

**PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN**

**CAPRICORN DISTRICT MUNICIPALITY  
AS REPRESENTED BY THE MUNICIPAL MANAGER**

**NGOAKO DANIEL MOLOKOMME**

**AND**

**MORONGWE ADELAIDE MONIAPA**

**SENIOR MANAGER: STRATEGY, PLANNING  
AND ECONOMIC DEVELOPMENT**

**FOR THE FINANCIAL YEAR:  
1 JULY 2011 TO 30 JUNE 2012**

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**WHEREBY IT IS AGREED AS FOLLOWS:**

**1. INTRODUCTION**

1.1 The Municipality has, in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 ("the Systems Act") entered into a contract of employment with the Manager for a period of 5 years, commencing on 15 NOVEMBER 2010

1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the Parties, require the Parties to conclude an annual performance agreement.

1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Manager to a set of outcomes that will secure local government policy goals.

1.4 The Parties wish to ensure that there is compliance with Sections 57(4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into by the Parties.

1.5 In this Agreement the following words will have the meaning ascribed thereto:

"this Agreement" - means the performance agreement between the Municipality and the Manager and the annexures thereto.

"the Executive Authority" - means the Executive Committee of the Municipality constituted in terms of Section 43 of the Local Government: Municipal Structures Act as represented by its chairperson, the Mayor.

"the Manager" - means Senior Manager directly accountable to the Municipal Manager in terms of Section 56(a) of the Systems Act.

"the Municipal Manager" - means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998.

"the Municipality" - means C.D.M. Municipality.

"the Parties" - means the Municipal Manager and the Manager.

## 2. PURPOSE OF THIS AGREEMENT

- 2.1 The Parties agree that the purposes of this Agreement are to:
- 2.1.1. comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into between the Parties;
  - 2.1.2. specify objectives and targets defined and agreed with the Manager and to communicate to the Manager the Municipality's expectations of the Manager's performance and accountability in alignment with the Integrated Development Plan (IDP), the Service Delivery Business Implementation Plan (SDBIP) and the budget of the Municipality;
  - 2.1.3. specify accountabilities as set out in a performance plan.
  - 2.1.4. monitor and measure performance against targeted outputs and outcomes;
  - 2.1.5. use performance plan as a basis for assessing the Manager for permanent employment and/or to assess whether the Manager has met the performance expectations applicable to his/her job;
  - 2.1.6. appropriately reward the Manager in accordance with the Municipality's performance management policy in the event of outstanding performance;
  - 2.1.7. establish a transparent and accountable working relationship; and
  - 2.1.8. give effect to the Municipality's commitment to a performance-orientated relationship with its Manager in attaining equitable and improved service delivery.

## 3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature this Agreement will commence on the **1<sup>st</sup> of July 2011** and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan is concluded between the Parties as contemplated in Clause 3.2
- 3.2 The Parties will review the provisions of this Agreement during June each year. The Parties will conclude a new performance agreement including a Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the 31<sup>st</sup> of July each year.
- 3.3 The payment of the performance bonus is determined by the performance score obtained during the 4<sup>th</sup> quarter annual performance assessment as informed by the quarterly performance assessments.

- 3.4 The payment of a performance bonus for the year in which the Manager's contract of employment expires will be done as set out in clause 3.3
- 3.5 In the event of the Manager commencing or terminating his services with the Municipality during the validity period of this Agreement, the Manager's performance for the portion of the period referred to in clause 3.1 during which he was employed, will be evaluated and he will be entitled to a pro rata performance bonus based on his evaluated performance and the period of actual service.
- 3.6 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon by the Parties.
- 3.7 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.
- 3.8 This Agreement will terminate on the termination of the Manager's contract of employment for any reason.

#### **4. PERFORMANCE OBJECTIVES**

- 4.1 The Performance Plan in **Annexure A** sets out:
- 4.1.1 the performance objectives and targets which must be met by the Manager; and
  - 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The Core Competency Requirements (CCRs) reflected in **Annexure B** set out those management skills regarded as critical to the position held by the Manager.
- 4.3 The Personal Development Plan in **Annexure C** sets out the Manager's personal developmental requirements in line with the objectives and targets of the Municipality.
- 4.4 The performance objectives and targets reflected in Annexure A are set by the Municipality in consultation with the Manager and based on the IDP, SDBIP and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.

- 4.5 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 time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.6 The Manager's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

## **5. PERFORMANCE MANAGEMENT SYSTEM**

- 5.1 The Manager agrees to participate in the performance management system that the Municipality adopts or introduces for the municipal management and municipal staff of the Municipality.
- 5.2 The Manager accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the municipal management and municipal staff to perform to the standards required.
- 5.3 The Executive Committee/Council and/or Municipal Manager will consult the Manager about the specific performance standards that will be included in the performance management system as applicable to the Manager.
- 5.4 The Manager undertakes to actively focus towards the promotion and implementation of his/her Key Performance Areas as set out in the performance plan including special projects relevant to the Manager's responsibilities within the local government framework.

## **6. PERFORMANCE ASSESSMENT**

The performance of the Manager will be assessed against the outputs and outcomes achieved in terms of his/her Key Performance Areas (KPA's) as fully described in performance plan and his/her Core Competency Requirements (CCRs) determined at the commencement of this Agreement with a weighting of 80:20 allocated to the KPA's and CCRs respectively. Therefore the KPA's that refer to the main tasks of the Manager account for 80% of his/her assessment while the CCRs make up the other 20% of the Manager's assessment score.

The weightings agreed to in respect of the Manager's KPA's attached as Annexure A are set out in the table below:

KEY PERFORMANCE AREAS (KPAS)	WEIGHT
KPA 1: Municipal Transformation and Institutional Development	25%
KPA 2: Basic Service Delivery	10%
KPA 3: Local Economic Development	25%
KPA 4: Financial Viability	10%
KPA 5: Good governance and public participation	10%
<b>INPUT BEHAVIOURS</b>	
Behaviour complying with batho pele principles, CDM values and other selected CMC	
COMPETENCE-BASED INDIVIDUAL DEVELOPMENT PLANS (CBIDP)	
TOTAL PERCENTAGE	100%

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The weightings agreed to in respect of the CCRs considered most critical for the Manager's position and further defined in **Annexure C** are set out in the table below:

CORE COMPETENCY REQUIREMENTS - CCRs				
CORE MANAGERIAL COMPETENCIES (CMC)	CHOICE	WEIGHT	Current Level (1-3)	Desired Level
Strategic Capability and Leadership		3%	3	
Programme and Project Management		2%	3	
Financial Management		2%	3	
Change Management		1%	3	
Knowledge Management		2%	3	
Service Delivery Innovation		3%	3	
Problem Solving and Analysis		2%	3	
People Management and Empowerment		2%	3	
Client Orientation and Customer Focus		1%	2	
Communication		1%	3	
Honesty and Integrity		1%	3	
			3	

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<b>CORE OCCUPATIONAL COMPETENCIES (COCs)</b>				
<b>CORE MANAGERIAL COMPETENCIES (CMC)</b>	<b>CHOICE</b>	<b>WEIGHT</b>	<b>Current Level (1-3)</b>	<b>Desired Level</b>
Competence in Self Management				
Interpretation of and implementation within the legislative and national policy frameworks				
Knowledge of Developmental Local Government				
Knowledge of Performance Management and Reporting				
Knowledge of Global and SA specific political, social and economic contexts				
Competence in Policy Conceptualisation, Analysis and Implementation				
Knowledge of more than one functional municipal field or discipline				
Mediation Skills				
Governance Skills				
Competence as required by other national line sector departments				
Exceptional and dynamic creativity to improve the functioning of the Municipality				
<b>TOTAL PERCENTAGE</b>				

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The assessment of the performance of the Manager will be based on the following levels for KPAs and CCRs:

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.					

An applicable assessment rating calculator must be used to add the KPA and CCR scores and calculate final KPA and CCR percentages.

## **7. PANEL AND SCHEDULE FOR PERFORMANCE ASSESSMENTS**

An assessment panel consisting of the following persons must be established to evaluate the annual performance of the Manager at the end of the 4th quarter:

- Municipal Manager
- A member of the Executive Committee and the relevant portfolio committee chairperson

In addition the following assessments may also form part of the annual performance evaluation at the end of the 4th quarter if so agreed between the Parties:

- Manager (own assessment)
- Fellow section 57 managers
- Divisional Head reporting to the manager.

The performance of the Manager will be assessed in relation to his/her achievement of:

- the targets indicated for each KPA in Annexure A;
- the CCRs as defined in Annexure C

on a date to be determined for each of the following quarterly periods:

1 <sup>st</sup> Quarter	-	July to September
2 <sup>nd</sup> Quarter	-	October to December
3 <sup>rd</sup> Quarter	-	January to March
4 <sup>th</sup> Quarter	-	April to June

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

The Municipality may appoint an external facilitator to assist with the annual assessment.

The manager responsible for the corporate services of the Municipality must provide secretariat services to the evaluation panel for the annual performance assessment.

## **8. EVALUATING PERFORMANCE**

The Manager will submit quarterly performance reports and a comprehensive annual performance report prior to the performance assessment meetings to the Municipal Manager.

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

The evaluation of the Manager's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

At the end of the 4<sup>th</sup> quarter, the Executive Authority will determine if the Manager is eligible for a performance bonus as envisaged in his/her contract of employment.

The results of the annual assessment and the scoring report of the Manager for the purposes of bonus allocation, if applicable, will be submitted to the Executive Authority for a recommendation to the full Council.

Personal growth and development needs identified during any performance assessment discussion, must be documented in the Manager's Personal Development Plan as well as the action steps and set time frames agreed to.

Despite the establishment of agreed intervals for assessment, the Municipal Manager may, in addition, review the Manager's performance at any stage while his/her contract of employment remains in force.

## **9. OBLIGATIONS OF THE MUNICIPALITY**

The Municipality will create an enabling environment to facilitate effective performance by the Manager.

The Manager will be provided with access to skills development and capacity building opportunities.

The Municipality will work collaboratively with the Manager to solve problems and generate solutions to common problems that may impact on the performance of the Manager.

The Municipality will make available to the Manager such resources including employees as the Manager may reasonably 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 Manager to ensure that he complies with those performance obligations and targets.

The Manager will, at his request, be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.

## **10. CONSULTATION**

10.1 The Executive Committee/Council and / or Municipal Manager agrees to consult the Manager within a reasonable time where the exercising of the Executive Authority's and / or Municipal Manager's powers will –

10.1.1 have a direct effect on the performance of any of the Manager's functions;

10.1.2 commit the Manager to implement or to give effect to a decision made by the

Executive Committee/Council and/or Municipal Manager;

10.1.3 have a substantial financial effect on the Municipality.

10.2 The Municipal Manager agrees to inform the Manager 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 Manager to take any necessary action without delay.

## **11. CONSEQUENCE OF UNACCEPTABLE OR POOR PERFORMANCE**

11.1 Where the Municipal Manager is, at any time during the Manager's employment, not satisfied with the Manager's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Manager to attend a meeting with the Municipal Manager.

11.2 The Manager will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Manager's performance becomes satisfactory in accordance with a documented programme, including any dates, for implementing these measures.

- 11.3 The Municipality will provide systematic remedial or developmental support to assist the Manager to improve his/her performance.
- 11.4 If, after appropriate performance counseling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Municipal Manager holds the view that the performance of the Manager is not satisfactory, the Municipal Council will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Manager, to terminate the Manager's employment in accordance with the notice period set out in the Manager's contract of employment.
- 11.5 Where there is a dispute or difference as to the performance of the Manager under this Agreement, the Parties will confer with a view to resolving the dispute or difference.
- 11.6 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager's contract of employment with or without notice for any other breach by the Manager of his obligations to the Municipality or for any other valid reason in law.

## **12. DISPUTES**

- 12.1 In the event that the Manager is dissatisfied with any decision or action of the Executive Committee/Council and/or Municipal Manager in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of this Agreement, the Manager may meet with the Municipal Manager with a view to resolving the issue. At the Manager's request the Municipal Manager will record the outcome of the meeting in writing.
- 12.2 If any dispute about the nature of the Manager's performance agreement whether it relates to key responsibilities, priorities, methods of assessment or any other matter provided for cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.
- 12.3 If any dispute about the outcome of the Manager's performance evaluation cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by a member of the Council, provided that such member was not part of the evaluation panel provided for in clause 7.1, within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.

12.4 In the event that the mediation process contemplated above fails, the relevant arbitration clause of the contract of employment will apply.

**13. GENERAL**

13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the Municipality.

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

Signed at Polokwane on this 3rd day of October 2011.

**As Witnesses:**

- 1. C. Mokwena
- 2. \_\_\_\_\_

[Signature]  
Municipal Manager

Signed at POLOKWANE on this 10 day of August 2011.

**As Witnesses:**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

[Signature]  
Senior Manage

**FINANCIAL DISCLOSURE FORM (CONFIDENTIAL)**

I, MORONGWE M.A. the undersigned (surname and initials)

\_\_\_\_\_ (Postal address) and

P. O. Box 52  
HAEMERTSBURY 0730

983 Cnr mare & kerk streets (Residential address) HAEMERTSBURY  
employed as Senior Manager SPED at the

Capricorn Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

**1. Shares and other financial interests** (Not bank accounts with financial institutions)

See information sheet: Note (1)

**Number of shares / extent of financial interest Nature Nominal value Name of Company or entity**

Number of shares or extent of financial interest	Nature	Nominal value	Company
N/A			

**2. Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
N/A		

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**3. Remunerated work outside the Municipality (As sanctioned by Council)**

Name of Employer	Type of work	Amount of Remuneration or Income	Council sanction confirmed: Resolution
N/A			

See information sheet: Note (3)

Signature of Municipal Manager: \_\_\_\_\_ Date: \_\_\_\_\_

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**4. Consultancies and retainerships**

Name of client	Nature	Type of business activity	Value of benefits received
N/A			

See information sheet: Note (4)

**5. Sponsorships**

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A		



**5. Gifts and hospitality from a source other than a family member**

Gift or Hospitality	Description	Value
N/A		

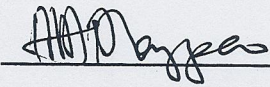
See information sheet: Note (6)

Description	Value	Source

**7. Land and property**

See information sheet: Note (7)

Description	Extent	Area Value
House - 963 car mark & keek streets HAENEPTSBURY	498m <sup>2</sup>	R 850,000



SIGNATURE OF EMPLOYEE

DATE 29/09/11 .....

N.A.

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**OATH/AFFIRMATION**

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer

*Yes*  
(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer

*No*  
(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

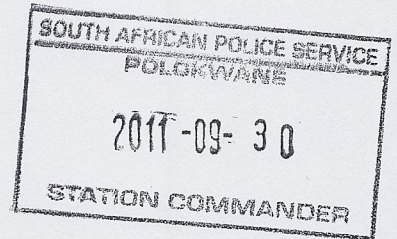
Answer

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

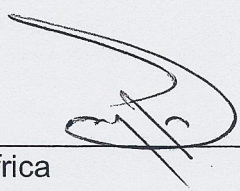
*[Signature]*  
**Commissioner of Oath / Justice of the Peace**

Full first names and surname:

*[Signature]*  
(Block letters)



Designation (rank): \_\_\_\_\_  
Republic of South Africa



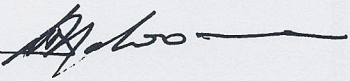
Ex Officio

Street address of institution:

38 Daphne Drive  
Pretoria

Date: 30/09/2011 PLACE Pretoria

CONTENTS NOTED: MUNICIPAL MANAGER: \_\_\_\_\_



DATE: 20/10/11

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**INFORMATION SHEET FOR THE GENERIC FINANCIAL DISCLOSURE FORM**

The following notes are a guide to assist with completing the Financial Disclosure form (Annexure E):

**NOTE 1: Shares and other financial interests**

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognised by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and
- The name of that entity.

**NOTE 2: Directorships and partnerships**

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and the amount of any remuneration received for such directorship or partnership/s.
- Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated.
- Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

**NOTE 3: Remunerated work outside the Municipality (As sanctioned by Council)**

Designated employees are required to disclose the following details with regard to remunerated work outside the public service:

- The type of work;
- The name and type of business activity of the employer; and
- The amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind, and work means rendering a service for which the person receives remuneration.

**NOTE 4: Consultancies and retainerships**

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;

- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

**NOTE 5: Sponsorships**

Designated employees are required to disclose the following details with regard to sponsorships:

- The source of the sponsorship;
- The description of the sponsorship; and
- The value of the sponsorship.

**NOTE 6: Gifts and hospitality from a source other than a family member**

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350.00;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350.00 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantages that they received from any source e.g. any discount prices or rates that are not available to the general public. All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

**NOTE 7: Land and Property**

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description of the land or property;
- The extent of the land or property;
- The area in which it is situated; and
- The value of the interest.

**PERSONAL DEVELOPMENT PLAN:**

Skills/performance gaps	Outcomes Expected	Suggested training /development activity	Suggested mode of delivery	Suggested timeframes	Work opportunity to practice skill/development area	Support person
PMS	Management of Organizational performance	Attend a 30 days course on PMS	Institution of Higher Learning	30 days	Part of day activities in the municipality	M

**PERSONAL DEVELOPMENT PLAN**

*M. D. D. D.*

**EMPLOYEE**

**EMPLOYER**