.3 The performance of the Chief Financial Officer shall be reviewed on the following dates:

First Quarter: July –September	Date: Third Week of October 2014
Second Quarter: October-December	Date: Third Week of January 2014
Third Quarter: December-March	Date: Third Week of April 2015
Fourth Quarter: April-June	Date: Second month after the end of the financial year: Annual Performance 2015

7.4 The Municipality will keep a record of the mid-year reviews and annual assessment meetings.

8. PERFORMANCE BONUS


8.1 If the Chief Financial Officer has performed acceptable, he shall qualify for the annual performance bonus in accordance with clause 7.5 of the contract of employment entered into by the Chief Financial Officer and the Municipal Manager. The level of performance of the Chief Financial Officer will be determined by the Municipal Manager in accordance with the provisions of this agreement, the Key Performance Indicators as reflected in "Annexure A" of this contract.

8.1.1 The assessment shall be done after the Municipal Manager has received an audited performance report from the Audit Committee.

8.2 An achievement of 80% and above shall be regarded as warranting 100% bonus. 50% to 79% shall warrant a proportional percentage of performance bonus. 49% and below shall be regarded as under-performance warranting no performance bonus.

9. CONSULTATION

9.1 The Municipal Manager agrees to timeously consult the Chief Financial Officer where the exercising of such powers will-


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- 9.1.1 Have a direct effect on the performance of any functions of the Chief Financial Officer;
- 9.1.2 Commit the Chief Financial Officer to implement or to give effect to a decision made by the Municipal Manager;
- 9.1.3 Have a substantial financial effect on the municipality
- 9.2 The Municipal Manager agrees to inform the Chief Financial Officer of the outcome of any decisions taken pursuant to the exercise of powers contemplated in as soon as is practicable to enable the Chief Financial Officer to take any necessary action without any delay.

10. CONSEQUENCES OF SUBSTANDARD PERFORMANCE

- 10.1 Where the Municipal Manager, at any time during the employ of the Chief Financial Officer, is not satisfied with his performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Chief Financial Officer to attend a meeting with the Municipal Manager.
- 10.2 The Chief Financial Officer will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the performance of the Chief Financial Officer becomes satisfactory and any program, including any dates, for implementing these measures.
- 10.3 Where there is a dispute or difference as to the performance of the Chief Financial Officer under this Agreement, the parties will confer with the view to resolving the dispute or difference.
- 10.4 If at any stage the Municipal Manager holds the view that the performance of the Chief Financial Officer is not satisfactory, the Municipality will, subject to compliance with applicable labour legislation, be entitled by notice in writing from the Municipal Manager to terminate the employment of the Chief Financial Officer in accordance with the notice period set out in the Chief Financial Officer contract of employment.
- 10.5 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the contract of employment of the Chief Financial Officer with or without notice for any other breach by the Chief Financial Officer of his obligations to the Municipality or for any other valid reasons in law.

11. RULING LANGUAGE

- 11.1 The contract is made in English, which shall be the ruling language. All correspondence between the parties to this contract and all reports and documentation pertaining to this contract shall be in English language.

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12. TERM OF CONTRACT

- 12.1 This contract shall be deemed to have been entered into on 01 July 2014 and will expire on the 30th of June 2015. The parties will enter into a new performance agreement that replaces this Agreement by no later than 01 August 2015.

13. DISPUTES RESOLUTION

- 13.1 In the event that the Chief Financial Officer is dissatisfied with any decision or action of the Municipal Manager or Municipality in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Chief Financial Officer has achieved the performance objectives and targets established in terms of this Agreement, the Municipal Manager and the Executive Committee may meet with the Chief Financial Officer with the view of resolving the issue. At the request of the Chief Finance Officer the Performance Review Committee will record the outcome of the meeting in writing through the Municipal Manager.


- 13.2 In the event that the Chief Financial Officer remains dissatisfied with the outcome of the meeting, he may raise the issue in writing with the Municipal Executive Committee by requesting that the issue be placed on the agenda of a meeting of the Executive Committee.

The Executive Committee will determine the process for resolving the issue, which will involve at least, providing the Chief Financial Officer with an opportunity to state his case orally or in writing. At the request of the Chief Financial Officer, the Executive Committee will record its decision on the issue in writing. The decision of the Executive Committee on the issue will be made within 2 weeks of the issue being raised, or as soon thereafter as possible.

- 13.3 In the event that one party is dissatisfied with the outcome of the meeting, the matter shall be mediated by the MEC for COGTA in the province or any other person appointed by the MEC within thirty days of the receipt of a formal dispute from the Municipality.

14. LIMITATIONS OF THE CONTRACT

- 14.1 This performance agreement is between the Municipal Manager and the Chief Financial Officer on the expected performance of the Chief Financial Officer during the 2014/2015 financial year. The performance agreement is subject to the South African Legislative Framework and the employment contract entered into by and between Municipal Manager and the Chief Financial Officer. The performance agreement shall therefore be within the South African Legislative Framework.

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- 14.2 In cases of ambiguity, the employment contract shall prevail over this performance agreement.

15. GENERAL

- 15.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" and "B" will not be confidential, and may be made available to the public by the Municipality, where appropriate.
- 15.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Chief Financial Officer of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

16. WHOLE AGREEMENT

- 16.1 The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Chief Financial Officer with effect from 01 July 2014.
- 16.2 No agreement, adding to, deleting from or cancellation, and varying to this contract shall be effective unless reduced to writing and signed by both parties.
- 16.3 Annexure A and B form part of this contract.



Signed at FRANKFORT on this 17 day of JULY
2014.

Signature _____

Signed on behalf of the Mayor/Council by:

Puseletso Isaac Radebe (The Municipal Manager)

AS WITNESSES

1. Signature.....

2. Signature.....

Signed at Frankfort on this 17 day of July
2014.

Signature _____

Signed and Accepted by:

Nkabi Andrew Hlubi (Chief Financial Officer)

AS WITNESSES

1. Signature.....

2. Signature.....

PERFORMANCE DEVELOPMENT PLAN

Entered into by and between

MAFUBE LOCAL MUNICIPALITY


“the Employer”

Represented by:

**Mr Puseletso Isaac Radebe
(Municipal Manager)**

and

**Mr Nkabi Andrew Hlubi
Chief Financial Officer
[“the Employee”]**


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1. Purpose

The performance plan defines the Council's expectations of the Chief Financial Officer's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. Key responsibilities

The following objectives of local government will inform the Chief Financial Officer's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.



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4. Municipal Integrated Development Planning (IDP) Key Strategic Objectives

4.1 Infrastructural Development

The municipality has committed itself to ensure that the infrastructural backlog is addressed and communities are provided with clean water, bucket system is eradicated, streets and stormwater drainage are upgraded, all houses are electrified, waste disposal is managed effectively to avoid health hazards, cemeteries are provided, cleaned and fenced.

4.2 Land Development and Housing

Municipality has committed itself to coordinate the process of housing delivery and development, through provision of land for economic activities, commercial, residential development and ensure that land reform is sustainable.

4.3 Safety and Security

Municipality will ensure that its property, asset and community are protected through working hand in hand with the South African Police Services, making sure that all public places are secured and will strive to encourage more satellite police stations and corruption is eliminated

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BUDGET AND TREASURY OFFICE (CFO)						
STRATEGIC PRIORITY (SP)	Ensure more effective financial management and viability.					
KEY PERFORMANCE AREA (KPA)	Municipal Financial Viability and Management					
PROGRAMMES	Billing, Customer Care, Credit Control and Cash management.					
OBJECTIVES	To ensure the effective management of municipal revenue and cash flow according to national norms and standards.					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Undertake water meter audit.	none	Ward Based Audit Performed & Procurement	Perform Ward Based Audits	Procurement of Water Meters	Installations	Installations
Issue service accounts on a monthly basis	Monthly	Accounts Issued on Monthly Basis	12 monthly service accounts issued to consumers	3 monthly service accounts issued to consumers	3 monthly service accounts issued to consumers	3 monthly service accounts issued to consumers
Updating the Indigent Register on a Quarterly Basis	None	4 Quarterly Updates	Quarterly update done.	Quarterly update done.	Quarterly update done.	Quarterly update done.
Implementation of the Revenue Enhancement Strategy	none	from the 1st of July 2014	Implementation	Monitoring & Evaluation	Monitoring & Evaluation	Monitoring & Evaluation
Implement the Incentive scheme to recoup 50% of Outstanding Debt.	None	30 September 2014	Implementation of the Incentive Scheme	Monitoring	Monitoring	Monitoring
Daily Banking of monies collected.	Daily	Daily	Daily	Daily	Daily	Daily
Link all electronic payment to relevant accounts	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
KEY PERFORMANCE AREA (KPA)	Good Governance and Community Participation					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Public Consultation on the removal of the free basic service (6kl of water)	Issued to all	Free Basic Service issued to Indigents	Review of By Laws	Public Consultations	Implementation	Monitoring & Evaluation
Quarterly reports to Mayor on Implementation of credit control & debt management policy	Quarterly reports on connections, disconnections and re-connection of services					
Management Responses to Audit Queries (Internal & External)	No reports provided	Respond to all Queries Raised	Quarterly Report to the Mayor	Quarterly Report to the Mayor	Quarterly Report to the Mayor	Quarterly Report to the Mayor
			Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised


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BUDGET AND TREASURY OFFICE (CFO)						
STRATEGIC PRIORITY (SP)	Ensure more effective financial management and viability.					
KEY PERFORMANCE AREA (KPA)	Municipal Financial Viability and Management					
PROGRAMMES	Supply Chain Management					
OBJECTIVES	To ensure that free, fair, equitable, transparent, competitive and cost effective supply chain management is achieved.					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Updating of the Supplier Database	none	Updated on a Quarterly Basis	Quarterly Update	Quarterly Update	Quarterly Update	Quarterly Update
Development of a Procurement Plan	none	30-Jun-15		Receive Inputs from User Departments	Engagements with User Departments	30-Jun-15
Contract management & monitoring	none	100%	Monitoring & Reporting	Monitoring & Reporting	Monitoring & Reporting	Monitoring & Reporting
Reporting of Contract above R100 000 to Treasury	none	Monthly	Monthly	Monthly	Monthly	Monthly
KEY PERFORMANCE AREA (KPA)	Good Governance and Community Participation					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Submission of the Quarterly Report on the Implementation of SCM Policy	none	3 Quarterly Reports		Submission of the 1st Quarter Report	Submission of the 2nd Quarter Report	Submission of the 3rd Quarter Report
Management Responses to Audit Queries (Internal & External)		Respond to all Queries Raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised
KEY PERFORMANCE AREA (KPA)	Municipal Transformation and Institutional Development					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Training of Officials on SCM policy and procurement procedures		Trained SCM Officials	On Going	On Going	On Going	On Going

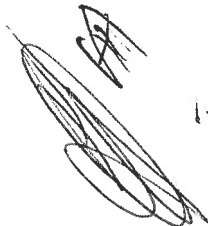

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BUDGET AND TREASURY OFFICE (CFO)							
STRATEGIC PRIORITY (SP)	Ensure more effective financial management and viability.						
KEY PERFORMANCE AREA (KPA)	Municipal Financial Viability and Management						
PROGRAMMES	Expenditure Management						
OBJECTIVES	To implement an effective and efficient system of expenditure management.						
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET	
Timely receipt of salary changes	10th of each month	10th of each month	10th of each month	10th of each month	10th of each month	10th of each month	
Timely payment of third parties	7th of each month	7th of each month	7th of each month	7th of each month	7th of each month	7th of each month	
Timely payment of salaries	25th of each month	25th of each month	25th of each month	25th of each month	25th of each month	25th of each month	
Submission of Statutory Returns		7th of each month	7th of each month	7th of each month	7th of each month	7th of each month	
Management of Expenditure	Over-Expenditure Reported	No Over-expenditure on Budget	25% spending	50% spending	75% spending	100% spending	
Prepare Fruitless & Wasteful Expenditure Register	Updated on regular basis	Fruitless & Wasteful Register develop per month	Develop a monthly Register	Develop a monthly Register	Develop a monthly Register	Develop a monthly Register	
Reduction of fruitless & wasteful expenditure		% Reduction on fruitless & wasteful expenditure	Establishment of Section 32 Committee	Evaluation & Investigation	Evaluation & Investigation	Evaluation & Investigation	
Payment of creditors within 30 days	none	100% of Creditors paid Within 30 days of receipt of invoice/report.	100%	100%	100%	100%	100%
KEY PERFORMANCE AREA (KPA)	Good Governance and Community Participation						
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET	
Management Responses to Audit Queries (Internal & External)		Respond to all Queries Raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	




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BUDGET AND TREASURY OFFICE (CFO)						
STRATEGIC PRIORITY (SP)	Ensure more effective financial management and viability.					
KEY PERFORMANCE AREA (KPA)	Municipal Financial Viability and Management					
PROGRAMMES	Budgeting and Reporting					
OBJECTIVES	To ensure that the municipal budget and financial reporting processes are compliant with applicable Legislation.					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Tabling of the Draft 2015/16 Annual Budget to Council Development, reviewal & approval of Budget related policies	none	Tabled by the 31st March 2015 Approved policies by 30th of May 2015 Tabled by the 30th of May 2015	Tabling of the Budget Process Plan by 31st of August 2014 Review of Policies	Implementation of the Budget Process Plan Consultation	Tabling of the Draft Budget Workshop & Training	Tabling & Approval Public Participation & Tabling
Tabling of the Final 2015/16 Budget to Council						
Submission of 2015/16 MSIG Activity Plan		Submit by 31st March 2015			Submission of the Plan	Submission of the Plan
Submission of 2015/16 FMG Activity Plan		Submit by 30 April 2015				
Submission of Section 71 Reports within 10 working days after end of each month.	Monthly	14th of every Month After the end of each Quarter	Monthly	Monthly	Monthly	Monthly
Submission of quarterly National Treasury returns	Quarterly		Quarterly	Quarterly	Quarterly	Quarterly
Submission of Mid-year Budget assessment and Budget Adjustment report	100%	By 25th of January 2015			100%	
Submission of Banking details to Provincial and National Treasury		90 days before the beginning of the financial year. By the 31st March 2014				
100%						
KEY PERFORMANCE AREA (KPA)	Good Governance and Community Participation					
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET
Management Responses to Audit Queries (Internal & External)		Respond to all Queries Raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised


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BUDGET AND TREASURY OFFICE (CFO)							
STRATEGIC PRIORITY (SP)	Ensure more effective financial management and viability.						
KEY PERFORMANCE AREA (KPA)	Municipal Financial Viability and Management						
PROGRAMMES	Financial Accounting and Assets Management						
OBJECTIVES	To ensure that the municipality complies & timeously submit credible GRAP complaint Annual Financial Statements						
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET	
Monthly reconciliation of Cash & Bank, Fixed Assets, Debtors, Creditors, Loans, Investments, Conditional Grants, VAT, Payroll, Control Accounts, Consumer Deposits.	7TH of Each Month	12 Monthly Recons	3 monthly recons	3 Monthly recons	3 Monthly recons	3 Monthly recons	
Fixed Asset Register (FAR) updated on an ongoing basis inline with GRAP 17	FAR only updated on year end.	Update FAR on a Quarterly Basis	FAR Updated Monthly	FAR Updated Monthly	FAR Updated Monthly	FAR Updated Monthly	
Submission of accurate & valid VAT Returns	Monthly	By the 25th of each month	Monthly	Monthly	Monthly	Monthly	
Compilation of six monthly AFS	none	2 Sets of AFS	3 monthly TB's	3 monthly TB's	3 monthly TB's	3 monthly TB's	100%
Balancing of the Trial Balance (TB)	none	All suspense accounts cleared by year end	Investigation & clearing	Investigation & clearing	Investigation & clearing	Investigation & clearing	
Suspense Accounts are investigated & cleared timeously.	none	All transaction properly classified	verification	verification	verification	verification	
Ensure proper classification of transactions in the General Ledger (GL)	none	7 days after year end	100%	100%	100%	100%	
Perform year end procedures	none	2nd week of August 2014					
Submit Draft AFS for review to the Audit Committee	none	30th of August 2014	AFS Submitted to AG				
Submit AFS to Auditor General & National Treasury	none						
KEY PERFORMANCE AREA (KPA)	Good Governance and Community Participation						
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET	
Management Responses to Audit Queries (Internal & External)		Respond to all Queries Raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	Respond to Queries as they raised	
Development of the Audit Action Plan							
Developed by MORAR by end of January 2015							
KEY PERFORMANCE AREA (KPA)	Municipal Transformation and Institutional Development						
KEY PERFORMANCE INDICATOR (KPI)	BASELINE (2013/14)	ANNUAL TARGET (2014/15)	1ST QUARTER TARGET	2ND QUARTER TARGET	3RD QUARTER TARGET	4TH QUARTER TARGET	
Training of Officials on VAT returns and reconciliation	No training	Trained officials on VAT Returns & Reconciliations	On Going	On Going	On Going	On Going	





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ANNEXURE B

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		WEIGHTING
Strategic Capability		7
Programme and Project Management		6
Financial Management		7
Change Management		3
Knowledge Management		4
Service Delivery Innovation		7
Problem Solving and Analytical Thinking		6
People and Diversity Management		6
Client Orientation and Customer Focus		7
Communication		7
Accountability and Ethical Conduct		7
Policy Conceptualization and Implementation		7
Mediation Skills		4
Advanced negotiation skills		6
Advanced influencing skills		5
Partnership and stakeholder relations		6
Supply chain management		7
		100%



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Signed and Accepted by:

Nkabi Andrew Hlubi

Chief Financial Officer

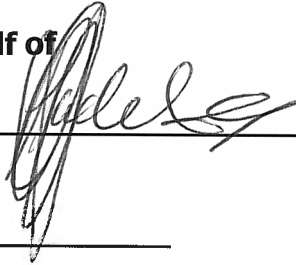


Date 17 July 2014

Signed by:

the Municipal Manager on behalf of

Mayor/Council



Date 17 July 2014

As Witness

1. 

2. 