

**PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

THE STEVE TSHWETE LOCAL MUNICIPALITY AS REPRESENTED BY

**WILHELM DIEDERICK FOUCHE**

IN HIS CAPACITY AS THE MUNICIPAL MANAGER



AND

**ELMARI WASSERMANN**

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

**FINANCIAL YEAR: 1 JULY 2013- 30 JUNE 2014**

  
ARS  
  
E-N

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Municipality of Steve Tshwete Local Municipality herein represented by **WILHELM DIEDERICK FOUCHE** in her/his capacity as Municipal Manager (hereinafter referred to as the Employer)

and

**ELMARIE WASSERMANN** (full name) Employee of the Municipality of Steve Tshwete (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 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 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(4A), 57(4B) and 57(5) of the Systems Act

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

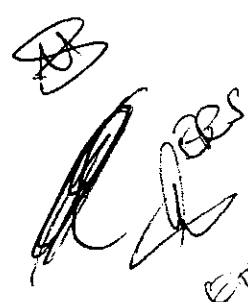
- 2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;

Handwritten signatures and initials, including a large signature and the initials 'FDS' and 'EM'.

- 2.3 specify accountabilities as set out In the Performance Plan (Annexure A);
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and/or to assess whether the Employee has met the performance expectations applicable to his/her Job;
- 2.6 appropriately reward the Employee In accordance with the Employer's performance management policy In the event of outstanding performance; and
- 2.7 give effect to the Employer's commitment to a performance-orientated relationship with the Employee In attaining equitable and improved service delivery.

### **3 COMMENCEMENT AND DURATION**

- 3.1 This Agreement will commence on the 1 July 2013 and will remain in force until 30 June 2014 whereafter 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 during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the 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 abovementioned 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.

Handwritten initials and signatures in the bottom right corner, including a circled 'B', a signature, and the letters 'ERS' and 'ET'.

#### **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 and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.
- 4.3 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 timeframe in which the work must be achieved. The weightings show the relative Importance of the key objectives to each other.
- 4.4 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.

#### **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.

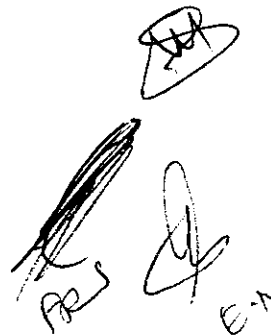
FRS  
E.A.

**6 The Employee agrees to participate In the performance management and development system that the Employer adopts**

- 6.1 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.
- 6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- 6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively.
- 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 6.2.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.
- 6.3 The Employee's assessment will be based on his/ her 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 agreed to between the Employer and Employee:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	4
Municipal Institutional Development and Transformation	15
Local Economic Development (LED)	0
Municipal Financial Viability and Management	75
Good Governance and Public Participation	6
Spatial and Community Development	0
Total	100%

- 6.4 The CMCs will make up the other 20% of the Employee's assessment score. CMCs that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:





Handwritten signatures and initials are present at the bottom right of the page, including a large signature, the initials 'RS', and the initials 'E-N'.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
	✓	WEIGHT
Core managerial competencies (CMC)	✓	6
Strategic Capability	✓	5
Programme and Project Management	✓	10
Financial Management	✓	6
Change Management	✓	-
Knowledge Management	✓	4
Service Delivery Innovation	✓	7
Problem solving and Analytical thinking	✓	6
People and Diversity Management	✓	7
Client Orientation and Customer Focus	✓	6
Communication	✓	8
Accountability and Ethical Conduct	✓	8
Policy conceptualization and implementation	✓	4
Mediation skills	✓	4
Advanced negotiation skills	✓	6
Advanced influencing skills	✓	5
Partnership and Stakeholder Relations	✓	8
Supply Chain Management	✓	100%

## 7. EVALUATING PERFORMANCE

- 7.1 The Performance Plan (Annexure A) to this Agreement sets out -
- 7.1.1 the standards and procedures for evaluating the Employee's performance; and
- 7.1.2 the intervals for the evaluation of the Employee's performance.
- 7.2 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.
- 7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and Implementation must take place within set time frames.
- 7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

Handwritten signatures and initials:   
   
   
 frs   
 ET

7.5 The annual performance appraisal will involve:

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

- (a) Each KPA should 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 had to be performed under the KPA.
- (b) An Indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2. Assessment of the CMCs

- (a) Each CMC should be assessed according to the extent to which the specified standards have been met.
- (b) An Indicative rating on the five-point scale should be provided for each CMC.
- (c) The applicable assessment rating calculator (refer to paragraph 7.5.1) must then be used to add the scores and calculate a final CMC score.

7.5.3 Overall rating

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

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:

~~AAA~~  
FRS  
E-1

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employees 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.					

7.7 For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established -

- 7.7.1 Municipal Manager
- 7.7.2 Chairperson of the Audit Committee;
- 7.7.3 Ward committee member (on a rotational basis), where applicable;
- 7.7.4 Member of the Mayoral Committee; and
- 7.7.5 Mayor and/ or Municipal Manager from another Municipality.

*[Handwritten signature]*  
*[Handwritten initials]*  
 ARS  
 E-N



**8. SCHEDULE FOR PERFORMANCE REVIEWS**

8.1 The performance of each Employee in relation to his/her 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	30 October 2013
Second quarter	:	October- December	30 January 2014
Third quarter	:	January – March	30 April 2014
Fourth quarter	:	April- June	30 July 2014

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

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

8.4 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.

8.5 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 any such change is made.

**9. DEVELOPMENTAL REQUIREMENTS**

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

**10. OBLIGATIONS OF THE EMPLOYER**

10.1 The Employer shall-

10.1.1 create an enabling environment to facilitate effective performance by the employee;

10.1.2 provide access to skills development and capacity building opportunities;

10.1.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

Handwritten signature and initials in the bottom right corner of the page.

10.1.4 on the request of the Employee delegate such powers reasonably required by the Employee to enable him/ her to meet the performance objectives and targets established in terms of this Agreement; and

10.1.5 make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/ her to meet the performance objectives and targets established in terms of this Agreement.

## 11. CONSULTATION

11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

11.1.1 a direct effect on the performance of any of the Employee's functions;

11.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and

11.1.3 a substantial financial effect on the Employer.

11.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## 12. MANAGEMENT OF EVALUATION OUTCOMES

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

12.2 A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.

12.3 In the case of unacceptable performance, the Employer shall-

12.3.1 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

12.3.2 after appropriate performance counseling 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 or her duties.

*Handwritten signatures and initials:*  
A signature that appears to be "APR" is written in the top right corner.  
Below it, there is a large, dark, scribbled-out signature.  
To the right of the scribble, there are initials that appear to be "FRS".  
At the bottom right, there is another signature that appears to be "E".

13. **DISPUTE RESOLUTION**

13.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or any other matter provided for, shall be mediated by-

13.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 any other person appointed by the MEC.

13.2 In the event that the mediation process contemplated above falls, clause 19.3 of the Contract of Employment shall apply.

14. **GENERAL**

14.1 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.

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

Thus done and signed at Middelburg on the 30th day of July 2013

**AS WITNESSES:**

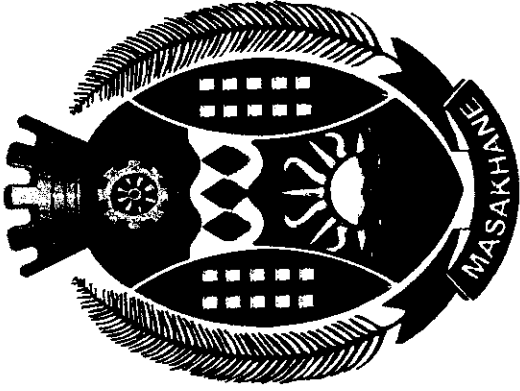
1. \_\_\_\_\_  
2. \_\_\_\_\_

\_\_\_\_\_  
**EMPLOYEE**

**AS WITNESSES:**

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

\_\_\_\_\_  
**EMPLOYER**



**2013/2014 PERFORMANCE PLAN  
EXECUTIVE DIRECTOR FINANCE**

**ELMARI WASSERMANN**

RS EN

**KPA: GOOD GOVERNANCE & PUBLIC PARTICIPATION  
STRATEGIC OBJECTIVES: THE PROVISION OF LEGAL, ADMINISTRATIVE AND SECRETARIAL SERVICES**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To encourage the involvement of the community and or stakeholders in Council.	1	Number of reports submitted on matters raised by ward committees	4 Response provided on ward meeting reports	Quarterly reports submitted on matters raised by ward meetings by June 2014	1	2	3	4	Reports submitted on matters raised at ward meetings	1 Reports submitted per quarter	Good governance & Communications
To promote co-operative governance	1	Develop new service standards and charter	No service standard/charter	Develop new service standard & charter by Dec 2013		1			Approved service charter and standards.	Service charter and standards.	Good governance & Communications
To encourage internal and external communication.	1	Number of publicity / media activities undertaken	4 activities (Radio talks and information provided for publicity events. Budget Indaba & press releases)	6 information activities and or media releases by 30 June 2014		1	3	6	Media releases submitted Attendance Registers	Informed community and media releases	Good governance & Communications
To ensure all incoming correspondence is attended to.	1	% of incoming correspondence responded to.	New baseline	100% of incoming correspondence responded to within 15 working days after receipt.	100%	100%	100%	100%	Reports submitted on incoming and outgoing correspondence attended to in time Monthly control sheets.	Incoming and outgoing correspondence monitored.	Good governance & Communications
To manage identified municipal risks.	1	Number of departmental risk registers submitted to the Chief Risk Officer	New indicator	1 departmental risk registers submitted to the Chief Risk Officer August 2013.	1	-	-	-	1 updated risk registers. Acknowledgement receipt by CRO.	Risk registers for finance Departments.	Good governance & Communications
	1	% of Identified Risk Mitigation measures implemented.	80% of Identified Risk Mitigation measures implemented as at June 2013.	85% of Identified risk mitigation measures implemented by June 2014.	81%	83%	84%	85%	Quarterly progress report on implemented mitigation measures	Risk mitigation measures implemented according to the registers.	Good governance & Communications
Total	6										

*Handwritten initials/signature*

*Handwritten initials/signature*

**KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

**Strategic Objective: The provision of effective, efficient and transformed human capital**

Performance Objectives	Weighting	KPI	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue	
					Q1	Q2	Q3	Q4				
To ensure clear monitoring and reporting of performance	1	Number of performance plans for Managers reporting directly to the ED: Financial Services developed.	Signed performance plans for all Directors & Assistant Directors for 2012/13. (Post level 2-3)	5 performance plans signed by October 2013.		5			Signed performance plans	5 signed performance plans for post level 2-3 in finance directorate.	Human Resource and Performance Management	
	2	Number of Performance reviews conducted for the managers reporting directly to the ED: Financial Services	New indicator	15 performance reviews conducted by June 2014.		5	10	15	Attendance Register & Minutes Sign performance reviews	5 reviews by Jan 5 reviews by Apr 5 reviews by Jun	Human Resource and Performance Management	
	2	Number of PMS reports submitted on time.	2 reports submitted on time.	8 Reports submitted on time.		2	4	6	8	Reports submitted.	2 reports by Jul 2 reports by Oct 2 reports by Jan 2 Reports by April	Human Resource and Performance Management
	2	Number of administrative monitoring committee sessions attended in preparation for the section 79 committee.	New indicator	12 administrative monitoring committee sessions attended in preparation for the section 79 committee by June 2014.		3	6	9	12	Agenda + required documentation for the sessions Acknowledgement receipt from Corporate Dept and MMCs office Meeting Minutes.	Performance monitored on a monthly basis.	Human Resource and Performance Management
	2	Number of management meetings for the Finance Directorate.	No meetings were held as at June 2013.	12 Management meetings held by June 2014.		3	6	9	12	Attendance registers.	12 sets of meeting minutes	Human Resource and Performance Management
	2	Request to fill vacant positions submitted to HR within 10 working days after occurrence of a vacancy.	New indicator	Submission to HR within 10 working days after occurrence of vacancy.		X	X	X	X	Proof of vacancy e.g termination of service form. Acknowledgement receipt from HR.	Process of filling positions commences.	Human Resource and Performance Management

*Handwritten initials/signature*

*Handwritten initials/signature*

**KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

**Strategic Objective: The provision of effective, efficient and transformed human capital**

Performance Objectives	Weighting	KPI	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To maintain a personnel structure that will ensure effective and efficient service delivery	2	% of advertised posts processed for selection and interview	New Indicator.	100% of advertised posts processed for selection and interview within 20 working days from the date received from HR.	100%	100%	100%	100%	Acknowledgement receipt of the application schedule from HR. Attendance register for selection and interview sessions	Vacant positions filled.	Human Resource and Performance Management
To create safe and healthy working environment	2	Number of compliance activities coordinated in terms of the OHS requirements	New Indicator	12 OHS committee meetings 12 Health & Safety inspection checklists 12 Safety talk registers	9	18	27	36	OHS committee minutes Safety talk registers. Health & safety inspection checklists	OHS committee (12 meetings) Safety talk (1 per month) Inspections (1 per month)	Human Resource and Performance Management
<b>Total</b>	<b>15</b>										

FRS  
/

BR

29

**KPA FINANCIAL VIABILITY**

**STRATEGIC OBJECTIVE: TO CONTINUE WITH ACCOUNTABLE AND DEVELOPMENTAL ORIENTATED MONETARY MANAGEMENT TO SUSTAIN A SOUND FIDUCIARY POSITION**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To manage revenue in an efficient and responsible manner	3	% decrease in doubtful outstanding debts	% doubtful debts of total debtors' book as at 30 June 2013	Uncollectible outstanding debts i.e. 150 days and older reduced by 2% by June 2014	0.5%	1%	1.5%	2%	Monthly & quarterly reporting on outstanding debts and billing reports	12 Debtors analysis reports	Financial Viability & Sustainability
	3	% of amounts billed collected	Average payment rate for financial year as at June 2013	Average payment rate maintained at above 98%	>98%	>98%	>98%	>98%	Monthly & quarterly reporting on outstanding debts and billing reports	12 Debtors billing reports with analysis schedule	Financial Viability & Sustainability
	2	% of debtors to revenue ratio	% debtors' turnover ratio as at June 2013	Debtors to revenue ratio maintained at below 8%	<8%	<8%	<8%	<8%	Monthly & quarterly reporting on outstanding debts and billing reports	112 Debtors billing reports with analysis schedule	Financial Viability & Sustainability
To maintain a comprehensive and uniform valuation roll	2	% of supplementary taxes implemented	100% of supplementary valuations implemented as at June 2012	100% supplementary valuations implemented within 30 days from notice	100%	100%	100%	100%	Supplementary valuations report	12 reports on implementation of supplementary valuations	Financial Viability & Sustainability
To provide cost effective services and affordable tariffs.	2	% Decrease in overtime claims.	Overtime as at 30 June 2013: R666 250	Reduce overtime with 1% by June 2014.	.25%	.50%	.75%	1%	Overtime bill	Overtime analysis quarterly report	Financial Viability & Sustainability

FRS  
E.



**KPA FINANCIAL VIABILITY**

**STRATEGIC OBJECTIVE: TO CONTINUE AND IMPROVE COMPLIANCE WITH THE LEGISLATION AND REGULATORY CHANGING FINANCIAL ENVIRONMENT**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To ensure compliance with prescribed accounting standards and legislation	10	% compliance to GRAP reporting framework (Financially unqualified)	Gazetted accounting standards 100% compliant annual financial statements for 2011/2012 financial year	100% compliance to GRAP reporting framework per gazetted framework for 2012/2013 financial year			100%		Annual financial statements submitted and audit report Final Management letter	Proof of AFS submitted. Report on Management letter Audit opinion Report	Financial Viability & Sustainability
To maintain clean and effective governance	2	Compliance to AG key clean audit controls by 2014	Clean audit received 2010/2011 financial year	Maintain clean audit status			100%		Clean audit opinion	Audit Outcome	Financial Viability & Sustainability
To ensure compliance with budget and reporting regulations	6	Number of compliant In-year reports submitted on time	12 monthly reports 4 quarterly reports 1 mid-year budget and performance assessment report	12 monthly reports 4 quarterly reports 1 mid-year budget and performance assessment report which are compliant and submitted on time	4	8	13	17	Council resolution on reports submitted	4 Reports by Sept 4 Reports by Dec 5 Reports by March 4 Reports by Jun	Financial Viability & Sustainability
	10	% compliance to budget & reporting regulation framework	Annual budget submitted according to regulations	100% compliant and funded annual budget submitted by May 2014				100%	Annual budget and resolution, Budget Steering minutes	Budget submission & Council Resolution. Inputs on Budget by NT & provincial Treasury	Financial Viability & Sustainability
To fully comply with Supply Chain Regulation and National Treasury Guide on procurement processes	3	Number of compliant In-year reports submitted on time	4 quarterly reports Annual reports 12 monthly deviation reports	4 quarterly reports Annual reports 12 monthly deviation reports	5	9	13	17	Reports and resolutions	5 Reports by Sept 4 Reports by Dec 4 Reports By March 4 Reports by Jun	Financial Viability & Sustainability

**KPA FINANCIAL VIABILITY STRATEGIC OBJECTIVE: TO CONTINUE AND IMPROVE COMPLIANCE WITH THE LEGISLATION AND REGULATORY CHANGING FINANCIAL ENVIRONMENT**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
	2	Reduce turnaround time on award of tenders	Turnaround time as at 30 June 2013	Reduce turnaround time to 100 days.				110 Days	Tender register	Tender Register & Minutes of meetings	Financial Viability & Sustainability
	2	Issue of PPE to all employees once per annum	PPE submitted by May 2013	Issue PPE to all employees by Dec 2013					Requisitions and stock level report.	Sign schedules of PPE issue & orders	Financial Viability & Sustainability
To comply with the municipal minimum competency level	2	Increase number of compliant senior personnel with minimum competency levels	Senior personnel compliant to municipal minimum competency levels as at June 2013 i.e 2	3 Additional compliant senior personnel by 30 June 2014 and training to 12 middle management employees				100%	Accredited confirmation SETA and proof of training	Proof of training and results	Financial Viability & Sustainability

*Handwritten initials/signature*

*Handwritten initials/signature*

**KPA FINANCIAL VIABILITY**

**STRATEGIC OBJECTIVE: TO RENDER AN EFFICIENT, EFFECTIVE AND RESPONSIVE CONSUMER SERVICE TO THE COMMUNITY**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To maintain and upgrade the existing financial operations and procedures to provide an efficient functionality	2	Number of improved controls, procedures and systems instituted	3 Development and/or upgrade of management systems by 30 June 2012	8 development of controls and procedures reviewed by June 2013	2	6	8	8	Proof of sign off procedure documents	2 sign off procedures by Dec 4 sign off procedures by March 2 sign off procedures by Jun	Financial Viability & Sustainability
	2	Number of Budget Related Policies review	10 budget related policies reviewed.	Review of 10 Budget Related policies.			10	10	Council resolution on review of policies	Report and resolution on policies	Financial Viability & Sustainability
To identify and investigate inaccurate meter readings / consumptions	2	Number of meter reading based on estimation instead of actual meter reading	1550 meter readings estimated as at 30 June 2013 i.e. 5%	Reduce meter readings with estimations by 250	50	100	150	250	Deviation reports on water meters estimated	Report on meters billed on actual readings	Financial Viability & Sustainability
To extend service delivery to the community	2	Number of payment channels available to consumers.	11 pay point facilities & 4 after hour vending facilities.	2 additional consumer facilities				2	SLA of payment facilities	SLA agreements on new facilities	Financial Viability & Sustainability
To alleviate poverty to improve quality of household life	2	% of allocated equitable share implemented for free basic services	% allocated equitable share actually implemented for free basic services	Additional 2% of allocated equitable share to be utilized for free basic services				2%	Budget report and Equitable Share provided for FBS	Budget report on % equitable share allocated.	Financial Viability & Sustainability

**KPA FINANCIAL VIABILITY**

**STRATEGIC OBJECTIVE: TO FINANCIALLY PLAN IN LINE WITH GROWTH AND INFRASTRUCTURAL DEVELOPMENT WITHIN THE MUNICIPALITY**

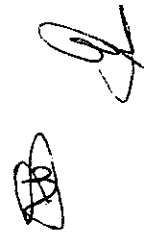
Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To ensure efficient, effective cash flow management	4	% of municipality capital budget actually spent on capital projects identified in terms of IDP for finance directorate	% of actual capital expenditure spent on projects identified in IDP by June 2013	90% of actual capital expenditure on approved capital projects in the 2013/2014 IDP	10%	35%	65%	90%	Monthly & Quarterly reports on CAPEX spending for finance directorate	Budget expended according to the SDBIP.	Financial Viability & Sustainability
	2	Debt coverage ratio	Debt coverage ratio as at 30 June 2012	Debt coverage ratio maintained at above 10 at any given time	10x	10x	10x	10x	Monthly Report and Key Indicator Schedule	Improve cash / liquidity position	Financial Viability & Sustainability
	2	Cost coverage ratio	Cost coverage ratio as at 30 June 2012	Cost coverage ratio increased to above 2 at any given time	2x	2x	2x	2x	Monthly Report and Key Indicator Schedule	Improve cash / liquidity position	Financial Viability & Sustainability
	2	Secure new external loan for capital programme over next MTRF	Five external loans	New external loan facility compliant to reporting requirements at best rate by 31 December 2013		1			Sign external loan agreement and documentary proof of process	Obtain additional funding for CAPEX programme.	Financial Viability & Sustainability

**KPA FINANCIAL VIABILITY**

**STRATEGIC OBJECTIVE: TO MANAGE AND MAINTAIN ALL ASSETS PURSUANT TO COMPLYING WITH GRAP 17**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To manage, control and maintain all assets of the municipality	2	% asset verification according to inventory lists	No baseline	100% of assets verified according to inventory lists				90%	Report on asset verification	Safeguard municipal assets	Financial Viability & Sustainability
	2	% Increase of OPEX allocated to repairs and maintenance.	4,7% allocated for maintenance on the 2012/2013 budget.	1% increase of OPEX budget to be allocated on repair & maintenance				1%	Repair & Maintenance per approved budget	Secure health of municipal assets	Financial Viability & Sustainability
	2	% reduction in annual stock take differences	No baseline	2% reduction in annual stock take differences				5%	Stock take report	Control and reduce stock losses	Financial Viability & Sustainability
Total	75										

FRS

**KPA INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY**

**STRATEGIC OBJECTIVE: TO PROMOTE HEALTHY LIFESTYLES THROUGH PROVISION OF SPORT AND RECREATION FACILITIES ACCESSIBLE TO ALL COMMUNITIES**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To develop new sport and recreation facilities while upgrading existing facilities according to prioritized community needs	2	Investigate alternative funding for sporting facilities.	Only MIG funding available.	Report on alternative funding for sporting facilities by March 2014			1		Council resolution on report.	Possible additional funding for sport facilities.	Municipal infrastructure and Services

**STRATEGIC OBJECTIVE: TO PROMOTE HEALTHY LIFESTYLES THROUGH PROVISION OF SPORT AND RECREATION FACILITIES ACCESSIBLE TO ALL COMMUNITIES**

Performance Objective	Weighting	Key Performance Indicator	Baseline	Annual Target	Quarterly Targets				Evidence	Output	Priority Issue
					Q1	Q2	Q3	Q4			
To provide efficient and sustainable basic services to consumers throughout the municipal area.	2	Number of registered indigents for free basic services	17100 registered indigents by 30 June 2013	300 additional indigent consumers registered for free basic services	75	150	225	300	Indigent register	Provision of basic services to Indigents	Municipal infrastructure and Services
<b>Total</b>	<b>4</b>										



Signed by: Executive Director Financial Services

Date

