



UMZIMVUBU
LOCAL MUNICIPALITY

PERFORMANCE AGREEMENT

Tinashe Fundira

Chief Financial Officer

2023-2024

UPHUNLISO KUMNTU WONKE

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN

UMZIMVUBU LOCAL MUNICIPALITY

Herein represented by **G.P.T Nota** in her duly authorized capacity as **Municipal Manager** of UMZIMVUBU LOCAL MUNICIPALITY

AND

Fortune Tinashe Fundira

Hereinafter referred to as **EMPLOYEE** in his capacity as duly appointed as **Chief Financial Officer** of the municipality for the period of **01 July 2023 to 30 June 2024**

WHEREAS

- A. The Employer has entered into an Agreement of Employment with the Employee in terms of section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended;
- B. Section 57(2)(a)(i) and (ii) of the amended 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 (60) days of assumption of duty, and renew it annually within one month after the beginning of each financial year of the municipality;
- 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), 57 (c) and 57(5) of the Local Government: Municipal Systems Act, 2000 as amended,

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;

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“Employee” means *Fortune Tinashe Fundira*;

“KPA” means Key Performance Area;

“KPI” means Key Performance Indicator;

“KRA” means Key Responsible Area;

“MEC” means the Member of the Eastern Cape Executive Council responsible for local government;

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

“Municipality” means UMZIMVUBU LOCAL MUNICIPALITY, established in terms of Structures Act;

“Parties” means the Municipality and the Employee;

“Performance management system” means a process used by the Municipality to evaluate organisational and its individual performance against the goals and objectives set out on the IDP.

“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;

2 “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) as amended, 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), (4C) and (5) of the Systems Act as well as the Contract 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.

3 COMMENCEMENT AND DURATION

- 3.(1) This Agreement will commence on 01 July 2022 and will remain in force until 30 June 2023, whereafter a new Agreement, Performance Plan and Personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of the Agreement of Employment.
- (2) This Agreement will terminate on the termination of the Employee's employment for any reason whatsoever or when the Appointment is terminated.
- (3) The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- (4) If at any time during the validity of this Agreement the work environment alters, whether as a result of government or council decisions or otherwise, to the extent that the contents of this Agreement are no longer appropriate, the contents must immediately be revised.
- (5) Any significant amendments or deviations must take cognizance of the requirements of sections 34 and 42 of the Systems Act, and regulation 4(5) of the Regulations.

PERFORMANCE OBJECTIVES

- 4.(1) The Performance Plan must set out the–
 - (a) the performance objectives and targets that must be met by the Employee; and
 - (b) the time frames within which those performance objectives and targets must be met.
- (2) The performance objectives and targets reflected in the Performance Plan must–
 - (a) be set by the Employer in consultation with the Employee;
 - (b) be based on the Integrated Development Plan and Budget of the Employer; and
 - (c) include key objectives, performance indicators, target dates and weightings.
- (3) It is agreed that–
 - (a) the key objectives must describe the main tasks that must be performed by the Employee;



- (b) the key performance indicators provide the details of the evidence that must be provided to indicate that a key objective has been achieved;
 - (c) the target dates describe the timeframe in which the work must be achieved; and
 - (d) the weightings indicate the relative importance of the key objectives to each other.
- (4) The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

PERFORMANCE MANAGEMENT SYSTEM

5. (1) The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Municipality, and accepts that the purpose of the performance management system is to provide a comprehensive system, with specific performance standards, to assist Municipality to perform to the standards required.
- (2) The Employer must consult the Employee about the specific performance standards that are included in the performance management system that are applicable to the Employee.
- (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,
 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 of which all of them are compulsory and weights must be allocated to each of them according to the scale of core and functional responsibilities:

Key Performance Areas (80% of Total)	Weighting
Municipal Institutional Development and Transformation	30
Local Economic Development	-
Municipal Financial Viability and Management	60
Good Governance and Public Participation	5
Basic Service Delivery	5
Spatial Development	-
Total	100%

- (6) The Core Management Criteria will make up the other 20% of the Employee's assessment score



- (7) The Core Competency Requirements are deemed to be most critical for the Employee's specific job and only ten (12) of them should be selected from the list below including the compulsory CMC s as agreed to between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (20% of Total)		
CORE MANAGERIAL COMPETENCIES (CMC's)	√	WEIGHT
Strategic Direction and Leadership		5
Programme and Project Management		10
Financial Management		25
Change Management		5
People Management		5
Governance Leadership		5
CORE OCCUPATIONAL COMPETENCIES (COC's)		
Moral Competence		10
Planning and Organising		10
Analysis and Innovation		5
Knowledge and Information Management		10
Communication		5
Results and quality focus		5
Total percentage		100%

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- (8) Final Assessment scores shall be given according to each Key Performance Area either by working out a mean or by giving one final score to each KPA.
- (9) Final Assessment scores shall be awarded according to each Core Managerial Competency either by working out a mean or by giving one final score to each CCR.

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 Management Criteria 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 Criteria; 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 Key Performance Indicators and Core Management Criteria:

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Level	Terminology	Description Rating
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 reviewed during–
- (a) January to March for the Third quarter
 - (b) April to June for the Fourth quarter,

Provided that reviews in the first and third quarter may be verbal if performance is satisfactory.

- (2) The Employer must keep a record of all performance assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.
- (3) The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented or amended, provided that the Employee must be consulted before any such change is made.
- 9 (4) The work performance and performance review will not be confined and limited to the performance plan, any incidental work outside the performance plan shall be performed and evaluated accordingly.

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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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

10 (c) Have a substantial financial effect on the Employee.

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

MANAGEMENT OF EVALUATION OUTCOMES

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

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

(3) In the case of unacceptable performance, the Employer–
 (a) Must provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

(b) May, after appropriate performance counselling and having provided the necessary guidance and support as well as reasonable time for improvement in performance, consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

(4) The following formula shall be used to calculate total scores for awarding performance bonus: -

- i) (a) $\text{Weight} \times \text{Final score per KPA} = V \times 80\%$ (for KPA) = score for each KPA
 (b) Add up all KPA scores to get a total sum = W
- ii) (a) $\text{Weight} \times \text{Final score per CMC} = Y \times 20\%$ (for CMC) = score for each CCR
 (b) Add up all CCR scores to get a total sum = Z
- III) $W + Z = \text{Total score (percentage)}$

(5) The following formula shall be used to allocate the performance bonus after the total score has been calculated in accordance with section 10 (4) above:

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FINAL SCORE	BONUS/REWARD
150 and above	10% to 14% of the annual total remuneration package
130 to 149%	5% to 9% of the annual total remuneration package



100% and below	Compulsory Performance Counselling
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(6) The above mentioned formula in subsection 5 shall be normalised as follows:-

RANGE	SCORE	% Bonus
150 AND ABOVE	164 and above	14
	163	13.705
	162	13.42
	161	13.135
	160	12.85
	159	12.565
	158	12.28
	157	11.995
	156	11.71
	155	11.425
	154	11.14
	153	10.855
	152	10.57
	151	10.285
150	10	

RANGE	SCORE	% Bonus
Between 130 and 149	149	9
	148	8.6
	147	8.4
	146	8.2
	145	8
	144	7.8
	143	7.6
	142	7.4
	141	7.2
	140	7
	139	6.8
	138	6.6
	137	6.4
	136	6.2
	135	6
	134	5.8
	133	5.6
	132	5.4
	131	5.2
	130	5

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SUB-STANDARD / POOR PERFORMANCE MANAGEMENT



11. (a) All endeavors shall be made to provide support in the form of guidance, training and counselling to the employee when displaying signs of sub-standard performance.
- (b) The employee shall be given adequate period ranging from four months to six months to improve performance.
- (c) Unequivocal performance targets with a succinct action plan shall be drawn up for the employee with clear results to be achieved.
- (d) The time needed for an employee to improve his/ her performance shall be dictated by the nature and level of the job.

DISPUTE RESOLUTION

- 12.(1) Any disputes about the nature or content 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 –
 - (a) The Mayor, within thirty days of receipt of a formal dispute from the Employee, whose decision shall be final and binding to both parties
- (2) Any disputes about the outcome of the Employee's performance evaluation, must be mediated by–
 - (a) A member of the municipal Council, provided that such 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, whose decision shall be final and binding on both parties.

GENERAL

- 13.(1) The Employer must make the contents of this Agreement and the outcome of any review conducted in terms of the Performance Plan available to the public as contemplated in section 46 of the Systems Act.
- 13 (2) Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his or her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- (3) The performance assessment results of the Municipal Manager must be submitted to the Member of the Executive Council responsible for local government in the Eastern Cape as well as the National Minister responsible for local government, within fourteen days after the conclusion of the assessment.
- (4) The employee is required to complete the Financial Disclosure Form as per Item 5 of the Code of Conduct for municipal staff members which is attached to this agreement as Appendix "C".



SIGNED AT Kwabhaca ON THIS 12th DAY OF July 2023

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
SIGNATURE OF THE EMPLOYER REPRESENTATIVE

AS WITNESSES:

1. N. Mahongo [Signature]

2. A. Mawane [Signature]

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[Signature]
SIGNATURE OF THE EMPLOYEE REPRESENTATIVES



PERFORMANCE PLAN
2023/2024

Entered into by and between

UMzimbvubu Local Municipality

and

Tinashe Fundira

1. Purpose

The performance plan defines the Council's expectations of the *Chief Financial Officer*, performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. Key responsibilities

The following objects of local government will inform the *Chief Financial Officer* against set performance indicators:

- 2.1 Provide democratic and accountable government.
- 2.2 Ensure sound governance within the municipality.
- 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 Areas

The following Key Performance Areas (KPA's) as outlined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006), inform the strategic objectives listed in the table below:



- 3.1 Basic Service Delivery.
- 3.2 Municipal Institutional Development and Transformation.
- 3.3 Local Economic Development
- 3.4 Municipal Financial Viability and Management.
- 3.5 Good Governance and Public Participation
- 3.6 Spatial development

4. Key Performance Objectives and Indicators, for the *Chief Financial Officer*

The provisions and statutory time frames contained in the following legislation are required to be reported on and measured:

- 4.1 Local Government: Municipal performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager, 2006 (Regulation No. R805, dated 1 August 2006)
- 4.2 Regulation No. 796 (Local Government: Municipal Planning and Performance Management Regulations, 2001) dated 24 August 2001
- 4.3 Municipal Finance Management Act, 2003,
- 4.4 Municipal Structures Act, 1998, in particular but not limited to Section 29 and 50
- 4.5 Umzimvubu Delegation of powers, particularly, powers delegated to Chief Financial Officer
- 4.6 Municipal Systems Act, 2000, in particular, but not limited to, Chapter 6, 7 sections 66 and 71, Schedule 2

Signed and accepted by:



Job title:

Chief Financial Officer

Date:

12/07/2023

Signed by the *Municipal Manager* on behalf of the uMzimvubu Local Municipality

Manager:

G.P.T Nota

Date:

12/07/2023



Employee name and surname		TINASHE FUNDIKA		Authorized signature on behalf of the employer		Date		12/07/2023					
Job title		Chief Financial Officer		Employee's signature		Date		12/07/2023					
Employees no.		6007		Year under review		2023/2024							
Department		Budget and Treasury Office											
Key Performance Area	Programme/Project	KPI	Baseline	Budget amount	calculation type	Weight	Sources of evidence	Annual Target	Budget	Sep	Dec	Mar	Jun
Basic Service delivery and Infrastructure	Provision of free basic services		5522 indigent Beneficiaries to be subsidised as follows: 50KWH from Eskoms - 3858, For Solar = 1800, For Parafim = 2200	R7,132,526.00	Stand-Alone	5%	Eskom invoices, Indigent Registers, Invoices for alternative energy	4692 indigent Beneficiaries to be subsidised as follows: 50KWH from Eskoms = 1120, For Solar = 1822, For Parafim = 1750	R7,132,526.00	To subsidize 1122 electricity on a monthly basis 1822 households - solar on a monthly basis	To subsidize 1122 electricity on a monthly basis 1822 households - solar on a monthly basis	To subsidize 1122 electricity on a monthly basis 1822 households - solar on a monthly basis	To subsidize 1120 households - electricity on a monthly basis 1822 households - solar on a monthly basis and solar on a monthly basis and 1750 for Parafim in the fourth quarter
Financial Management and Viability	Mid-year reporting (S72 Report)		One Sec 72 Report submitted to PT & NT by 25 January 2022	Nil	STD	2%	Signed Certificate by MM & Mayor and Proof of submission to National Treasury	Report submitted to PT & NT by 25 January 2023	Nil	Nil	Nil	One Sec 72 Report submitted to PT & NT by 25 January 2023	Nil
Financial Management and Viability	Asset Register		Develop 2 GRAP Compliant Asset Registers by 30 June 2023	R200,000.00	STD	2%	Asset additions schedule, for Q1 & Q2 and Asset verification report for Q3 & Q4 and Complete FAR for 2023-2024 FY	Develop 2 GRAP Compliant Asset Registers by 30 June 2024	R200,000.00	N/A	N/A	N/A	N/A
Financial Management and Viability	Debtors database cleansing			R500,000.00	STD	15%	Master list of all debtors with correct names for ownership, street addresses and identity numbers.	1 data cleansing for consumer debtors database audit by the 30 June 2024	R500,000.00	N/A	1 data cleansing for consumer debtors database audit	N/A	N/A
Financial Management and Viability	Reporting		2 sets of GRAP Financial statements by 30 June 2023	R2,100,000.00	ACC	2%	Q3 GRAP Compliant AFS Set Submitted to IA, Proof of Submission to IA, Q1 GRAP Compliant AFS Set Submitted to IA and External Audit	2 sets of GRAP Financial statements by 30 June 2024	R2,100,000.00	1 set of GRAP Financial statements by 31 August 2023 for the period ending 30 June 2023	N/A	1 set of GRAP Financial statements by 28 February 2024 for the period ending 31 December 2023	N/A

APPENDIX B

PERSONAL DEVELOPMENT PLAN 2023/2024

Incumbent	Tinashe Fundira
Employee No.	6007
Job Title	Chief Financial Officer
Report to	Municipal Manager

1. What are the competencies required for this job (refer to competency profile of job Description)?
 - a. **Bcom Degree in Finance**
 - b. **Managerial skills**
 - c. **Strategic planning**
2. What competencies from the above list, does the job holder already possess?
 - Bcom Degree in Finance
 - Managerial skills
 - Strategic planning
 - Professional Accountant (SA) and Associate General Accountant (SA)
3. What then are the competency gaps? (If the job holder possesses all the necessary competencies, complete No's 5 and 6.)
 - CPMD
4. Actions/Training interventions to address the gaps/needs
 - To be registered and attend classes to achieve the missing competencies
5. Indicate the competencies required for future career progression/development
 - Refresher course on the latest GRAP standards, Strategic management methods and _____
6. Actions/Training interventions to address future progression
 - _____



7. Comments/Remarks of the Incumbent

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8. Comments/Remarks of the supervisor

Agreed upon

Signature:  _____

Supervisor: G.P. T Nota

Date: 12/09/2023

Signature:  _____

Incumbent: F.T Fundira

Date: 12/07/2023

