

PERFORMANCE AGREEMENT

THE COUNCIL OF THE AMAJUBA DISTRICT MUNICIPALITY

Herein represented by **JABULILE CYNTHIA NIGHTINGALE KHUMALO**
in her duly authorized capacity as Mayor of the Amajuba District Municipality

AND

LINDA MARSHALL AFRICA

Municipal Manager

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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 Linda Marshall Africa

"**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;

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"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 2015 and will remain in force until 30 JUNE 2016 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.

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(3) 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.

(4) 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) Core Managerial Competencies (Critical Leading & Core Competencies),

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

(5) 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	20
Municipal Institutional Development and Transformation	20
Local Economic Development	20
Municipal Financial Viability and Management	20
Good Governance and Public Participation	20
Spatial Planning & Environmental Management	
Total	100%

(6) The CMSs 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. There is no hierarchical connotation to the structure and all competencies are essential to the role of the senior manager to influence high performance and therefore must be selected as agreed between the Employer and the Employee.

Critical Leading Competencies		WEIGHT
Leading Competencies		
Strategic Direction and Leadership	<ul style="list-style-type: none"> • Impact & Influence • Institutional Performance Management • Strategic Planning & Management • Organisational Awareness 	20
People Management and Empowerment	<ul style="list-style-type: none"> • Human Capital Planning • Diversity Management • Employee Relations Management • Negotiation & Dispute Management 	10
Programme and Project Management	<ul style="list-style-type: none"> • Program and Project Planning and Implementation • Service Delivery Management • Program & Project Monitoring & Evaluation 	10

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Financial Management	<ul style="list-style-type: none"> • Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring 	10
Change Leadership	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Monitoring Impact and Evaluation 	10
Governance Leadership	<ul style="list-style-type: none"> • Policy Formulation • Risk & Compliance Management • Cooperative Governance 	10
Core Competencies		
Moral Competence		5
Planning and Organising		
Analysis and Innovation		5
Knowledge and Information Management		5
Communication		5
Results and Quality Focus		10
TOTAL		100%

EVALUATING PERFORMANCE

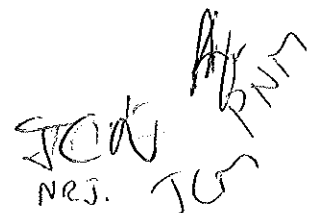
6. (1) The Performance Plan, attached hereto as Appendix "A", must set out the—

- (a) the standards and procedures for evaluating the Employee's performance; and
- (b) the intervals for the evaluation of the Employee's performance.

(2) Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage during the validity of the Agreement of Employment.

(3) Personal growth and development needs identified during any performance review discussion, as well as the actions and time frames agreed to, must be documented in a Personal Development Plan, which must be in a format substantially compliant with Appendix "B".

(4) The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.



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- (5) The annual performance appraisal must involve–
- (a) an assessment of the achievement of results as outlined in the performance plan;
 - (b) an assessment of each Key Performance Area 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;
 - (c) a rating on the five-point scale for each Key Performance Area; and
 - (d) the use of the applicable assessment rating calculator to add the scores and calculate a final Key Performance Area score.
- (6) The Core Managerial Competencies(CMC) must be assessed–
- (a) according to the extent to which the specified standards have been met;
 - (b) with an indicative rating on the five-point scale for each Competency; and
 - (c) by using the applicable assessment rating calculator to add the scores and calculating a final score.
- (7) An overall rating is calculated by using the applicable assessment-rating calculator, which represents the outcome of the performance appraisal, provided that the performance assessment of the Employee will be based on the following rating scale for both KPAs and CMCs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	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.					
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 PA 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 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.					
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 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.					

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(8) The performance of the Employee must be evaluated by an evaluation panel constituted in terms of regulation 27(4)(d), (e) and (f) of the Regulations.

SCHEDULE FOR PERFORMANCE REVIEWS

7. (1) The performance of each Employee in relation to his or her performance agreement must be in line with Performance Management Framework as amended.

Reviews to be as followings –

First quarter	July to September
Second quarter	October to December
Third quarter	January to March
Fourth quarter/Annual	April to June

Provided that informal and formal reviews are documented for each quarter.

Quarterly evaluations will be subject to internal audit processes being concluded.

Monthly reporting maybe verbal and informal for the purposes of identifying areas for corrective action and/ or review.

The first and third quarter may be verbal if performance is satisfactory.

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


(3) The employee is responsible for maintain a Portfolio of Evidence and must be made available at informal and formal evaluation sessions for audit purposes

(4) 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.


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CONSULTATION

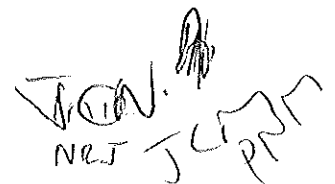
9. (1) The Employer agrees to consult the Employee timeously where the exercising of the powers will–
- (a) have a direct effect on the performance of any of the Employee's functions;
 - (b) commit the Employee to implement or to give effect to a decision made by the Employer;
- and
- (c) have a substantial 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 in terms of Section 32(2) of the Local Government: Municipal Performance Regulations and any other policy of the Council may be paid.
- (3) In the case of unacceptable performance, the Employer–
- (a) must implement Procedures for dealing with substandard performance as prescribed in section 16 of the Local Government: Disciplinary Code & Procedure for Senior Managers.

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.



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- (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 MFMA 2003, and section 46 of the Systems Act,2000.
- (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 of KwaZulu-Natal as well as the National Minister responsible for local government, within fourteen days after the conclusion of the assessment.

SIGNED AT MADADENI ON THIS THE 28 DAY OF July 2015

AS WITNESS:

- 1. [Signature]
- 2. [Signature]

[Signature]
THE MUNICIPALITY

SIGNED AT MADADENI ON THIS THE 23 DAY OF July 2015

AS WITNESS:

- 1. [Signature]
- 2. [Signature]

[Signature]
THE EMPLOYEE

SIGNED AT MADADENI ON THIS THE 29 DAY OF July 2015

4 Municipal Financial Viability and Management		Strategic Activity		Key Performance Indicator		Unit of Performance Measurement		Report Period		Baseline		Qtr Ending		Qtr Ending		Qtr Ending		Qtr Ending		Funding		Comm Means of Verification		Responsible Person	
DP Strategic Objective	Strategic Activity	Key Performance Indicator	Unit of Performance Measurement	Report Period	Baseline	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Source	Year	Budget	Actual	Comm. ems	Verification	Responsible Person									
4.1	To achieve effective financial management	Operational expenditure (actual operating)	% Percentage expenditure	Monthly	100%	##	25%	50%	75%	100%	Salaries	00253001/000	-	-	Dept. control analysis reports	Manager Municipal Director									
5 Governance & Administration	To achieve sound governance, administration and equity within Amulisa district in line with organised local government guidelines	DP Strategic Objective	Strategic Activity	Key Performance Indicator	Unit of Performance Measurement	Report Period	Baseline	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Source	Year	Budget	Actual	Comm. ems	Verification	Responsible Person							
		5.1	Establishment of PMS Review	OPMS approved by Council	Date OPMS approved	Quarter 1	#####	31 July 2015				Salaries					OPMS Council resolution	Director Planning and Development							
		5.2	Establishment of SDBIP	SDBIP approved by Mayor/ExCo	Date SDBIP approved	Quarter 4	#####	Approved 28 days after budget approval				Salaries					SDBIP-ExCo resolution	Director Planning and Development							
		5.3	Drafting of Annual Report	Draft AR adopted by Council	Date Draft AR adopted	Quarter 3	#####	Approved 31 days after report				Salaries	00213001/000	7732 432			Draft AR Council resolution	Director Planning and Development							
		5.4	Finalisation of Annual Report	AR approved by Council	Date AR approved	Quarter 3	#####	Approved 31 days after report				Salaries					AR Council resolution	Director Planning and Development							
		5.5	Development of Oversight Report	OR adopted by Council	Date OR adopted	Quarter 3	#####	Approved 31 days after report				Salaries					OR Council resolution	Director Planning and Development							
		5.6	Development of Risk Management Strategy	Risk management Strategy developed	Date RM approved	Quarter 1		Approved by Council 30 Sep 2014				Salaries/Assistance from KZNPT	0253001/000	7 092 799			Risk Register approved by MM	Manager Municipal Audit							
		5.7	Development of Fraud and Corruption Policy & Strategy	Fraud and corruption policy & strategy developed	Date policy & strategy developed	Quarter 2		Approved by Council 31 Dec 2014				Salaries/Assistance from KZNPT					Fraud and corruption policy/strategy developed	Manager Municipal Audit							
		5.8	Functional Audit and Performance Management Committee	Audit committee meetings held	Number of AC meetings	Quarterly	4 meetings	1 meeting	1 meeting	1 meeting	1 meeting	ADM	00253001/000	250 000			Agenda, Minutes, Attendance register	Manager Municipal Audit							
		5.9	Approval of annual audit plan	Annual audit plan approved by AC	Date IA Plan approved	Quarter 1	#####	Approved 31 Jul 2014				ADM					Approved IA Plan Minutes of AC with resolution	Manager Municipal Audit							
5.10	Implementation of IA	Percentage implementation of IA	Number of audit plan	Quarterly	100%	25%	50%	75%	100%	Suicides	00253001/000	7092799			Status of IA Activity Report	Manager Municipal Audit									
5.11	Management of cases referred to relevant sectors such as SETA	Percentage of cases referred to relevant sectors closed	Number of cases referred to relevant sectors closed	Quarterly	100%	100%	100%	100%	100%						Business plan from SETA website. Responses to cases	Manager Municipal									
5.12	Management of cases referred to relevant sectors such as SETA	Percentage of cases referred to relevant sectors closed	Number of cases referred to relevant sectors closed	Quarterly	100%	100%	100%	100%	100%						Business plan from SETA website. Responses to cases	Manager Municipal									
5.13	Implementation of Public Participation Strategy	Percentage of public participation meetings	Number of public participation meetings	Quarterly	100%	100%	100%	100%	100%						Minutes of public participation meetings	Director Communication									
5.14	Implementation of Public Participation Strategy	Percentage of public participation meetings	Number of public participation meetings	Quarterly	100%	100%	100%	100%	100%						Minutes of public participation meetings	Director Communication									
5.15	Implementation of Public Participation Strategy	Percentage of public participation meetings	Number of public participation meetings	Quarterly	100%	100%	100%	100%	100%						Minutes of public participation meetings	Director Communication									



PERSONAL DEVELOPMENT PLAN

Name of Municipality: Amajuba District Municipality
Incumbent: LM Africa
Job Title : Municipal Manager
Report To: Mayor

1. <i>What are the competencies required for this job (refer to competency profile of Job Description)?</i> <ul style="list-style-type: none">- Ability to guide, support and contribute to the formulation of Policy.- Financial Management.- Governance Systems & performance management.- Institutional Transformation.- Bachelor Degree in Public Administration or relevant field.
2. <i>What competencies from the above list, does the Job Holder already possess?</i>
3. <i>What then are the competency gaps? (If the job holder possesses all the necessary competencies, complete No's 5 and 6)</i>
4. <i>Action/Training interventions to address the gaps/needs</i>
5. <i>Indicate the competencies required for future career progression/development</i> <i>Masters in Development Finance</i>
6. <i>Actions/Training interventions to address future progression</i>
7. <i>Comments/Remarks of the incumbent</i>
8. <i>Comments/Remarks of the Supervisor</i>

Agreed Upon:

Signature:

Mayor:

Date:

06/06/2015

inc. JCN

