



CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

ANNUAL PERFORMANCE AGREEMENT

Prepared for and entered into by:

Mr Moppo, A. Mene
the Municipal Manager of the
CHRIS HANI DISTRICT MUNICIPALITY
(“the Municipal Manager”)

and

Mr Makaya Dungu
the Director at the
CHRIS HANI DISTRICT MUNICIPALITY
(“the Director”)

for the financial year:

1 July 2016 to 30 June 2017

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PROLOGUE

- 1.1. The Municipality has, in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 ("the Systems Act") entered into a contract of employment with the Director for a period of 5 years, commencing on 1st October 2013
- 1.2. Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the Parties, require the Parties to conclude an annual performance agreement.
- 1.3. The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Director to a set of outcomes that will secure local government policy goals.
- 1.4. The Parties wish to ensure that there is compliance with Sections 57(4A), (4B) and (5) of the Systems Act.

1. INTERPRETATION

- 1.5. In this Agreement the following words will have the meaning ascribed thereto:
 - 1.5.1. "this Agreement" – means the performance agreement between the Municipality and the Director and the annexures thereto.
 - 1.5.2. "the Executive Authority" – means the Mayoral Committee of the Municipality constituted in terms of Section 55 of the Local Government: Municipal Structures Act as represented by its chairperson, the Executive Mayor.
 - 1.5.3. "the Director" – means the Director responsible for Technical and Engineering Services who is directly accountable to the Municipal Manager in terms of Section 56(a) of the Systems Act.
 - 1.5.4. "the Municipal Manager" – means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998.
 - 1.5.5. "the Municipality" – means the CHRIS HANI DISTRICT MUNICIPALITY.
 - 1.5.6. "the Parties" – means the Municipal Manager and the Director.

2. PURPOSE OF THIS AGREEMENT

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

3. COMMENCEMENT AND DURATION

- 3.1. Notwithstanding the date of signature this Agreement will commence on the **1st of July 2016** and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan is concluded between the Parties as contemplated in Clause 3.2
- 3.2. The Parties will review the provisions of this Agreement during June each year. The Parties will conclude a new performance agreement including a Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the **31st of July each year**.

- 3.3. The payment of the performance bonus is determined by the performance score obtained during the annual performance assessment as informed by the quarterly performance assessments. Should the Director be entitled to a bonus, this will be paid out after approval by Council and not later than sixty (60) days thereafter in the Director's salary for a month that shall be applicable.
- 3.4. The payment of a performance bonus for the year in which the Director's contract of employment expires will be done as set out in clause 3.3 and the bonus so determined will be paid to the Director on the last day of his/her employment or not later than 30 days thereafter.
- 3.5. In the event of the Director commencing or terminating his services with the Municipality during the validity period of this Agreement, the Director's performance for the portion of the period referred to in clause 3.1 during which he/she was employed, will be evaluated and he/she will be entitled to a pro rata performance bonus based on his evaluated performance and the period of actual service.
- 3.6. The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon by the Parties.
- 3.7. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.
- 3.8. This Agreement will terminate on the termination of the Director's contract of employment for any reason.

4. PERFORMANCE OBJECTIVES

- 4.1. The Performance Plan in **Annexure A** sets out:
- 4.1.1. the performance objectives and targets which must be met by the Director; and
- 4.1.2. the timeframes within which those performance objectives and targets must be met.
- 4.2. The Personal Development Plan in **Annexure B** sets out the Director's personal developmental requirements in line with the objectives and targets of the Municipality.

- 4.3. The Core Management Competencies reflected in **Annexure C** set out those management skills regarded as critical to the position held by the Director.
- 4.4. The performance objectives and targets reflected in **Annexure A** are set by the Municipality in consultation with the Director and based on the Integrated Development Plan and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.
- 4.5. The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.6. The Director's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

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

6. PERFORMANCE ASSESSMENT

6.1. The performance of the Director will be assessed against the outputs and outcomes achieved in terms of his/her Key Performance Areas (KPAs) as fully described in **Annexure A** and his/her Core Management Competencies (CMCs) determined at the commencement of this Agreement with a weighting of 80:20 allocated to the KPAs and CMCs respectively. Therefore the KPAs that refer to the main tasks of the Director account for 80% of his/her assessment while the CMCs make up the other 20% of the Director's assessment score.

6.2. The weightings agreed to in respect of the Director's KPAs attached as **Annexure A** are set out in the table below:

KEY PERFORMANCE AREA	DESCRIPTION	WEIGHT
KPA 1	Basic Service Delivery and Infrastructure Development	60%
KPA 2	Local Economic Development	5%
KPA 3	Municipal Transformation and Organisational Development	5%
KPA 4	Financial Management and Viability	10%
KPA 5	Good Governance and Public Participation	20%
TOTAL		100%

6.3. The weightings agreed to in respect of the CMCs considered most critical for the Director's position and further defined in Annexure C are set out in the table below:

LEADING COMPETENCIES

NO .	COMPETENCY AREA	DEFINITION	ACHIEVEMENT LEVEL	WEIGHT
1	Strategic Leadership and Management	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate	Advanced	5%
2	People Management	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives	Advanced	10%
3	Programme and Project Management	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives	Advanced	10%
4	Financial Management	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner	Advanced	10%
5	Change Leadership	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community	Advanced	10%
6	Governance Leadership	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships	Advanced	5%

CORE COMPETENCIES

NO .	COMPETENCY AREA	DEFINITION	ACHIEVEMENT LEVEL	WEIGHT
1	Morale Competence	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behaviour that reflects moral competence	Advanced	9%
2	Planning and Organising	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk	Advanced	15%
3	Analysis and Innovation	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives	Advanced	4%
4	Knowledge and Information Management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government	Advanced	5%
5	Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome	Advanced	5%
6	Results and Quality Focus	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives	Advanced	12%
TOTALS				100%

6.4. The assessment of the performance of the Director will be based on the following rating scales for KPAs and CMCS:

RATING SCALES		
LEVEL	TERMONOLOGY	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 the Performance Agreement 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 Performance Agreement 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 of the key performance criteria and indicators as specified in the Performance Agreement 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 Performance Agreement 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.

6.5. To determine which rating on the five-point rating scale did the Director achieve for each KPA, the following criteria should be used:

Description	Definition
Duration of task	Was the target achieved within the projected timeframe
Level of complexity	Did the task require problem solving; reconciling different perceptions and the use of innovative alternatives?
Cost	Was the target delivered within budget? Was there saving or was there over expenditure?
Constraints	Did the envisaged constraints materialise? If so, were steps taken to manage/reduce the effects of the constraint? If not, was it beneficial to the completion of the target? Were there any innovative/pro-active steps taken to manage the constraint

6.6. Annexure "B" may be used as the basis for progress discussions by the municipality.

7. PANEL AND SCHEDULE FOR ASSESSMENTS

7.1. An assessment panel consisting of the following persons will be established:

7.1.1. The Municipal Manager

7.1.2. Chairperson of the Audit Committee

7.1.3. Member of the Mayoral Committee

7.1.4. Municipal Manager from another Municipality

7.2. In addition, a pre-assessment will be done by:

7.2.1. The Municipal Manager

7.2.2. The Director (own assessment)

7.3. The performance of the Director will be assessed in relation to his/her achievement of:

7.3.1. The targets indicated for each KPA in Annexure A;

7.3.2. The CCRs as defined in clause 6.3 of this agreement on a date to be determined for each of the following quarterly periods:

Quarter	Months	Review Date
1	July – September	October
2	October – December	January
3	January – March	April
4	April – June	July

The Annual Performance Assessment will be conducted upon approval of the Annual Report

7.4. Assessments in the first and third quarter may be verbal if the Director's performance is satisfactory

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

8. EVALUATING PERFORMANCE AND THE MANAGEMENT OF EVALUATION OUTCOMES

- 8.1. The Director will submit quarterly performance reports and a comprehensive annual performance report with the self-assessment to the Municipal Manager before the performance assessment meeting.
- 8.2. The Municipal Manager will give performance feedback to the Director after each quarterly and the annual assessment meetings.
- 8.3. The Director will be subjected to the performance evaluation panel at the end of the financial year for assessing the performance during the year
- 8.4. The panel evaluation of the Director's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 8.5. At the end of the 4th quarter, the Executive Authority will determine if the Director is eligible for a performance bonus as envisaged in his/her contract of employment based on the bonus allocation set out in clause 8.11 of this agreement.
- 8.6. The results of the annual assessment and the scoring report of the Director for the purposes of bonus allocation, if applicable, will be submitted to the Executive Authority for a recommendation to the full Council.
- 8.7. Personal growth and development needs identified during any performance assessment discussion, must be documented in the Director's Personal Development Plan as well as the action steps and set time frames agreed to.
- 8.8. Despite the establishment of agreed intervals for assessment, the Municipal Manager may, in addition, review the Director's performance at any stage while his/her contract of employment remains in force.
- 8.9. The Municipal Manager will be entitled to review and make reasonable changes to the provisions of **Annexure "A"** from time to time for operational reasons. The Director will be fully consulted before any such change is made.
- 8.10. The provisions of **Annexure "A"** may be amended by the Executive Authority when the Municipality's performance management system is adopted, implemented and/or amended as the case may be subject to clause 5.3.

8.11. A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that:

- 8.11.1. a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- 8.11.2. a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

9. OBLIGATIONS OF THE MUNICIPALITY

- 9.1. The Municipality will create an enabling environment to facilitate effective performance by the Director.
- 9.2. The Director will be provided with access to skills development and capacity building opportunities.
- 9.3. The Municipality will work collaboratively with the Director to solve problems and generate solutions to common problems that may impact on the performance of the Director.
- 9.4. The Municipality will make available to the Director such resources including employees as the Director may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the Director to ensure that he/she complies with those performance obligations and targets.
- 9.5. The Director will be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him/her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1.The Executive Authority and / or Municipal Manager agrees to consult the Director within a reasonable time where the exercising of the Executive Authority's and / or Municipal Manager's powers will:
- 10.1.1. have a direct effect on the performance of any of the Director's functions;
 - 10.1.2. commit the Director to implement or to give effect to a decision made by the Executive Authority and/or Municipal Manager;
 - 10.1.3. have a substantial financial effect on the Municipality.

10.2.The Municipal Manager agrees to inform the Director of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable, to enable the Director to take any necessary action without delay.

11. CONSEQUENCES OF POOR OR UNACCEPTABLE PERFORMANCE

- 11.1. Where the Municipal Manager is, at any time during the Director's employment, not satisfied with the Director's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Director to attend a meeting with the Municipal Manager.
- 11.2. The Director will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Director's performance becomes satisfactory in accordance with a documented programme, including any dates, for implementing these measures
- 11.3.The Municipality will provide systematic remedial or developmental support to assist the Director to improve his/her performance.
- 11.4.If, after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Municipal Manager holds the view that the performance of the Director is not satisfactory, the Municipal Council will, as per the advice of the Municipal Manager and subject to compliance with applicable labour legislation, be entitled to, by notice in writing to the Director, take steps to terminate the Director's employment in accordance with the notice period set out in the Director's contract of employment.

11.5.Where there is a dispute or difference as to the performance of the Director under this Agreement, the Parties will confer with a view to resolving the dispute or difference.

11.6.Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Director's contract of employment with or without notice for any other breach by the Director of his obligations to the Municipality or for any other valid reason in law.

12. DISPUTES

12.1.In the event that the Director is dissatisfied with any decision or action of the Executive Authority and/or Municipal Manager in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Director has achieved the performance objectives and targets established in terms of this Agreement, the Director may meet with the Municipal Manager with a view to resolving the issue. At the Director's request the Municipal Manager will record the outcome of the meeting in writing.

12.2.In the event that the Director remains dissatisfied with the outcome of that meeting, he/she may raise the issue in writing with the Executive Mayor. The Executive Mayor will determine a process within 4 (four) weeks for resolving the issue, which will involve at least providing the Director with an opportunity to state his case orally or in writing before the Executive Mayor. At the Director's request, the Executive Mayor will record the outcome of the meeting in writing. The final decision of the Executive Mayor on the issue will be made within 6 (six) weeks of the issue being raised with the latter and will, subject to common law and applicable labour law, be final.

12.3.If any dispute about the nature of the Director's performance agreement whether it relates to key responsibilities, priorities, methods of assessment or any other matter provided for cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by the MEC for local government in the province or any other person appointed by the MEC within 30 days of receipt of a formal dispute from the Director.

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

13. GENERAL

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

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

Signed at Queenstown on this 1 day of July 2016

**Director: Technical and Engineering Services
Chris Hani District Municipality**

As witness:

(1) René Augustus
Full Name and Surname

Signature

(2) _____
Full Name and Surname

Signature

Signed at Queenstown on this 1 day of July 2016

**Municipal Manager
Chris Hani District Municipality**

As witness:

(1) SIDIMA DYANI
Full Name and Surname

Signature

(2) _____
Full Name and Surname

Signature



CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

**MUR M. DUNGU: DIRECTOR ENGINEERING SERVICES
APPROVED ANNUAL PERFORMANCE PLAN
2016/2017 FINANCIAL YEAR**

PROVISIONING	services provision	Implementation of Water Demand Management Strategy	% reduction in water losses	SDI - 9	5% reduction per year	50%	48%	46%	45%	Bulk meter reading; Water balancing report	Director: Engineering
			Turnaround time to respond to water interruptions	SDI - 10	48 hrs	48 hrs	48 hrs	48 hrs	48 hrs	Communication system analysis report	Director: Engineering
			No of bulk water meters installed	SDI - 11	10	1	3	2	4	Completion certificates / GRN / Job Card	Director: Engineering
ROADS SECTION											
ROADS MAINTENANCE	To ensure compliance with the DRPW SLA on roads maintenance	Implementation of SLA between CHDM and DRPW	2148 kms of roads bladed in the defined areas	SDI - 12	2148	537	537	537	537	Report	Director: Engineering
			30kms of roads Gravelled in the defined areas.	SDI - 13	30	30	7.5	7.5	7.5	Report	Director: Engineering

KPA 2: LOCAL ECONOMIC DEVELOPMENT							WEIGHT:																	
Priority Area	Measurable Objectives	Strategy	KPI	Indicator Code	Programme Budget	Annual Target	Baseline	Planned Quarterly Targets			Qrt 1			Qrt 2			Qrt 3			Qrt 4			Evidence	Custodian
EPWP PROGRAMME	To create job opportunities through EPWP	Implementation of EPWP	No of job opportunities created	LED - 1	part of grant funding	625	613	156	156	156	156	156	156	157	157	157	157	157	157	157	157	Job Confirmation letter from Dept. of roads and public works	Director: Engineering	
KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	Measurable Objectives	Strategy	KPI	Indicator Code	Programme Budget	Annual Target	Baseline	Planned Quarterly Targets			Qrt 1			Qrt 2			Qrt 3			Qrt 4			Evidence	Custodian
SECTIONAL MANAGEMENT	To ensure sufficient human capital for the institution	Implementation of the reviewed organisational structure	Percentage compliance with HR policies and prescripts (HoD signed determination)	MTOD - 20 - 01		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Report on Departmental HR matters submitted to the Municipal Manager	Director: Engineering	
KPA 4: FINANCIAL VIABILITY AND MANAGEMENT	Measurable Objectives	Strategy	KPI	Indicator Code	Programme Budget	Annual Target	Baseline	Planned Quarterly Targets			Qrt 1			Qrt 2			Qrt 3			Qrt 4			Evidence	Custodian
BUDGET PLANNING AND REPORTING	To prepare and adopt a Credible Budget	Preparation and tabling of Credible Budget	Percentage timely contribution to the development of the institutional budget	FMV - 11 - 01		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Attendance register for budget steering Committee Submissions for corporate services budget proposals	Director: Engineering	
PROCUREMENT / DEMAND MANAGEMENT	Ensuring sound and sustainable management of finances of district in line with National norms and standards	Ensuring Expenditure management in line with the approved budget	Percentage expenditure of departmental budget	FMV - 13 - 01		100%		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	Quarterly expenditure reports	Director: Engineering	
			Number of departmental procurement plans developed and approved	FMV - 27 - 01		1		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Approved departmental procurement plan	Director: Engineering		
			Percentage deviation from approved departmental procurement plan	FMV - 27 - 02		0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	Quarterly updated departmental procurement plan	Director: Engineering	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										WEIGHT:			
Priority Area	Measurable Objectives	Strategy	KPI	Indicator Code	Programme Budget	Annual Target	Baseline	Planned Quarterly Targets			Qrt 4	Evidence	Custodian
								Qrt 1	Qrt 2	Qrt 3			
PERFORMANCE MANAGEMENT	Strengthen Institutional Performance planning, Monitoring and Evaluation	Asserting a system of Accountability and Reporting.	Number of quarterly performance reports submitted on time (with POE)	GGPP - 16-01		4		1	1	1	1	Proof of submission to the Office of the Municipal Manager	Director: Engineering
RISK MANAGEMENT AND AUDIT FUNCTION	To submit four Strategic and Operational Risk Evaluation reports on an annual basis	Implementation of risk management strategy	Percentage implementation of the departmental risk register	GGPP - 20-01		100%		25%	50%	75%	100%	Updated risk register submitted to the risk management committee	Director: Engineering
	To improve internal control environment	Implementation of Internal Audit Charter and Risk based Audit Plan	Percentage response to internal audit RFIs and resolving issues raised	GGPP - 23-02		100%		100%	100%	100%	100%	Quarterly internal audit report submitted to Audit Committee	Director: Engineering
SECTOR PLANNING													
		Review of the WSDP	GGPP - 27		1		Desktop and assessment	Draft WSDP	WSDP Stakeholder engagement	1 WSDP approved	Council resolution/Standing Committee report	Director: Engineering	
		Number of Operations and Maintenance Plan developed	GGPP - 28		1		Assessment	Draft O&M Plan	Final Document	1 O&M Plan Approved	Council resolution/Standing Committee report	Director: Engineering	
		Number of risk abatement plans developed	GGPP - 29		16		Consultation meetings	Risk assessment report	Draft risk abatement plans (19)	Final risk abatement plans (19)	Attendance raisers	Risk report Draft Risk Abatement plans	Director: Engineering
	To ensure sustainable water services provision	Review of WSDP									Approved risk abatement plans		
WATER SERVICES PLANNING	Number of water safety plans developed	GGPP - 30			19		Consultation meetings	Risk assessment report	Draft water safety plans (19)	Final water safety plans (19)	Attendance raisers	Risk report Draft water safety plans	Director: Engineering
											Approved water safety plans		

WATER SERVICES PROVISIONIN G	To ensure sustainable water services provision	Implementation of Water Demand Management Strategy	No of Awareness campaigns conducted by June 2017	PUBLIC AWARENESS AND CAMPAIGNS			Attendance registrars	Risk report	Draft process audits	Final process audit documents (32)	Attendance registrars	Risk report	Draft process audits	Approved process audits	Attendance registers	Campaign reports submitted to the Standing Committee	Director: Engineering	
				GGPP - 31	32	Consultation meetings	Risk assessment report	Draft process audit documents (32)	Draft process audit documents (32)	Final process audit documents (32)								
			No of Awareness campaigns conducted by June 2017	GGPP - 61	4 Awareness Campaigns	4 Awareness Campaigns	1			2		3		4				Director: Engineering

ANNEXURE C

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS: GOVERNMENT NOTICE 21 IN GOVERNMENT GAZETTE 37245. DATED 17 JANUARY 2014

The following table provides guidance on the implementation of the Municipal Regulations on Minimum Competency Levels and will assist with the interpretation of the financial and supply chain management skill levels and areas of competency of the specific position. The table must be read in conjunction with the competency regulations. When evaluating the appropriateness of work related experience the table provides a useful reference of the competencies, knowledge and skills required of a person to fulfil the role of a Senior Manager in terms of the MFMA. Past work experience should be evaluated against this table. This table was also used to base the selection of Unit Standards contained in the competency regulations.

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
Strategic leadership and management	Within the area of responsibility, the ability to contribute to service delivery systems of a complex nature and to manage the achievement of strategies and goals.	<ul style="list-style-type: none">■ Providing visible, supportive & effective leadership■ Motivating and empowering staff to deliver on strategies and goals.■ Fostering a positive and creative management culture.■ Contributing to the alignment of strategies and goals with national and provincial policies and within the district.■ Managing and overseeing implementation of an effective performance management system.■ Utilising strategic planning methods and tools. Within the area of responsibility the ability to formulate and influence short, medium and long-term service delivery plans to deliver on strategies and goals.

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
<p>The ability to provide supportive leadership to the accounting officer and senior management team.</p>	<ul style="list-style-type: none"> Identifying and managing risk in plans. Based on the past and current performance and financial position of the municipality, advise on plans and strategies and goals. Working closely in conjunction with the senior management team to support the accounting officer Contributing and advising the accounting officer and senior management team on policy objectives to ensure clear purpose and direction. Evaluating and reporting to the accounting officer and senior management team on the alignment and achievement of strategies and goals in respect of activities, service delivery and performance. Formulating, in conjunction with the accounting officer and senior management team, a clear vision, mission and strategies and goals for the municipality. Establishing a culture of learning within the area of responsibility. 	
<p>Within the area of responsibility, the ability to develop and maintain strategic alliances with various stakeholders.</p>	<ul style="list-style-type: none"> Developing and maintaining strategic alliances within the cooperative governance framework. For the purpose of achieving the Constitutional mandate of local government, developing and maintaining strategic alliances with organisations and bodies outside government. Communicating the municipality's mission and vision to various stakeholders 	
<p>Strategic financial management</p>	<ul style="list-style-type: none"> Supporting the implementation of finance strategies, which enhance good financial management and decision-making practices within the area of responsibility. Supporting the implementation of financial policies, systems, guidelines instructions and related policies to ensure efficient and effective financial administration and control. Within the area of responsibility, managing the control of assets according to policies and procedures. 	

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
		<ul style="list-style-type: none"> ➡ Supporting the budget process, including preparing information supporting budget estimates and identifying priorities and mandates for programmes in alignment with the integrated development plan (IDP). ➡ Supporting the accounting officer to oversee the financial management, tax implications and performance of service delivery mechanisms (internal and external) including municipal entities in the case of a municipality) and outsourced service agreements within the area of responsibility. ➡ Supporting the accounting officer with the preparation of multi-year revenue and expenditure forecasts, strategic plans, budgets and estimates and advising the impact thereof on service delivery, performance and financial position within the area of responsibility. ➡ Advise the accounting officer of resource requirements to implement strategies and goal within the area of responsibility.
Operational financial management	The ability to forecast revenue and expenditure, and assessing the impact thereof on the financial position and performance, within the area of responsibility.	<ul style="list-style-type: none"> ➡ Within the area of responsibility, the ability to implement financial systems. ➡ For purposes of the area of responsibility, formulating and contributing to specifications of appropriate and accurate financial operating systems. ➡ Analysing regular reports, within the area of responsibility, relating to the measurement and monitoring of financial information and performance, including the implementation of the budget and service delivery and budget implementation plan (SDBIP). ➡ Implement adequate control of financial operating systems within the area of responsibility. ➡ Regular review of the efficiency and effectiveness of financial operating systems to align with changing needs within the area of responsibility. ➡ Within the area of responsibility, monitoring and advising the accounting officer of changes that may affect the working capital. ➡ Within the area of responsibility contributing to the prioritisation of working capital to align with strategies and goals.

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
<p>the requirements of the area of responsibility.</p>	<ul style="list-style-type: none"> Within the area of responsibility contribute to decisions regarding borrowing and the significance thereof to service delivery programmes. Within the area of responsibility, applying 'best practice' risk management practices to the management of working capital. 	<ul style="list-style-type: none"> Providing technical inputs relating to the area of responsibility, with the preparation and implementation of the budget. Within the area of responsibility, implementing the budget In the case of a municipality, supporting the accounting officer to ensure that the budget process relating to the area of responsibility aligns the budget and related policies to the Integrated Development Plan (IDP) and service delivery and budget implementation plan (SDBIP) of the municipality OR in the case of a municipal entity, supporting the accounting officer to ensure that the budget process relating to the area of responsibility aligns the budget and related policies to the strategic plan of the entity and service delivery agreement (SDA) and integrated development plan (IDP) of its parent municipality Within the area of responsibility, knowledge of financial planning, budgeting and forecasting and the interrelation thereof. Support and implement clear roles and responsibilities, separation of powers and regular reporting lines for all role players within the area of responsibility to ensure transparency and accountability. Knowledge and understanding of governance and ethics in financial management, embodied in the King Report on Corporate Governance, as it applies to the local government legal framework.
<p>Governance, ethics & values in financial management</p>	<p>The ability to support and implement good governance in the area of responsibility.</p>	

COMPETANCY AREA**COMPETANCY REQUIREMENT****KNOWLEDGE AND SKILLS**

- ◆ Within the area of responsibility, promoting the generation and sharing of knowledge and learning to enhance the collective knowledge, capacity and skills of officials and councillors or directors
- ◆ Support the formulation of and implement the codes of conduct for all role players within the area of responsibility, which shall as a minimum include financial management, supply chain management and the codes of conduct set out in the Local Government: Municipal Systems Act.
- ◆ Support the implementation of systems to encourage and enforce good governance, ethics and the codes of conduct. These systems could include mechanisms to report misconduct, fraud, corruption, favouritism and noncompliance with legislation and disclosure of conflicts of interest, inducements, rewards, gifts, hospitality and favours. Ensuring that investigations are conducted within 30 days of discovery of allegations and that cases that may constitute a criminal offence are reported to the South African Police Service.
- ◆ Ensuring that codes of conduct, roles and responsibilities and reporting lines are clearly communicated, understood and observed by all role players within the area of responsibility.
- ◆ Leading by example and promoting high standards of ethical behaviour by acting with fidelity, honesty, integrity and in the best interests of the municipality and maintaining the confidentiality of information.
- ◆ Knowledge and understanding of the legislative framework governing financial reporting in local government.
- ◆ Supporting and contributing to the timely preparation, submission and publication of statutory reports, including the annual financial statements, annual report, in-year reporting (e.g. in the case of a municipality monthly (section 71) and mid-year (section 72)), withdrawals from bank accounts (section 11(4)) etc).

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
	The ability to support the implementation of the performance reporting process of the municipality.	<ul style="list-style-type: none"> Within the area of responsibility, ensuring that the content of financial reporting is specific (unambiguous), measurable, accurate and valid, reliable and time specific. Support the accounting officer to analyse and evaluate the financial reports to understand the impact on, and to guide planning in respect of, strategies and goals including the financial position, borrowings, performance, implementation of the annual budget and service delivery and budget implementation plan (SDBIP), tariff-, rates-, credit control, debt collection-, supply chain management-, and other relevant policies. Within the area of responsibility to generate, analyse and evaluate cost management reports for all programmes and/or projects to review departmental performance. Knowledge and understanding of the local government legislative framework governing performance reporting. Within the area of responsibility, supporting, implementing and maintaining the performance management system. In the case of a municipal entity also supporting and contributing to the regular monitoring, measuring, reviewing and reporting of the entity's performance to its parent municipality Contribute to the timely preparation, submission and publication of statutory reports relating to performance. For example the annual performance report (section 121(3) and (4) of the MFMA), mid-year performance reporting (sections 72 of the MFMA) of a municipality and in the case of a municipal entity, an assessment of the entity's performance (section 121(4) of the MFMA), mid year performance reporting (section 88 of the MFMA), etc. Within the area of responsibility, ensure that the content of performance reporting is specific (unambiguous), measurable, accurate and valid, reliable and time specific. Within the area of responsibility, analyse and evaluate the performance reports to understand the impact on, and to guide planning in respect of, strategies and goals including the

COMPETENCY AREA	KNOWLEDGE AND SKILLS
<p>implementation of the budget and service delivery and budget implementation plan (SDBIP) and policies.</p> <ul style="list-style-type: none"> Within the area of responsibility, analyse and evaluate the performance of: <ul style="list-style-type: none"> ○ Service delivery mechanisms (internal and external) and outsourced service agreements against performance targets; and In the case of a municipality, of each of its municipal entities against the service level agreement and performance targets for that entity <ul style="list-style-type: none"> Within the area of responsibility, ensuring that there is a link between the performance indicators and targets and the integrated development plan (IDP), service delivery and budget implementation plan (SDBIP) and the individual performance agreements of officials. Within the area of responsibility, ensuring that the remuneration and appraisal system is performance based and that all performance bonuses are only awarded after consideration of actual performance of the municipality against the performance targets for a specific period. Regularly benchmark the performance of the area of responsibility against the performance of functions of similar and/or comparable municipalities to improve and guide in the planning and delivery of services. 	<p>Contributing to and supporting the accounting officer with the establishment and maintenance of effective, efficient and transparent systems of financial and risk management and internal control</p> <ul style="list-style-type: none"> Contributing to and supporting the accounting officer with the implementation of a risk management- and fraud prevention plan Contributing to and supporting the accounting officer with regular risk assessments and ensuring that risks are prioritised according to highest versus lowest potential risk Mitigating risks within the area of responsibility in accordance with the prioritisation of risk
Risk and change management	

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
	<p>The ability to guide the management of change for the municipality within the area of responsibility.</p>	<ul style="list-style-type: none"> Ensuring that the management of risk (including the possible transfer of risk) within the area of responsibility, includes consideration of potential risks relating to mechanisms for service delivery (both internal and external), outsourced service agreements. In the case of a municipality it must also consider its municipal entities and Public-and-Private Partnerships (PPPs) and the transferring of funds to organisations and bodies outside government. Analysing the reports of the internal audit unit and the audit committee applicable to the municipality Understanding the local government environment (including legislative, social, political and economic) and the ability to analyse the financial and non-financial impact of changes in the external and internal environment that could affect the municipality/ municipal entity and recognising when this necessitates change Managing and implementing change management within the area of responsibility The ability to be proactive and find creative and innovative solutions to change Consultation with and management of various stakeholders particular to the change Managing and resolving any resistance to change Contributing and supporting the accounting officer with the alignment of strategies and goals with the need for change Knowledge and understanding of project budgeting, human resource management, change management, negotiation skills, service delivery mechanisms (internal and external) and outsourced service agreements (including in the case of a municipality Public-and-Private Partnerships (PPPs)), and the legal framework particular to the area of responsibility Within the area of responsibility, knowledge and basic understanding of the operation and technical workings of local government services and facilities Supporting the accounting officer to analyse, evaluate and select project proposals. This includes, within the area of responsibility, aligning the selection of projects and project
Project management	<p>The ability to provide direction and guide project management within the area of responsibility</p>	

COMPETENCY AREA**COMPETENCY REQUIREMENT****KNOWLEDGE AND SKILLS**

- outcomes with the integrated development plan (IDP), the budget and service delivery and budget implementation plan (SDBIP)
- Within the area of responsibility, ensuring an analytical and methodical structuring of projects and project planning. This is to ensure adequate control over projects and the efficient, effective and economic implementation and completion thereof to a high quality and standard
 - Oversee and manage the establishment of project- and contract management capacity within the area of responsibility. This includes building capacity through appropriate training and the allocation of resources.
 - Ensuring clear lines of accountability, regular monitoring, measuring and reporting on the performance of projects and contracts within the area of responsibility, including regular reporting to the accounting officer
 - Within the area of responsibility, ensuring regular reporting by external mechanisms and all contractors and service providers, including the availability of adequate information for the municipality to meet its statutory reporting obligations
 - Contributing to and supporting the accounting officer with the establishment and maintenance of a contract register
 - Contributing to and supporting the accounting officer to establish a contract management process to ensure that, prior to their commencement, contracts and amendments to contracts are in writing, include appropriate contract terms and conditions (including section 116 contract requirements (MFMA)) and contain performance based contract remuneration
 - Oversee the implementation of project plans within the area of responsibility
 - Contributing to the resolution of problems and disputes within the area of responsibility, as and when required

COMPETENCY AREA	COMPETENCY REQUIREMENT	KNOWLEDGE AND SKILLS
Legislation, policy and implementation	The ability to support and contribute to the formulation of policy and in the case of a municipality also By-laws	<ul style="list-style-type: none"> Supporting the accounting officer in consulting and securing stakeholder and community support for, and involvement in projects where relevant. Knowledge and understanding of the municipality's environment (internal and external), the Constitution, national and provincial legislation and policy, and the legislative framework governing local government as well as the municipality's By-laws and policies Excellent verbal communication and writing skills and an ability to research and analyse complex information Supporting the accounting officer and contributing to the process of adopting policies and making By-laws. This includes advising accounting officer on the financial and non-financial impact of proposed policies and By-laws OR in the case of a municipal entity supporting the accounting officer and contributing to the process of adopting policies including advising on the financial and non-financial impact of proposed policies Supporting the accounting officer and contributing to the administrative aspects of the process for adopting policies and in the case of a municipality also making By-laws. Supporting the accounting officer and contributing to the conceptualisation, formulation and drafting of policies and in the case of a municipality also By-laws in alignment with the integrated development plan (IDP), the Constitution, national and provincial legislation and policy, and the legislative framework governing local government, having regard to cooperative government. This process should include consideration of and alignment with existing policies and By-laws and be within budget constraints. Implementing and overseeing the implementation and enforcement of policies and By-laws, within the area of responsibility Supporting the accounting officer and contributing to the establishment and maintenance of a register of non-compliance with legislative requirements. This includes, within the area of responsibility

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	<p>responsibility, regularly reporting these to the accounting officer and other role players. For example, instances of non-compliance with the MFMA are required to be reported to the National Treasury</p> <ul style="list-style-type: none"> 💡 Regularly monitor and report to accounting officer on the implementation of policies and compliance with legislative requirements 💡 Regularly reviewing and, where necessary, proposing to the accounting officer amendment of policies and in the case of a municipality also Bylaws and, within the area of responsibility, to ensure their relevance and alignment with the strategies and goals 💡 Within the area of responsibility, monitor and ensure enforcement of municipal By-laws, including penalties and fines for non-compliance <p>For purposes of the area of responsibility, regularly consider the impact of amendments to the Constitution, national and provincial legislation and policy, and the legislative framework governing local government on the municipality's By-laws and policies</p>	<ul style="list-style-type: none"> 💡 Within the area of responsibility, knowledge and understanding of stakeholders and recognising the varying relations required with stakeholders and the impact on the municipality and the municipality's impact on its stakeholders. 💡 Within the area of responsibility, establishing and maintaining effective and relevant external stakeholder relations. This would include relations with the community, local businesses, public benefit organisations and other spheres of government including neighbouring municipalities and relations for purposes of external service delivery mechanisms, outsourced service agreements, etc and, in the case of a municipality, Public-Private Partnerships (PPPs) 💡 Within the area of responsibility, establishing and maintaining clear roles and responsibilities, service levels, reporting lines and communications with the accounting officer, senior
Stakeholder relations	<p>Within the area of responsibility, the ability to guide, establish and maintain appropriate stakeholder relations.</p>	

COMPETENCY AREA**COMPETENCY REQUIREMENT****KNOWLEDGE AND SKILLS**

- managers and other departments within the municipality and in the case of a municipality also with its municipal entities, to ensure effective and relevant internal stakeholder relations.
- ◆ Within the area of responsibility, ensuring stakeholder consultation (internal and external) and advising the accounting officer on stakeholder consultation as envisaged and required by the Municipal Systems Act and the MFMA. This includes managing stakeholder expectations.
 - ◆ Knowledge and understanding of the legislative framework governing the supply chain management function (including the Municipal Supply Chain Management Regulations, the Preferential Procurement Policy Framework Act, 2000, etc)
 - ◆ Within the area of responsibility, implementing and monitoring delegations for supply chain management powers and duties in accordance with the Municipal Supply Chain Management Regulations.
 - ◆ Implementing and managing the implementation and enforcement of the supply chain management policy within the area of responsibility to ensure supply chain management that is fair, transparent, competitive and cost effective
 - ◆ Within the area of responsibility, contributing to and maintaining registers to support the supply chain management function, including details of all tenders received and awarded, disclosure of sponsorships, inducements, rewards, gifts and favours, awards to close family members and persons in the service of the state, etc.
 - ◆ Supporting the accounting officer with the resolution of supply chain management related disputes, objections, complaints and queries as they relate to the area of responsibility
 - ◆ Within the area of responsibility, ensuring that unsolicited bids are considered in accordance with the framework contained in the Municipal Supply Chain Management Regulations
 - ◆ Implementing and monitoring measures to combat abuse of the supply chain management system, fraud, corruption, favouritism and unfair and irregular practices

COMPETENCY AREA	COMPETANCY REQUIREMENT	KNOWLEDGE AND SKILLS
1. Audit and Assurance	The ability to support the audit process, in order to obtain the optimum level of assurance from the Auditor-General	<ul style="list-style-type: none"> Within the area of responsibility, providing administrative support and ensuring access of the internal audit unit, audit committee and the Auditor-General to the financial records and all relevant information of the municipality or municipal entity to enable them to perform their respective functions Analysing the reports and advice of the internal audit unit, audit committee and Auditor-General, providing appropriate management responses and taking appropriate action as it relates to the area of responsibility Contribute to the timely preparation of accurate annual financial statements for auditing and the annual report(s) for the municipality and/ or its entities to the Auditor-General (refer chapter 12 of the MFMA). In the case of a municipality with sole/ effective control of a municipal entity this includes consolidated financial statements of the municipality and such municipal entities. Within the area of responsibility, ensuring and managing appropriate communication with the Office of the Auditor-General During the audit, timeously responding to and coordinating responses within the area of responsibility to audit queries and requests for additional information The audit process provides the municipal council, the board of directors and stakeholders with the level of assurance that can be placed on finances. Senior managers, in conjunction with the accounting officer, should consistently ensure improvement of financial management practices of the municipality and/ or municipal entities to strive to obtain the optimum level of assurance from the Auditor-General.