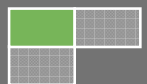


2008/09

# Motheo District Municipality

STRATEGIC EXECUTIVE  
DIRECTOR: FINANCIAL  
SERVICES

PERFORMANCE AGREEMENT



## **1. Purpose**

The performance plan defines the Council's expectations of the SED: Technical Services' performance during the 2008/09 financial year.

## **2. Key Responsibilities**

The following objects of local government will inform the SED: Financial Services' performance:

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

## **3. Key Performance Indicators**

The performance indicators the SED: Financial Services' performance must achieve are arranged under the following key performance areas (KPA's) and Core Competency Requirements (CCR's):

### **3.1 KPA's**

- Basic Service Delivery
- Municipal Institutional Development and Transformation.
- Local Economic Development
- Municipal Financial Viability and Management.
- Good Governance and Public Participation.

### **3.2 Core Competency Requirements**

#### **3.2.1 Compulsory Core Managerial Competencies**

- Financial Management
- People Management and Empowerment

- Client Orientation and Customer Focus

### **3.2.2 Elective Core Managerial Competencies**

- Strategic Capability and Leadership
- Programme and Project Management
- Change Management
- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- Communication
- Honesty and Integrity

### **3.2.3 Elective Core Occupational Competencies**

- 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 South African specific political, social and economic contexts
- Competence in policy conceptualisation, analysis and implementation
- Knowledge of more than one functional municipal field / discipline
- Skills in Mediation
- Skills in governance
- Competence as required by other national line sector departments
- Exceptional and dynamic creativity to improve the functioning of the municipality

#### 4. Rating

The assessment of the performance of the SED: Financial Services will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description
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 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	Performance 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.

## 5. Quarterly performance appraisals

The performance of the SED: Financial Services in relation to his performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if the employee's performance is satisfactory:

Quarter	Description	Date
First quarter	1 July – 30 September	To be determined by MM
Second quarter	1 October -31 December	To be determined by MM
Third Quarter	1 January – 31 March	To be determined by MM
Fourth quarter	1 April- 30 June	To be determined by MM

The Municipal Manager will keep record of the mid-year review and annual assessment meetings.

## 6. Annual performance appraisal for the purpose of the payment of a performance bonus

The annual performance appraisal of the SED: Financial Services will be undertaken by a panel consisting of the following persons:

- The Municipal Manager
- Chairperson of the Performance Audit Committee or the Audit Committee
- A member of the Mayoral Committee
- A Municipal Manager from a different municipality

## 7. Performance Bonus

The annual performance bonus that can be paid to the SED: Financial Services is based on the achievement of the following scores:

<i>Score</i>	<i>Adjusted Score</i>	<i>Performance bonus</i>
60%	100%	0%
77%	128%	0%
78%	130%	5%
80%	133%	5%
81%	135%	6%
82%	137%	6%
83%	138%	7%
84%	140%	8%
85%	142%	8%
86%	143%	8%
87%	145%	8%
88%	147%	9%
89%	148%	9%
90%	150%	10%
91%	152%	10%
92%	153%	10%
93% and above	155%	14%

## 8. Amendments

The Employer may review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement by both parties.

## 9. Key Performance Areas

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>1. Municipal Transformation and Organisational Development</b>	30	The Department's draft budget for 2009/10 is based on its annual business plan, which is informed by the financial plan in the IDP <b>MoV:</b> Draft annual business plan for 2009/10 submitted to the Executive Mayor	31 Jan 09							
		The Department complies with relevant legislation, including the MFMA, DORA, Municipal Systems Act and PPPFA etc. <b>MoV:</b> 1. Report indicating current level of compliance with relevant legislation 2. A plan (including target dates and milestones) to achieve compliance with relevant legislation submitted to relevant section 80-committee	30 Sep 08 30 Nov 08							
		The IDP incorporates a financial plan <b>MoV:</b> Draft financial plan consistent with reg. 2(3) of the Local Government: Municipal Planning and Performance Management Regulations 2001 submitted to the relevant section 80-committee and IDP Steering Committee	30-Jun-09							
		Procedure manual for executing each activity conducted in the Department <b>MoV:</b> A written procedure manual for all activities in the Department is submitted to the Management Team	30-Jun-09							

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
		The Municipality's assets are managed in accordance with a written asset management policy <b>MoV:</b> Asset management policy submitted to the Executive Mayor	30-Nov-08							
		Handbook of internal control measures <b>MoV:</b> Document containing internal control measures, based on comprehensive risk analysis, submitted to the Audit Committee	31-May-09							
		Documented financial management policies <b>MoV:</b> Report, incorporating proposed changes to current policies and proposed new policies, submitted to the Executive Mayor	30-Nov-08							
		The corporate SDBIP for 2009/10 is consistent with the relevant requirements and approved as prescribed <b>MoV:</b> Draft SDBIP for 2009/10 is submitted to the Executive Mayor within 14 days after approval of the budget	31-Jul-09							
		The Municipality's AFS for 2007/08 (and thereafter) is prepared in GRAP/ GAMAP accounting standard <b>MoV:</b> Implementation plan for conversion of AFS to GRAP/GAMAP accounting standard submitted to the Executive Mayor	31 Aug 2008							
<b>Weighting Total</b>	<b>30</b>	<b>Total Score achieved for KPA: Basic Service Delivery</b>								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
2. Basic Service delivery	20	Service providers engaged by the Department meet performance standards in terms of quality, budgets and timelines <b>MoV:</b> 1. Input, output and outcome indicators are set for each contract awarded 2. Supplier performance are measured against the agreed KPIs and reported on regularly	1. KPIs set as required 2. Report on supplier performance monthly to the MM							
		The Municipality complies with the prescribed financial reporting requirements <b>MoV:</b> Reports required in terms of the MFMA and DORA are submitted on time								
<b>Weighting Total</b>	<b>20</b>	<b>Total Score achieved for KPA: Institutional Development &amp; Transformation</b>								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>3. Local Economic Development</b>	<b>5</b>	The financial plan contained in the IDP, includes a realistic infrastructure investment plan	31-Mar-09							
		A reporting framework to monitor progress with the implementation of the financial plan is established	31-Mar-09							
<b>Weighting Total</b>	<b>5</b>	<b>Total Score achieved for KPA: LED</b>								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>4. Municipal Financial Viability and Management</b>	<b>20</b>	The Municipality's budget for 2009/10 follows the Government Finance Statistics (GFS) functional classification <b>MoV:</b> Report regarding the restructuring of budget votes and General Ledger submitted to the Executive Mayor	31-Jan-09							
		The Department's draft budget for 2009/10 is based on its annual plan <b>MoV:</b> The department's draft budget for 2009/10 gives effect to its business plan	28-Feb-09							
		The Department's approved budget for 2008/09 is managed soundly <b>MoV:</b> 1. No irregular, unauthorised or fruitless and wasteful expenditure is incurred 2. Expenses are not more than 10% less than the approved budget allocation per vote	Monthly							
		Prepare suitable accounting policy to ensure AFS is prepared in terms of GRAP/GAMAP	31-Mar-09							
		AFS for 2007/08 are completed on time <b>MoV:</b> AFS for 2007/08 submitted to the Auditor-General	31-Aug-08							

		Draft budget for 2009/10 and supporting documentation finalised on time <b>MoV:</b> Draft budget for 2009/10 submitted to the Executive Mayor in time to be tabled in the Council not later than 2 April 2009	20-Mar-09							
		Medium-term financial planning in line with annual DORA <b>MoV:</b> 1. Prepare medium-term financial plan, informed by the IDP 2. Submit medium-term financial plan to Finance Committee and Council for consideration	30 Nov 08  Together with the draft budget for 2009/10							
		The Municipality's cash flow and liabilities are managed properly <b>MoV:</b> 1. Cash flow forecasts are prepared monthly and submitted to the MM 2. Actual income and expenditure do not vary more than 5% from cash flow forecast 3. No expenditure that may exceed the cash flow projection is incurred	Monthly							
<b>Weighting Total</b>	<b>20</b>	<b>Total Score achieved for KPA: Municipal Financial Viability and Management</b>								

Key Performance Area	Weighting	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
5. Good Governance and Public Participation	25	Contract variations are comprehensively documented, approved by the person/body that approved the principal contract and annexed to the principal contract as a properly executed and signed addendum	Ongoing							
		Creditors are paid within 30 days of receiving valid tax invoices. No complaints are received from a creditors regarding late payments <b>MoV:</b> Payments and invoices submitted by creditors	Monthly							
		The department complies with all relevant reporting requirements <b>MoV:</b> 1. Monthly written reports, in agreed format and providing agreed information, submitted to Municipal Manager 2. Reports in terms of applicable legislation (MFMA, MSA) submitted regularly to Management	Monthly							

Key Performance Area	Weighting	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
		Team 3. Not more than 10% of reports submitted to relevant committees deferred.								
		The municipality has a comprehensive report indicating the risks associated with the Department, indicating each risk's frequency and likelihood of occurrence as well as risk mitigation, risk avoidance and risk transfer strategies <b>MoV:</b> Risk analysis, assessment and proposed risk treatment strategies submitted to the relevant section 80-committee/Executive Committee	30-Jun-09							
		Implement a budget preparation process for 2009/10 that allows for public participation. <b>MoV:</b> Community participation processes are completed between 2 April and 31 May 2008	31 May 09							
<b>Weighting Total</b>	<b>25</b>	<b>Total Score achieved for KPA: Good Governance &amp; Public Participation</b>								



## 10. Core Competency Requirements

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
<b>Compulsory Core Managerial Competencies</b>									
1. Financial Management	5	Compiles and manages budgets, controls cash flow, institutes risk management and administers supply chain management processes in accordance with legal prescripts and generally recognised accounting practices in order to ensure the achievement of the Municipality's strategic objectives.	30 June 2009						
2. People Management and Empowerment	5	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve the Municipality's strategic objectives.	30 June 2009						
3. Client Orientation and Customer Focus	5	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Compulsory Core Managerial Competencies</b>							
<b>Elective Core Managerial Competencies</b>									
1. Strategic Capability and Leadership	5	Provides a vision, sets the direction for the administration and inspires others to deliver on the municipality's mandate	30 June 2009						
2. Programme and Project Management	5	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.	30 June 2009						
3. Change Management	5	Plans, develops a structured approach and monitors the transformation of individuals, teams, and the organisation from a current state to a desired future state.	30 June 2009						

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
4. Problem Solving and Analysis	5	Systematically identifies analyses and resolves existing and anticipated problems in order to reach optimum solutions in a timely manner.	30 June 2009						
5. Communication	5	Keeps subordinates informed of all matters relevant to them, informs them of the reasons for decisions and sets the example by "walking the talk".	30 June 2009						
6. Honesty and integrity	5	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Elective Core Managerial Competencies</b>							
<b>Elective Core Occupational Competencies</b>									
1. Interpretation of and implementation of legislation	5	Knowledge of the legislation and policies applicable to the position and the ability to apply such legislation and policies to the work situation.	30 June 2009						
2. Competence in policy conceptualisation, analysis and implementation	5	The ability to draft and implement a policy due to the arriving at a concept or a generalisation as a result of seeing things, experiencing things, being informed of something as well as the ability to analyse, comprehend and implement a policy drafted by somebody else.	30 June 2009						
3. Knowledge of more than one functional municipal field / discipline	5	Knowledge of more than one functional municipal field which are used in the execution of the duties associated with the position.	30 June 2009						
4. Skills in Mediation	5	The ability to assist two (or more) disputants in reaching an agreement as may be required from time to time by the position.	30 June 2009						

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
5. Skills in Governance	5	Key principles of good governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organisation. Governance skills relates to the application of these principles in consistent management practice, policies, processes and decision-making for a given area of responsibility of the position.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Elective Core Occupational Competencies</b>							

Signed and accepted by (SED: Financial Services): \_\_\_\_\_ Date: \_\_\_\_\_

Signed and accepted by (Municipal Manager): \_\_\_\_\_ Date: \_\_\_\_\_

## 11. Summary Score Sheet

Key Performance Area						
		Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Basic Service Delivery	30				
2	Municipal Institutional Development and Transformation	20				
3	Local Economic Development	5				
4	Municipal Financial Viability and Management	20				
5	Good Governance and Public Participation	25				
	<b>Total Achieved</b>	<b>100</b>				
Core Competency Requirements						
	(B) Compulsory Core Managerial Competencies	Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Financial Management	5				
2	People Management and Empowerment	5				
3	Client Orientation and Customer Focus	5				
	<b>Total Achieved</b>	<b>15</b>				
	(C) Elective Core Managerial Competencies	Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Strategic Capability and Leadership	5				
2	Programme and Project Management	5				
3	Change Management	5				
4	Problem Solving and Analysis	5				
5	Communication	5				
6	Honesty and integrity	5				
	<b>Total Achieved</b>	<b>30</b>				

	<b>(D) Elective Core Occupational Competencies</b>	<b>Maximum Score</b>	<b>1st Quarter Score</b>	<b>2nd Quarter Score</b>	<b>3rd Quarter Score</b>	<b>4th Quarter Score</b>
1	Interpretation of and implementation within the legislative and national policy frameworks	5				
2	Competence in policy conceptualisation, analysis and implementation	5				
3	Knowledge of more than one functional municipal field / discipline	5				
4	Skills in Mediation	5				
5	Skills in Governance	5				
<b>Total Achieved</b>		<b>25</b>				
<b>Grand Total: B + C + D = 15 + 30 + 25 = 70</b>						

## 12.Consolidated Score Sheet

(A) Key Performance Areas			(B) Compulsory Core Managerial Competencies			(C) Elective Core Managerial Competencies			(D) Elective Core Occupational Competencies		
No.	Maximum Score	Score	No.	Maximum Score	Score	No.	Maximum Score	Score	No.	Maximum Score	Score
1			1	10		1	10		1	10	
2			2	10		2	5		2	10	
3			3	10		3	5		3	10	
4						4	5		4	10	
5						5	10		5	10	
						6	10				
<b>TOTAL</b>	<b>100</b>		<b>TOTAL</b>	<b>30</b>		<b>TOTAL</b>	<b>45</b>		<b>TOTAL</b>	<b>50</b>	
<b>Calculation of Scores Achieved</b>											
TOTAL % SCORED: (A =80%; E = 20%)						Total (A) =					
A = 0,8 X (Score Achieved/ Maximum Score) x 100						Total (B) +(C) + (D) = E					
E = 0,2 X (Score Achieved/ Maximum Score) x 100						Total (E) =					
A = 0,8 x (_____/100 ) x 100 = _____ %						Total % = A + E =					
E = 0,2 X (-----/115) x 100 = _____ %											

