



PERFORMANCE PLAN

Entered into by and between

THE MUNICIPALITY OF MATJHABENG

AS REPRESENTED BY THE MUNICIPAL MANAGER

T PIETERSEN

AND

**THE EMPLOYEE OF THE MUNICIPALITY
ACTING CHIEF FINANCE**

PERIOD: 1 JULY 2009 – 30 JUNE 2010

1. PURPOSE

The performance plan defines the Council's expectations of the Director Finance'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

It is expressly agreed that while certain key responsibilities of the Director Finance shall be measured in terms of the Performance Agreement and the Performance plan, shall the duties of the Director Finance not be restricted to the measured responsibilities only.

The following Departmental objectives will inform the Director Finance's performance against set performance indicators:

- 2.1 To Provide an effective and efficient financial management service to the organization and the department
- 2.2 To provide financial management assistance for programmes associated with development and poverty eradication
- 2.3 To contribute towards organizational capacity building and skills development and to foster ongoing human resource development

3. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

| Kpa No | Key Performance Area | Weight |
|--------|--|--------|
| 1 | Efficient management of the income of the Matjhabeng Local Municipality | |
| 2 | Efficient management of the expenditure of the Matjhabeng Local Municipality | |
| 3 | Efficient management of the budget and treasury function of Matjhabeng Local Municipality | |
| 4 | Efficient management of the Supply Chain Management Processes and procedures for Matjhabeng Local Municipality | |
| 5 | Efficient management of the Departmental Budget | |
| 6 | Efficient management of the Departmental Staff | |
| 7 | Efficient management of the Indigent Subsidy Scheme? | |

4. KEY PERFORMANCE INDICATORS

The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

Matjhabeng Local Municipality

| KEY PERFORMANCE AREA: Efficient management of the income of the Matjhabeng Local Municipality(Link Basic service delivery) | | | | | | | | | |
|---|---|--------|----------------|-----------|--|---|--|---|---|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| 1. | Manage compliance with the legislative requirements in respect of the income of Matjhabeng Local Municipality | | Manager income | Q | Development and approval of Compliance framework | Implementation and monitoring of Compliance framework | Continuous monitoring and evaluation of Compliance framework | 100% compliance to Compliance framework | <ul style="list-style-type: none"> • Adherence to relevant legislative requirements • Unqualified audit report |
| 2. | Efficiently manage the collection of revenue | | Manager income | D | Revenue collection as per target | Revenue collection as per target | Revenue collection as per target | Revenue collection as per target | <ul style="list-style-type: none"> • Timeous and accurate billing of service provider • Collection of debt within required timeframes • Availability of revenue payment options for communities • Turn around time ito Account queries • Cash management procedure |

Matjhabeng Local Municipality

| KEY PERFORMANCE AREA: Efficient management of the expenditure of the Matjhabeng Local Municipality(Link Basic service delivery) | | | | | | | | | |
|--|--|--------|---------------------|-----------|---|---|---|---|--|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | | | | 4 th Quarter | |
| 1. | Manage compliance with legislative requirements in respect of the expenditure of Matjhabeng Local Municipality | | Manager Expenditure | D | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | <ul style="list-style-type: none"> • Adherence to relevant legislative requirements • Unqualified audit report |
| 2. | Efficiently manage expenditure | | Manager Expenditure | D | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | 80 % of accounts settled within 30 Days | <ul style="list-style-type: none"> • Payment of service within 30 days • Implementation of proper payment procedures • Expenditure vs budget • Availability of funds • Stay within overdraft limits |

Matjhabeng Local Municipality

| KEY PERFORMANCE AREA: Efficient management of the budget and treasury function of Matjhabeng Local Municipality (Link Basic service delivery) | | | | | | | | | |
|--|--|--------|-----------------------------|-----------|---|--|---|---|--|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| 1. | Manages the budget and treasury functions of the Directorate | | Manager Budget and Treasury | D | Submit annual financial statements by 30 August | Detailed action plan for unqualified audit on financial statements | Implement reforms | Monitor and control action plan | <ul style="list-style-type: none"> Record of submission Detailed Quarterly reports to Finance/Audit Committee Unqualified Audit report Timeous submission of reports and budgets |
| | | | Manager Budget and Treasury | Q | Up to date report on asset and liability management | Up to date report on asset and liability management | Up to date report on asset and liability management | Up to date report on asset and liability management | <ul style="list-style-type: none"> Liquidity ratio Detailed Quarterly report |

| KEY PERFORMANCE AREA: Efficient management of the Supply Chain Management Processes and procedures for Matjhabeng Local Municipality (Link Basic service delivery) | | | | | | | | | |
|---|---|--------|---------------------|-----------|--|--|--|--|---|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| 1. | Efficient management of supply chain procedures | | Manager Expenditure | D | Supply Chain Management Procedures is 100% compliant with legislative requirements | Supply Chain Management Procedures is 100% compliant with legislative requirements | Supply Chain Management Procedures is 100% compliant with legislative requirements | Supply Chain Management Procedures is 100% compliant with legislative requirements | <ul style="list-style-type: none"> Supply Chain policy, process and procedure in place Unqualified audit Litigations |

Matjhabeng Local Municipality

| KEY PERFORMANCE AREA: Indigent Subsidy Scheme | | | | | | | | |
|--|--------|----------------|-----------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| Manage the Indigent Subsidy Scheme in accordance with National Guidelines and Legislative requirements | | Manager Income | D | | | | | |

| KEY PERFORMANCE AREA: Efficient management of the Departmental Budget (Link financial viability and management) | | | | | | | | | |
|---|---|--------|--------------|-----------|--|--|--|--|--|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| 1. | Efficiently manage the utilization of the Departmental Budget | | All managers | Q | 100 % of Quarterly SDBIP target achieved | 100 % of Quarterly SDBIP target achieved | 100 % of Quarterly SDBIP target achieved | 100 % of Quarterly SDBIP target achieved | <ul style="list-style-type: none"> • Employment cost (e.g. overtime) • Absenteeism) • Spending against budget |

Matjhabeng Local Municipality

| KEY PERFORMANCE AREA: Efficient management of the Departmental Staff (Link institutional development and transformation) | | | | | | | | | |
|---|--|--------|--------------|-----------|---|---|--|--|--|
| KPI NO | Key performance objectives | Weight | Delegation | Frequency | Benchmarks/Targets | | | | Key Performance Indicator |
| | | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | |
| 1. | Efficiently managing the utilization of Staff within the Directorate | | All Managers | Q | Identify shortages of staff and skills within the directorate and submit a detailed report to the MM/HR | Identify shortages of staff and skills within the directorate and submit a detailed report to the MM/HR | Identify shortages of staff and skills within the directorate and submit a detailed report to the MM/HR | Detailed Annual report on department capacity to the MM/HR | <ul style="list-style-type: none"> • Skills availability • Skills utilization • Skills development • Employee productivity • Absenteeism • Labour relation cases |
| | | | All Managers | Q | Performance contracting with each report | Monitor and coach performance | <ul style="list-style-type: none"> • Monitor and coach performance • Review of performance contracts | Evaluation of performance | <ul style="list-style-type: none"> • Achieved Function objectives • Improved individual performance • Skills transfer |

Matjhabeng Local Municipality

Thus done and signed at _____ on this the _____ day
_____ of 2009.

AS WITNESSES:

- 1. _____ _____
- EMPLOYEE**
- 2. _____

Thus done and signed at _____ on this the _____ day of
_____ 2009.

AS WITNESSES:

- 1. _____ _____
- MUNICIPAL MANAGER**
- 2. _____