

SENIOR MANAGEMENT SERVICES PERFORMANCE AGREEMENT

Mr. R.N. Hlongwa


Municipal Manager reporting to the Mayor
("Municipal Manager")

AND

Mr. S.P. Mosia

Chief Operations Officer reporting to the Municipal Manager
("Chief Operations Officer")

Financial year: 01 July 2024 - 30 June 2025

 N
N.L. R

NC RN

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by the Municipal Manager (hereinafter referred to as the Employer or Supervisor)

And

Mr S.P. Mosia, Employee of the Municipality (hereinafter referred to as the Employee or Chief Operations Officer.

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Municipality has entered into a contract of employment with Chief Operations Officer in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 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 Chief Operations Officer reporting to the Municipal Manager to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and targets on behalf of the Municipality. Municipal Manager shall report to the Mayor in regard to the above.

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 employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.

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- 2.3 specify accountability as set out in a Service Delivery and Budget Implementation Plan for the Chief Operations Officer 2024/2025, reflected as Annexure B to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 monitor and measure the core competencies against competency behavioural standards;
- 2.6 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.7 in the event of outstanding performance, to appropriately reward the employee;
- 2.8 proactively focus on the development of Chief Operations Officer (Personal Development Plan – Annexure C);
- 2.9 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. GENERAL RESPONSIBILITIES OF THE SENIOR MANAGER

- 1) Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –
 - a) that the system of financial management and internal control established for the municipality is carried out diligently;
 - b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
 - c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;
 - d) that all revenue due to the municipality is collected;
 - e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;
 - f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and
 - g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.
- 2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.

4. COMMENCEMENT AND DURATION

- 4.1 This Agreement will commence on the 1st of July 2024 and will be applicable until the 30th of June 2025. This agreement will remain until a new Performance Agreement is concluded between the parties, if required during the performance cycle.
- 4.2 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 no later than the beginning of each successive financial year.
- 4.3 This Agreement should be read in conjunction with the Contract of Employment and this agreement will terminate on the termination of Chief Operations Officer Contract of Employment.
- 4.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 4.5 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.

5. PERFORMANCE OBJECTIVES

- 5.1 The Performance Plan (Annexure "B") sets out:
- 5.1.1 The performance objectives and targets that must be met by Chief Operations Officer; and
 - 5.1.2 the time frames within which those performance objectives and targets must be met.
- 5.2 The performance objectives and targets reflected in Annexure "A" are set by the Municipal Manager in consultation with Chief Operations Officer, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP), and shall include key objectives, key performance indicators, target dates and weights.
- 5.3 The key objectives describe the main tasks that need to be done.
- 5.4 The key performance indicators provide a means to measure the extent to which a key objective has been achieved.

6. PERFORMANCE MANAGEMENT SYSTEM

- 6.1 Chief Operations Officer accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.
- 6.2 Municipal Manager will consult Chief Operations Officer about the specific performance standards that will be included in the Performance Management System as applicable to Chief Operations Officer.
- 6.3 Municipal Manager 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.
- 6.4 The criteria upon which the performance of Chief Operations Officer shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- 6.5 Chief Operations Officer must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Competencies (Critical Leading Competencies (CLC) and Core Competencies (CC) respectively.
- 6.6 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 6.7 KPAs covering the main areas of work will account for 80% and CLC's and CC's will account for 20% of the final assessment.
- 6.8 Chief Operations Officer assessment will be based on his performance in terms of the performance indicators identified as per attached Service Delivery and Budget Implementation Plan for the Chief Operations Officer 2024/2025 (**Annexure B**), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Municipal Manager and Chief Operations Officer.

Key Performance Areas (KPA's)	Weighting
Basic Services Delivery & Infrastructure	35
Local Economic & Social Development	10
Municipal Transformation & Institutional Development	15
Municipal Financial Viability & Management	20
Good Governance & Public Participation	20
Cross cutting interventions	0

Total	100%
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- 6.9 The critical Leading Competencies (CLC) and Core Competencies (CC) as per Annexure A of the Local Government: Competency Framework for Senior Managers will make up the other 20% of the Employee's assessment score. There is no hierarchical connotation, and all competencies are essential to the role of General Manager. All competencies must therefore be selected from the list below as agreed to between the Employer and the Employee:

- 7.1.1 the standards and procedures for evaluating Chief Operations Officer performance; and
- 7.1.2 the intervals for the evaluation of Chief Operations Officer performance.
- 7.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review Chief Operations Officer 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 Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 7.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality.
- 7.5 The annual performance appraisal will involve:
- 7.5.1 Assessment of the achievement of results as outlined in the Departmental Service Delivery and Budget Implementation Plan for the Chief Operations Officer 2024/2025:**
- (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 must then be used to add the scores and calculate a final KPA score.
- 7.5.2 Assessment of the CLC's and CC's**
- (a) Each CLC and CC 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 CLC and CC
 - (c) This rating should be multiplied by the weighting given to each CLC and CC during the contracting process, to provide a score.
 - (d) The applicable assessment rating calculator must then be used to add the scores and calculate a final CLC and CC score.

7.5.3 Overall rating

- (a) An overall rating is calculated by using the applicable assessment-rating calculator. Such overall ratings represent the outcome of the performance appraisal.

7.5.4 The assessment of the performance of Chief Operations Officer will be based on the following rating scale for KPA's and CLC and CCs:

Level	Terminology	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention.
1		

7.6 For purpose of evaluating the annual performance of Chief Operations Officer an evaluation panel constituted of the following persons must be established –

- Municipal Manager;
- Chairperson of performance audit committee
- Member of the executive committee
- Municipal Manager from another municipality

7.7 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e) of the Municipal Systems Act (Act no 32 of 2000).

8 SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of the employee in relation to his performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

N.L. K. S. N. R. N. N. C.

First quarter	:	October 2024
Second quarter	:	January 2025
Third quarter	:	April 2025
Fourth quarter	:	July 2025

8.2 Municipal Manager shall keep record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Municipal Managers assessment of Chief Operations Officer performance.

8.4 Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure B from time to time for operational reasons. Chief Operations Officer will be fully consulted before any such change is made.

8.5 Municipal Manager may amend the provisions of Annexure B whenever the Performance Management System is adopted, implemented and / or amended as the case may be. In that case Chief Operations Officer will be fully consulted before any such change is made.

9 CONDITIONS OF PERFORMANCE BONUSES

Bonuses based on performance may be awarded to Municipal Manager or a manager directly accountable to the Municipal Manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council concerned.

10 DEVELOPMENTAL REQUIREMENTS

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

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 Chief Operations Officer to solve problems and generate solutions to common problems that may impact on the performance of Chief Operations Officer.

10.1.4 On request of Chief Operations Officer delegate such powers reasonably required by Chief Operations Officer to enable him to meet the performance objectives and targets established in terms of this Agreement; and

10.1.5 Make available to Chief Operations Officer such resources as Chief Operations Officer may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

11 CONSULTATION

11.1 The Municipal Manager agrees to consult Chief Operations Officer timely where the exercising of the powers will have amongst others:

11.1.1 a direct effect on the performance of any of Chief Operations Officer functions;

11.1.2 commit Chief Operations Officer to implement or to give effect to a decision made by the Municipal Manager; and

11.1.3 a substantial financial effect on the Municipality.

11.2 Municipal Manager agrees to inform Chief Operations Officer of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable Chief Operations Officer to take any necessary action without delay.

12 MANAGEMENT OF EVALUATION OUTCOMES

12.1 The evaluation of Chief Operations Officer performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

12.2 A performance bonus for Chief Operations Officer in recognition of outstanding performance to be constituted as follows:

a) a score of 130 to 149 is awarded a performance bonus ranging from 5% to 9%;
and

SCORE	AWARDED %
130-133	5%
134-137	6%
138-141	7%
142-145	8%
146-149	9%

b) a score of 150 and above is awarded a performance bonus ranging from 10% to 14%.

SCORE	AWARDED %
150-153	10%
154-157	11%
158-161	12%
162-165	13%
166-ABOVE	14%

12.3 In the case of unacceptable performance, the Municipal Manager shall –

a) provide systematic remedial or developmental support to assist Chief Operations Officer to improve his or her performance; and

b) after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, Municipal Manager may consider alternative steps as advised through a formal disciplinary hearing.

13 DISPUTES RESOLUTION

13.1 In the event that the employee is dissatisfied with any decision or action of the Council in terms of this Agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this Agreement, the employee may meet with the employer with a view to resolving the issue.

13.2 During the meeting the employer will record the outcome of the meeting in writing.

13.3 If the parties could not resolve the issues as mentioned in 13.1 the matter should be referred to the Municipal Council (or any other person appointed by the Council provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006,) within thirty (30) days of receipt of a formal dispute from Chief Operations Officer.

13.4 If the parties do not agree, the dispute may be referred to a mediator, mutually agreed upon by both parties whose decision shall be final and binding on matters covered in this agreement.

13.5 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

14 GENERAL



14.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure B may be made available to the public by the Municipality, where appropriate.

14.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of Chief Operations Officer in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

14.3 The performance assessment results of Chief Operations Officer must be submitted to the MEC for Local Government in the provincial government and the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at **Ulundi** on this ²²..... day of **July 2024**

AS WITNESSES:

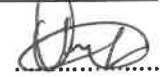
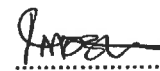
1. ..... *etc.*
2. .....


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**MUNICIPAL MANAGER
ZULULAND DISTRICT MUNICIPALITY**

Signed at **Ulundi** on this ²²..... day of **July 2024**

AS WITNESSES:

1. .....
2. .....


.....
CHIEF OPERATIONS OFFICER

ANNEXURE	DESCRIPTION	YES/NO
ANNEXURE A	FINANCIAL DISCLOSURE FORM	
ANNEXURE B	DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR THE OFFICE OF THE MUNICIPAL MANAGER 2024/2025	
ANNEXURE C	PERSONAL DEVELOPMENT PLAN	

ANNEXURE C: PERSONAL DEVELOPMENT PLAN (PDP): CHIEF OPERATIONS OFFICER

Competency to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
Advanced project management	Course at reliable service provider	Municipal Manager	Quarter 4	Capable to strategise and to utilise techniques and processes necessary to manage successful projects.
Performance management	Capacity building on Local Government general performance management principles	Municipal Manager	Quarter 4	Capable to implement Local Government performance management effectively

Chief Operations Officer: _____

Municipal Manager: _____

Date: 22/07/2024

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Annexure A

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Mosia SP(Postal address) P.O Box 1781LADSMITH 2370(Residential address) 13 COVE CRESCENT(Position held) CHIEF OPERATION OFFICER(Name of Department) OFFICE OF THE MUNICIPAL MANAGERTel 083 363 6916 Fax 086 508 5852

hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests

See information sheet: note ☒

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
	Shares	R50 000 .00	Easy Equities
2000	Shares	R26 000 .00	Barbworld
200	Shares	R105 000 .60	SAB
106	Shares	R 106 000 .00	SHOOL LIMITED

2. Directorships and partnerships

See information sheet: note ☒

Name of corporate entity or partnership	Type of business	Amount of Remuneration
Ithandik Trading	cc	-
Mosia family Trust	Trust	-

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3. Remunerated work outside the public service

Must be sanctioned by your Executing Authority. See information sheet: note c

Name of Employer	Type of Work	Amount of remuneration
NONE		

Name of Executing Authority _____ Portfolio _____

Signature of Executing Authority _____ Date _____

4. Consultancies and retainerships

See information sheet: note c

Name of client	Nature	Type of business activity	Value of any benefits received
NONE			

5. Sponsorships

See information sheet: note c

Source of assistance/sponsorship	Description of assistance/sponsorship	Value of assistance/sponsorship
NONE		

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6. Gifts and hospitality from a source other than a family member
See information sheet: note 6

Description	Value	Source
NONE		

7. Land and property
See information sheet: note 7

Description	Extent	Area	Value
A209 Ezatheni	Mzokri street		R 500 000.00
13 Cove Crescent	Ladysmith	4919	R 4 800 000.00
1thandile Trading	UMthwalo Street	B1164	R 250 000.00



SIGNATURE OF DESIGNATED EMPLOYEE

DATE:

22 July 2024

PLACE:

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OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(ii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

I certify that before administering the oath/affirmation I asked the DEPONENT the following questions:	
1. Do you know and understand the contents of this declaration?	Answer <u>YES</u>
2. Do you have any objections to taking the prescribed oath?	Answer <u>NO</u>
3. Do you consider the prescribed oath to be binding on your conscience?	Answer <u>YES</u>
I certify that the DEPONENT has acknowledged that he/she knows the contents of this declaration. The DEPONENT uttered the words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of this declaration are true." The DEPONENT'S signature / mark / thumb print was placed thereon in my presence.	
At <u>ULUNDI</u> on the <u>22</u> day of <u>July</u> at (time) <u>8:48</u>	
SIGNATURE: <u>S. SHELEMBE</u>	
COMMISSIONER OF OATHS (RSA)	
NAME: <u>SN SHELEMBE</u>	
RANK: <u>LEGAL MANAGER</u>	
OFFICE: REGIONAL OFFICE: DURBAN: KWAZULU NATAL	
ADDRESS: 2 DEVONSHIRE PLACE, ANTON LAMBEDE STREET	
TEL: 031 372 3000 FAX: 031 3011349	
EMAIL: <u>sshelembe@zululand.org.za</u>	

S.
Commissioner of Oath /Justice of the Peace

Full first names and surname: ⁵ SIBUSISIWE
NOMPUMELELO SHELEMBE (Block letters)

Designation (rank) LEGAL MANAGER Ex Officio Republic of South Africa

Street address of institution B400 UGAGANE
STREET, UvUNDI, 3838

Date 22 July 2014 Place UvUNDI

CONTENTS NOTED: EXECUTING AUTHORITY

DATE: _____

NOTE:

Remember that a copy of the completed form must be submitted by the EA to the Commission for purposes of recording it in the Register of Designated Employee's Interests.

Chapter 10 annexure A

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