

PERFORMANCE AGREEMENT

THE COUNCIL OF THE AMAJUBA DISTRICT MUNICIPALITY

Herein represented by **MUSA GRIFFITHS NGUBANE**
in his duly authorized capacity as Mayor of the Amajuba District Municipality

AND

SIPHO RAYNOLD ZWANE

Municipal Manager: Office of the Municipal Manager

FK.

JCM
for RM

WHEREAS

A. The Employer has entered into a Agreement of Employment with the Employee in terms of section 57(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

B. Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000, read with the Memorandum of Agreement of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement within sixty days of assumption of duty, and renew it annually within one month of the commencement of the beginning of the financial year;

C. The parties must 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 as defined in the municipal Integrated Development Plan; and

D. The parties must ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Local Government: Municipal Systems Act, 2000,

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**INTERPRETATION AND DEFINITIONS**

1. In this Agreement, unless the context indicates otherwise–

(a) an expression, which denotes any gender, includes the other genders, a natural person includes an judicial person and vice versa, and the singular includes the plural and vice versa;

(b) clause headings are for convenience only and will not be used in its interpretation, and the following expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings–

“**agreement**” means this Performance Agreement and all the Appendices hereto;

“**Employee**” means **SIPHO RAYNOLD ZWANE**

“**MEC**” means the Member of the KwaZulu-Natal Executive Council responsible for local government;

“**MFMA**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“**Municipality**” means the Amajuba District Municipality, established in terms of Structures Act;

FK.

[Handwritten signature]

"parties" means the Municipality and the Employee;

"Regulations" means the Local Government: Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, promulgated in the Government Gazette as Regulation Notice 805 on 1 August 2006;

"Structures Act" means the Local Government: Municipal Structures Act, 2000 (Act No. 117 of 1998); and

"Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), and the Regulations promulgated in terms of the Act;

(c) words and expressions defined in any sub-clause, for the purpose of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause; and

(d) this agreement is governed by and construed in accordance with the laws of the Republic of South Africa.

PURPOSE OF THIS AGREEMENT

2. The purpose of this Agreement is to –

- (a) comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Systems Act as well as the Memorandum of Agreement of Employment entered into between the parties;
- (b) communicate the Employer's performance expectations and accountabilities to the Employee, by specifying objectives and targets as defined in the IDP;
- (c) specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Appendix "A";
- (d) monitor and measure performance against set targeted outputs;
- (e) use this Agreement and the Performance Plan as the basis for assessing the performance of the Employee and to establish whether the Employee has met the performance expectations applicable to the position; and
- (f) appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance.

COMMENCEMENT AND DURATION

3. (1) This Agreement will commence on **01 JULY 2019** and will remain in force until **30 JUNE 2020** whereafter a new Agreement, Performance Plan (KPI) and Personal Development Plan must be concluded between the parties after the commencement of the new financial year for each of the following financial years or any portion thereof for the duration of the Agreement of Employment.

F-K

[Handwritten signature]

(2) This Agreement will terminate on the termination of the Employee's employment for any reason whatsoever.

(3) The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

(4) 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 must immediately be revised.

(5) Any significant amendments or deviations must take cognisance of the requirements of sections 34 and 42 of the Systems Act, and regulation 4(5) of the Regulations.

PERFORMANCE OBJECTIVES

4.(1) The Performance Plan must set out the—

- (a) the performance objectives and targets that must be met by the Employee; and
- (b) the time frames within which those performance objectives and targets must be met.

(2) The performance objectives and targets reflected in the Performance Plan must—

- (a) be set by the Employer in consultation with the Employee;
- (b) be based on the Integrated Development Plan and Budget of the Employer; and
- (c) include key objectives, performance indicators, target dates and weightings.

(3) It is agreed that—

- (a) the key objectives must describe the main tasks that must be performed by the Employee;
- (b) the key performance indicators provide the details of the evidence that must be provided to indicate that a key objective has been achieved;
- (c) the target dates describe the timeframe in which the work must be achieved; and
- (d) the weightings indicate the relative importance of the key objectives to each other.

(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.

PERFORMANCE MANAGEMENT SYSTEM

5.(1) The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Municipality, and accepts that the purpose of the performance management system is to provide a comprehensive system, with specific performance standards, to assist Municipality to perform to the standards required.

(2) The Employer must consult the Employee about the specific performance standards that are included in the performance management system that are applicable to the Employee.

FF

JCM
RM

(3) The Municipal Council does not pay future performance bonuses to the Accounting Officer who cause the Municipality to attain a negative audit outcome and who are responsible for unauthorized, Irregular, fruitless or wasteful expenditure"

(4a) 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.

(4b) The Employee must be assessed on his or her performance in terms of the performance indicators identified in the attached Performance Plan and include–

(a) the Key Performance Areas; and

(b) Competency Framework (Critical Leading & Core Competencies),

with a weighting of 80:20 allocated to sub-clause (a) and (b) respectively.

(4c) The Key Performance Areas will make up 80% of the Employee's assessment score, and will contain the following Areas:

Key Performance Areas (80% of Total)	Weighting
Basic Service Delivery	10%
Municipal Institutional Development and Transformation	25%
Local Economic Development	10%
Municipal Financial Viability and Management	20%
Good Governance and Public Participation	25
Spatial Planning & Environmental Development	10%
Total	100%

(5) The Competency Framework Structure (Critical Leading & Core Competencies Criteria) will make up the other 20% of the Employee's assessment score, and are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

COMPETENCY FRAMEWORK REQUIREMENTS FOR EMPLOYEES (20% of Total)		
Critical Leading and Core Competencies	√	WEIGHT
Strategic Direction and Leadership		10
People Management		10
Program and Project Management		10
Financial Management		10
Change Leadership		10
Governance Leadership		10
Core Competencies		
Moral Competence		10
Planning and Organising		10
Analysis and Innovation		05
Knowledge and Information Management		05
Communication		05
Results and Quality Focus		05
TOTAL		100%

EVALUATING PERFORMANCE

6. (1) The Performance Plan, attached hereto as Appendix "A", must set out the–

(a) the standards and procedures for evaluating the Employee's performance; and

(b) the intervals for the evaluation of the Employee's performance.

FK

JCM
JCM

(2) The Employer must keep a record of the mid-year review and annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.

(3) The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented or amended, provided that the Employee must be consulted before any such change is made.

OBLIGATIONS OF THE EMPLOYER

8. The Employer must–

- (a) create an enabling environment to facilitate effective performance by the Employee;
- (b) provide access to skills development and capacity building opportunities;
- (c) work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- (d) on the request of the Employee delegate such powers reasonably required by the Employee to enable him or her to meet the performance objectives and targets established in this Agreement; and
- (e) make available to the Employee such resources as the Employee may reasonably require from time to time to assist him or her to meet the performance objectives and targets established in this Agreement.

CONSULTATION

9. (1) The Employer agrees to consult the Employee timeously where the exercising of the powers will–

- (a) have a direct effect on the performance of any of the Employee's functions;
- (b) commit the Employee to implement or to give effect to a decision made by the Employer; and
- (c) have a substantial financial effect on the Employee.

(2) The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-clause (1) above, as soon as is practicable to enable the Employee to take any necessary action without delay.

MANAGEMENT OF EVALUATION OUTCOMES

10. (1) The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

(2) A performance bonus of between 5% and 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance, as per regulation 32(2) of the Regulations.

(3) In the case of unacceptable performance, the Employer–

PK.

Jan
Simpson

- (a) must provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
 - (b) may, after appropriate performance counselling and having provided the necessary guidance and support as well as reasonable time for improvement in performance, consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.
- (4) should, a Manager incur UIFW Expenditure for that particular financial year, no bonus will be paid regardless of the score he/she receives.

DISPUTE RESOLUTION

11. (1) Any disputes about the nature or content of the Employee's Performance Agreement, must be mediated by –
- (a) the Member of the Executive Council responsible for local government in the province, in the case of the Municipal Manager, or any other person appointed by the said Member of the Executive Council; and
 - (b) the Mayor, in the case of Managers directly accountable to the Municipal Manager, within thirty days of receipt of a formal dispute from the Employee.
- (2) Any disputes about the outcome of the Employee's performance evaluation, must be mediated by–
- (a) the Member of the Executive Council for local government in the province, or any other person appointed by the MEC, in the case of the Municipal Manager; and
 - (b) a Municipal Councillor, in the case of Managers directly accountable to the Municipal Manager, provided that such a Councillor was not part of the evaluation panel contemplated in regulation 27(4)(e) of the Regulations, within thirty days of receipt of a formal dispute from the Employee.
- (3) The decision of the Mediator contemplated in sub-clauses (1) and (2) will be final and binding on both parties.

GENERAL

- 12.(1) The Employer must make the contents of this Agreement and the outcome of any review conducted in terms of the Performance Plan available to the public as contemplated in section 46 of the Systems Act.
- (2) Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his or her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- (3) The performance assessment results of the Municipal Manager must be submitted to the Member of the Executive Council responsible for local government in KwaZulu-Natal as well as

FK

JCM
SURF


the National Minister responsible for local government, within fourteen days after the conclusion of the assessment.

SIGNED AT MADADENI ON THIS THE 05 DAY OF August 2019

AS WITNESSES:

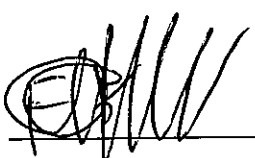
1.  _____

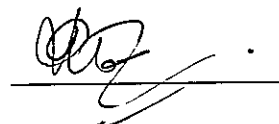
2.  _____

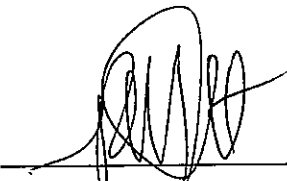
 _____
THE MUNICIPALITY

SIGNED AT MADADENI ON THIS THE 05 DAY OF August 2019

AS WITNESSES:

1.  _____

2.  _____

 _____
THE EMPLOYEE

F.1



PERSONAL DEVELOPMENT PLAN

Name of Municipality: Amajuba District Municipality

Incumbent: **SR ZWANE**

Job Title : Municipal Manager

Report To: **Mayor**

1. *What are the competencies required for this job (refer to competency profile of Job Description)?*

- Ability to guide the commissioning and operation of financial systems.
- Ability to maintain sufficient working capital (cash flow/short-term liquidity) to meet the needs of the municipality.
- Ability to guide and oversee the budget preparation and implementation process.
- Ability to lead, establish and implement good governance in the municipality.
- Ability to guide and oversee the supply chain management function.
- Ability to guide and oversee the establishment of an effective internal audit unit and audit committee.
- Ability to support the audit process, in order to obtain the optimum level of assurance from the Auditor-General.
- Ability to understand risk and guide the management of risk for the municipality.
- Ability to guide the management of change for the municipality.
- Ability to guide and manage the financial reporting process of the municipality.
- Ability to guide and manage the performance reporting process of the municipality.
- Certificate Programme in Management and Development (Municipal Finance)

2. *What competencies from the above list, does the Job Holder already possess?*

3. *What then are the competency gaps? (If the job holder possesses all the necessary competencies, complete No's 5 and 6)*

4. *Action/Training interventions to address the gaps/needs*

5. *Indicate the competencies required for future career progression/development*

6. *Actions/Training interventions to address future progression*

7. *Comments/Remarks of the incumbent*

8. *Comments/Remarks of the Supervisor*

None

Agreed Upon:

Signature:

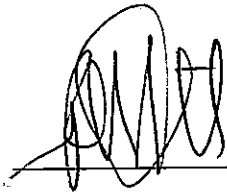


Mayor:

MG NGUBANE

Date:

Signature:



Incumbent:

SR ZWANE

Date:

Date of next review:

01 July 2020

