

**PERFORMANCE PLAN**

**MADE AND ENTERED INTO BY AND BETWEEN:**

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

**TSHEMEDI LUCAS MKHWANE**

**AND**

**NKOEBELE ELIAS MOKHESUOE  
THE CHIEF FINANCIAL OFFICER OF THE MUNICIPALITY**

**FOR THE**

**FINANCIAL YEAR: 1 JULY 2012 TO 30 JUNE 2013**

## **PERFORMANCE PLAN**

(Period: 1 July 2012 to 30 June 2013)

### **1. Purpose**

The performance plan defines the Council's expectations of the Chief Financial Officer's 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 employee's 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 Areas**

The following Key Performance Area's (KPAs) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed below:

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

### **4. Rating**

The assessment of the performance of the employee will be based on the ratingscale for KPA's and CCR's as set out in the performance agreement.



## 5. SCORECARD

No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
1	<b>Municipal Institutional Development and Transformation</b>	50	The Municipality consistently complies with the <i>Municipal Supply Chain Management Regulations</i> 2005 (Government Notice No 868 of 30 May 2005); and its supply chain management policy	Reports regarding the implementation of the supply chain management policy, including "deviation reports"		Quarterly	
			The Department complies with relevant legislation, including the MFMA, DORA, Municipal Systems Act and PPPFA etc.	Report indicating current level of compliance with relevant legislation		Quarterly	
				A plan (including target dates and milestones) to achieve compliance with relevant legislation submitted to relevant section 79 committee		Quarterly	
			The corporate SDBIP for 2012/13 is developed consistent with legislation	Draft SDBIP for 2012/13 is submitted to the Mayor within 14 days after approval of the budget		14 days after approval of the budget	
			Roll out Performance Management System (PMS) in the Department	Quarterly performance reports submitted to the MM regarding the achievement of the SDBIP performance indicators		Four Reports per annum	
Detailed project plans for		30/08/12					

No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
				all departmental projects with KPI's as reflected in the SDBIP for the 2012/13 financial year			
2.	Basic Services	10	Invoices to debtors are prepared accurately and delivered regularly	No invoices are queried for inaccuracies.		On-going	
				Invoices are prepared and distributed 14 days before due date		On-going	
			Maintain database of accredited suppliers	Applications by suppliers for inclusion in the database of accredited suppliers are verified and captured within one month after receipt		Monthly	
			Respond to queries immediately	All account queries are processed and resolved within seven days		On-going	
			Service Providers engaged by the Department meet performance standards in terms of quality, budgets and timelines.	➤ Input, output and outcome indicators are set for each contract awarded.		On-going	
				➤ Supplier performance are measured against the agreed KPI's and reported on regularly.		On-going	

No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
3.	<b>Local Economic Development (LED)</b>	5	Promote the involvement of SMMEs in projects.	60% of projects involves SMME's		30/06/2013	
4.	<b>Municipal Financial Viability &amp; Management</b>	25	Comply with statutory and best practice prescripts relating to expenditure	Less than 10% of expenditure transactions are queried during the external audit due to inadequate supporting documentation		30/06/13	
			Annual Financial Statements for 2011/12 are completed on time.	Performance Report for 2011/12 is submitted to the Auditor-General on or before 31 August 2012.		31 August 2012	
				Annual Financial Statements for 2011/12 is submitted to the Auditor-General on or before 31 August 2012.		31 August 2012	
				Assess accessibility and reliability of cashiering services		30/09/12	
			Improve cash flow management	Actual expenses and receipts do not deviate more than 5% from monthly cash flow projections		Monthly	
		99% of creditors are paid within 30 days of receipt of invoice/statement		Monthly			

No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
			Suppliers engaged by the Department meet performance standards in terms of quality, budgets and timelines	Set input, output and outcome indicators for each service-provider appointed for the Department		Monthly	
				Measure performance of service-providers against agreed indicators		Monthly	
			No irregular, unauthorised or fruitless and wasteful expenditure is committed, made, authorised or incurred	No expenses incurred by/on behalf of the Department are disallowed for being irregular, unauthorised or fruitless and wasteful		30/06/13	
			Improve internal controls	Written response to audit queries and variance reports are submitted within 5 working days after receipt		As and when required	
				Submit the Financial Audit Report to Council		31/01/13	
				Addressing and reporting audit issues raised affecting the Department for both internal and external Audits to the MM		Continuously	
				Ensuring that all previous year audit issues raised by the AG are addressed and corrected		28/02/13	

No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
				Addressing audit committee issues and report to relevant Council committee on a continuous basis		Continuously	
			Promote sound financial management	Submit quarterly reports to the MM regarding actual capital expenditure and operational expenditure for the municipality and indicate possible or anticipated over and under expenditure		Quarterly	
5.	<b>Good Governance &amp; Public Participation</b>	10	Effective plan, execute and manage the budget preparation process in accordance with the MFMA, 2003	Prepare and submit 2013/14 draft budget to Council for approval in terms of s87(1) of the MFMA		31/03/13	
				Prepare and submit final budget to Council for approval in terms of s87(4) of the MFMA		31/05/13	
				Community participation processes are completed between 2 April and 31 May 2012		31/05/13	
				Prepare and submit the mid-year financial review of the 2012/13 budget in terms of s72 of the MFMA and the adjustments budget if required		25/01/13	
			Financial plan developed	The IDP incorporates a		31/06/13	



No	KPA	Weighting	Objective	KPI (Indicator & Target)	Baseline Information	Target Date (Timeframe, Quality & Quantity)	Progress on Review
			for the IDP	financial plan			

## 6. CORE COMPETENCY REQUIREMENTS

Competencies	Weight	Description/Definition	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
Financial management	10	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.		
People management and empowerment	20	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve the Municipality's strategic objectives.		
Client orientation and customer focus	20	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.		
Strategic capability and leadership	10	Provides a vision, sets the direction for the administration and inspires others to deliver on the municipality's mandate		
Problem solving and analysis	10	Systematically identifies, analyses and resolves existing and anticipated problems in order to reach optimum solutions in a timely manner.		
Programme and project management	10	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.		
Honesty and integrity	10	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.		
Competence in policy	10	The ability to draft and implement a policy due to the arriving		

Competencies	Weight	Description/Definition	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
conceptualisation, analysis and implementation		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.		
<b>TOTAL</b>				

## 7. Consolidated Score Sheet

### KEY PERFORMANCE AREAS

Key performance area	Weight	Rating	Score
Municipal institutional development and transformation	50		
Basic service delivery	15		
Local economic development	5		
Municipal financial viability and management	20		
Good governance and public participation	10		
Total score			
Total weight, key performance areas			<b>80%</b>
<b>Weighted score, Key performance areas</b>			

### CORE COMPETENCY REQUIREMENTS

	Core competency requirement	Weight	Rating	Score
1	Financial management	10		
2	People management and empowerment	20		
3	Client orientation and customer focus	20		
4	Strategic capability and leadership	10		
5	Problem solving and analysis	10		
6	Programme and project management	10		
7	Honesty and integrity	10		
8	Competence in policy conceptualisation, analysis and implementation	10		

		Total score	
		Total weight, core competency requirements	<b>20%</b>
		<b>Weighted score, core competency requirements</b>	

**8. Performance Bonus**

The Manager's performance will be rewarded according to the performance reward scheme of the municipality as set out in the performance agreement. (Regulation 32(2) of the Performance Regulations gazetted in Notice No 805, published on 1 August 2006.)

**9. 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.

Thus done and signed at **TROMPSBURG** on ... ..... **2012**

**AS WITNESSES:**

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

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

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

Thus done and signed at **TROMPSBURG** on ... ..... **2012**.

**AS WITNESSES:**

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

\_\_\_\_\_  
**MUNICIPAL MANAGER**

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



**10. CONTROL SHEET**

**TO BE UPDATED BY THE MUNICIPAL MANAGER**

<b>PLANNING PHASE</b>			
Date of 1 <sup>st</sup> planning meeting		Date of 2 <sup>nd</sup> planning meeting	
Date copy of performance plan handed to CFO		MUNICIPAL MANAGER	

<b>COACHING PHASE</b>	
(Keep a record of meetings held to give feedback to the CFO on performance related issues)	
Date of feedback meeting	Performance issues discussed and corrective action to be taken
Date of formal Half-year review	

<b>REVIEWING PHASE</b>			
Date CFO notified of formal review meeting			
Date of 1 <sup>st</sup> review meeting			
Date of 2 <sup>nd</sup> review meeting			
Date of 3 <sup>rd</sup> review meeting			
Date of 4 <sup>th</sup> review meeting			
MUNICIPAL MANAGER		Signature	