



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND
BETWEEN:

NGQUSHWA LOCAL MUNICIPALITY

AS REPRESENTED BY

MR. NDODA MGENGO

MUNICIPAL MANAGER

AND

MR. FORTUNE TINASHE FUNDIRA

CHIEF FINANCIAL OFFICER

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

**FINANCIAL YEAR: 1 JULY 2024 – 30 JUNE
2025**

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N.D.

ENTERED INTO BY AND BETWEEN:

The Ngqushwa Municipality herein represented by **MR. NDODA MGENGO** in his capacity as the Municipal Manager (hereinafter referred to as the **Employer**)

and

MR FORTUNE TINASHE FUNDIRA; the Chief Financial Officer of the Municipality (hereinafter referred to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires 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(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1 comply with the provisions of Section 57(1)(b), (4B) and (5) of the Act as well as the employment contract entered into by between the parties;
- 2.2 specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountability as set out in a performance plan, which forms an annexure to the Performance Agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery

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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 July 2024** and will remain in force until **30 JUNE 2025** thereafter a new Performance Agreement; Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement in each quarter. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by no later than beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at 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 decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

- 4.1 The performance Plan (Annexure A) sets out-
- 4.1.1 the performance objectives and targets that must be met by the **Employee**;
 - and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the **Employer** in consultation with the **Employee** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**, and shall include; key performance indicators; target dates and weightings.
- 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 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.

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5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employer**, management and municipal staff of the **Employer**.
- 5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Employer**, management and municipal staff to perform to the standards required.
- 5.3 The **Employer** will consult the **Employee** about the specific performance standards that will be included in the performance management system as applicable to the **Employee**.
- 5.4 The **Employee** undertakes to actively focus towards the promotion and implementation of the KPAs (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 consists of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1 The **Employee** will be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6 The **Employee's** assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (**Annexure A**), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings below agreed to between the **Employer** and the **Employee**:

Key Performance Areas (KPA's)	Weighting
Quality Basic Services and Infrastructure Development	10%
Institutional Development and Design	10%
Local Economic Development and Spatial Planning	10%
Financial Viability and Management	50%
Good Governance and Public Participation	20%
Total	100%

- 5.7 Key performance areas related to the functional area of the **Employee** will be subject to negotiation between the **Employer** and the **Employee**.
- 5.8 The CCRs will make up the other 20% of the **Employee's** assessment score. CCRs that are deemed to be most critical for the **Employee's** specific job will be selected (✓) from the list below as agreed to between **Employer** and **Employee**. Three of the CCRs are compulsory for Managers directly accountable to Municipal Managers:

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Core Competency Requirements for Managers (CCR)		Indicate Choice: Select Yes/No	Weight
	Core Managerial Competencies		
CCR1	Strategic Capability and Leadership	Yes	10%
CCR2	Programme and Project Management	Yes	10%
CCR3	Financial Management	Compulsory	15%
CCR4	Service Delivery Innovation	Yes	10%
CCR5	People Management and Empowerment	Compulsory	10%
CCR6	Client Orientation and Customer Focus	Compulsory	10%
CCR7	Communication	Yes	5%
CCR8	Risk Management	Yes	5%
CCR 9	Audit Action Plan	Yes	10%
	Core Occupational Competencies		
CCR10	Interpretation of and implementation within the legislative and national policy framework	Yes	5%
CCR11	Knowledge of developmental local government	Yes	5%
CCR12	Knowledge of Performance Management and Reporting	Yes	5%
Total CCR Score			100%

6. EVALUATING PERFORMANCE

6.1 The Municipality's Performance Management Framework sets out-

- 6.1.1 the standards and procedures for evaluating the Employee's performance; and
- 6.1.2 the intervals for the evaluation of the Employee's performance

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

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

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

6.5 The annual performance appraisal will involve:

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

- a) Each KPA will be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that have had to be performed under the KPA.
- b) An indicative rating on the five-point scale will be provided for each KPA.
- c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) will be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- a) Each CCR will be assessed according to the extent to which the specified standards have been met.
- b) An indicative rating on the five-point scale will be provided for each CCR.
- c) This rating will be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- d) The applicable assessment rating calculator (refer to paragraph 6.5.1) will be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

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

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

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 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 standards 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 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 of 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					

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		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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6.7 For purposes of evaluating the annual performance of the **Employee**, an evaluation panel constituted of the following persons shall be established -

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee
- 6.7.3 Member of the Mayoral Committee or in respect of a plenary type municipality, another member of the Council; and
- 6.7.4 Municipal Manager from another municipality.

6.8 The manager responsible for Performance Management System of the municipality shall provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employee** in relation to his Performance Agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July – September 2024
Second quarter	:	October – December 2024
Third quarter	:	January – March 2025
Fourth quarter	:	April – June 2025

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

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

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

7.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The **Employer** shall –

- 9.1.1 create an enabling environment to facilitate effective performance by the **Employee**;
- 9.1.2 provide access to skills development and capacity building opportunities;

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- 9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;
- 9.1.4 on the request of the **Employee** delegate such powers reasonably required by the **Employee** to enable him 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 reasonable require from time to time to assist him 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 commitment of 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 10.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of between 1% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 101% to 129% is awarded a performance bonus ranging from 1% to 5%; and
 - 11.2.2 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.3 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the **Employer** shall –
 - 11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his performance; and
 - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his duties.

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12. DISPUTE RESOLUTION

12.1 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 the Mayor within thirty (30) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both parties.

12.2 Any dispute about the outcome of the Employee's performance evaluation, must be mediated by a member of the Municipal Council, provided that such member was not part of the evaluation panel provided for in 6.8, within thirty (30) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both parties.



13. GENERAL


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

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

Thus done and signed at Ngqushwa Local Municipality on the 3rd day of July 2024



AS WITNESSES:

1.  _____
2.  _____



EMPLOYEE

AS WITNESSES:

1.  _____
2.  _____



MUNICIPAL MANAGER

Handwritten notes:
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ANNEXURE B: PERSONAL DEVELOPMENT PLAN – PDP
NGQUSHWA LOCAL MUNICIPALITY – PERFORMANCE AGREEMENT ANNEXURE B
PERSONAL DEVELOPMENT PLAN 2024/2025

Full Names : FORTUNE TINASHE FUNDIRA

Employee Number :

Position : CHIEF FINANCIAL OFFICER

KPA : FINANCIAL VIABILITY AND MANAGEMENT

Supervisor's Name : NDODA MGENGO

Job Purpose : To ensure the provision of high level systems and services for all administrative functions within Ngqushwa Local Municipality's Community Services Department.

Table 1: Areas of Development and Formal Training

#	SKILLS PERFORMANCE GAP	OUTCOME EXPECTED	SUGGESTED TRAINING AND / OR DEVELOPMENT ACTIVITY	SUGGESTED TIMEFRAME	SUPPORT PERSON
1.	Strategic Management Courses	To be able to manage and respond to the needs of the administration.	Strategic Management	2024/25	MM
2.					
3.					

Table 2: Other

You may attend an awareness session, seminar, conference, understudying, on-the-job training within the year that will seek to address any of the areas of development or personal development needs.

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#	NAME OF SESSION, SEMINAR, CONFERENCE	OBJECTIVE OF DEVELOPMENT	QUARTER TARGETED / PERIOD / TIMEFRAME
1.	Annual Cigfaro Seminar	To keep senior management and practitioners abreast of important developments in the arena of finance.	Annual 2024/2025
2.			

We, (Employee) and (Supervisor) agree that the above-mentioned areas for development and the type of intervention suggested would be engaged in to achieve objective/s for development. We also understand that due to the operational requirements and budget constraints of the Municipality (Department/division/unit), it may not be possible to undertake the training and development stated with the type of intervention stated and/or within the quarter of the year as stated. There is also an understanding between us that areas of development could be identified throughout the year and that this may change the order of priority and type of intervention as stated in the plan.

Signature: (Employee)  Date: 03/07/2024

Supervisor's Signature:  Date: 03/07/2024

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	Number of interim financial statements developed and submitted to Provincial Treasury by 30 June 2025.	One 2024/25 interim financial statements developed and submitted to Provincial Treasury by 30 June 2025	R0	New indicator	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	One 2024/25 interim financial statements developed and submitted to Provincial Treasury by 30 June 2025.	Signed 2024/25 interim financial statements and proof of submission to Provincial Treasury		
To achieve the required level of service in the most cost-efficient manner, which is achieved through management of the asset's life cycle by 2025.	Number of reports on the updated Institutional Fixed Asset Register (current and additional) compiled by 30 June 2025	Two (2) reports on the updated Institutional Fixed Assets Register (current and additional) compiled by 30 June 2025	R0	Two fixed assets register reports submitted in 2023/24	No planned target for this quarter	No planned target for this quarter	Compile quarterly report on updated Fixed Asset Register by 31 December 2024	Signed quarterly report on updated fixed asset register	No planned target for this quarter	No planned target for this quarter	Compile quarterly report on updated institutional Fixed Asset Register by 30 June 2025	Signed quarterly report on updated institutional fixed asset register			
	Number of fixed asset reconciliation registers compiled and approved by CFO by 30 June 2025	12 fixed asset reconciliations registers compiled and approved by CFO by 30 June 2025	R0	New indicator	Compile three (3) monthly fixed asset reconciliation registers approved by CFO by 30 September 2024	Signed three fixed asset reconciliation registers compiled and approved by CFO	Compiled three (3) monthly fixed asset reconciliation registers approved by CFO by 31 December 2024	Signed three fixed asset reconciliation registers compiled and approved by CFO	Compile three (3) fixed asset reconciliation registers approved by CFO by 31 March 2025	Signed three fixed asset reconciliation registers compiled and approved by CFO	Compile three (3) fixed asset reconciliation registers approved by CFO by 30 June 2025	Signed three fixed asset reconciliation registers compiled and approved by CFO	CFO	BTO 18	
Implementing sound Revenue and debt management practices through revenue maximisation by 2025	Number of reports compiled indicating percentage of actual revenue collected by 30 June 2025	Four (4) reports compiled indicating 100% percentage (R22 million) of actual revenue collected by 30 June 2025.	R0	Four revenue reports submitted in 2023/24	Compile quarterly report indicating 50% of R22 million revenue collected by 30 September 2024	Signed quarterly report indicating 50% of R22 million revenue collected	Compile quarterly report indicating 30% of R22 million revenue collected by 31 December 2024	Signed quarterly report indicating 30% of R22 million revenue collected	Compile quarterly report indicating 10% of R22 million revenue collected by 31 March 2025	Signed quarterly report indicating 10% of R22 million revenue collected	Compile quarterly report indicating 10% of R22 million revenue collected by 30 June 2025	Signed quarterly report indicating 10% of R22 million revenue collected	CFO	BTO 20	
	Number of engagements facilitated by the institution with rate payers by 30 June 2025	Two(2) engagements facilitated by the institution with rate payers by 30 June 2025	R0	New indicator	Facilitate quarterly engagements with rate payers by 30 September 2024	1.Invitation 2.Minutes with resolutions of the engagements 3.Attendance register	No planned target for this quarter	No planned target for this quarter	Facilitate quarterly engagements with rate payers by 31 March 2025	1.Invitation 2.Minutes with resolutions of the engagements 3.Attendance register	No planned target for this quarter	No planned target for this quarter	CFO	BTO 21	
	Number of reports on Maintenance of General Valuation Roll compiled by 30 June 2025	Four (4) reports developed on Maintenance of General Valuation Roll compiled by 30 June 2025	R0	Four GVR reports submitted in 2023/24	Compile quarterly report on maintenance of General Valuation Roll by 30 September 2024	Signed quarterly report on maintenance of General Valuation Roll	Compile quarterly report on maintenance of General Valuation Roll by 31 December 2024	Signed quarterly report on maintenance of General Valuation Roll	Compile quarterly report on maintenance of General Valuation Roll by 31 March 2025	Signed quarterly report on maintenance of General Valuation Roll	Compile quarterly report on maintenance of General Valuation Roll by 30 June 2025	Signed quarterly report on maintenance of General Valuation Roll	CFO	BTO 26	

Signed by:



Tinashe Fundira
Chief Financial Officer

05 July 2024