

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE STEVE TSHWETE LOCAL MUNICIPALITY AS REPRESENTED BY

STANLEY MANDLA MNGUNI

IN HIS CAPACITY AS THE ACTING MUNICIPAL MANAGER

AND

ELMARI WASSERMANN

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2015- 30 JUNE 2016

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Municipality of Steve Tshwete Local Municipality herein represented by **STANLEY MANDLA MNGUNI** in his capacity as Acting Municipal Manager (hereinafter referred to as the Employer)

and

ELMARIE WASSERMANN (full name) Employee of the Municipality of Steve Tshwete (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

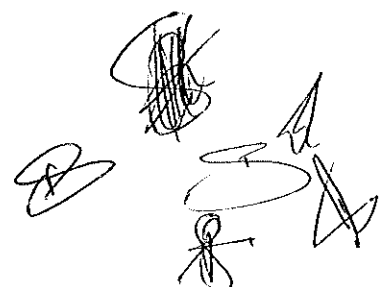
1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

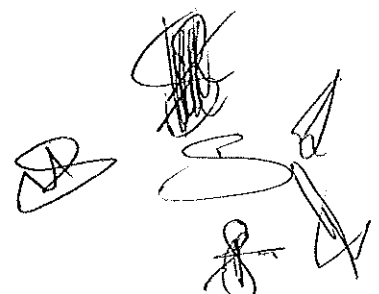
- 2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's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



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

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1 July 2015 and will remain in force until 30 June 2016 whereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.



4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 the performance objectives and targets that must be met by the Employee; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met
- 4.2 The performance objectives and targets reflected In Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.
- 4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative Importance of the key objectives to each other.
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopts or Introduces for the Employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.
- 5.3 The Employer will consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

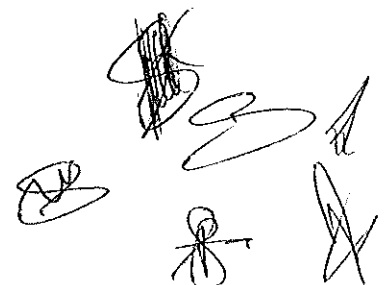


6 The Employee agrees to participate In the performance management and development system that the Employer adopts

- 6.1 The Employee undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.
- 6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively.
 - 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 6.2.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.
- 6.3 The Employee's assessment will be based on his/ her performance in terms of the outputs/ outcomes (performance Indicators) Identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	3
Municipal Transformation and Organizational Development	6
Local Economic Development (LED)	1
Municipal Financial Viability and Management	70
Good Governance and Public Participation	20
Spatial and Community Development	0
Total	100%

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



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

7. EVALUATING PERFORMANCE

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

7.5 The annual performance appraisal will involve:

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

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance Indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An Indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

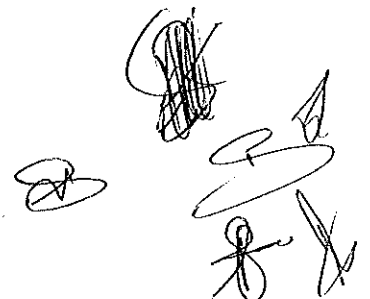
7.5.2. Assessment of the CMCs

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

7.5.3 Overall rating

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

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



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

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

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

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July – September	30 October 2015
Second quarter	:	October- December	30 January 2016
Third quarter	:	January – March	30 April 2016
Fourth quarter	:	April- June	30 July 2016

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

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

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

9. DEVELOPMENTAL REQUIREMENTS

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

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall-

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

10.1.2 provide access to skills development and capacity building opportunities;

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



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

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

11. CONSULTATION

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

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

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

11.1.3 a substantial financial effect on the Employer.

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

12. MANAGEMENT OF EVALUATION OUTCOMES

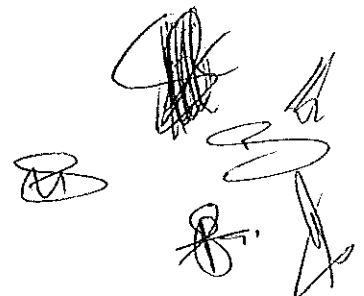
12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

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

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

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

12.3.2 after appropriate performance counseling and having provided the necessary guidance and or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or Incapacity to carry out his or her duties.



13. DISPUTE RESOLUTION

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

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

13.1.2 any other person appointed by the MEC.

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

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

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

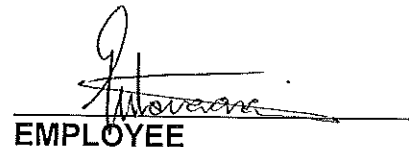
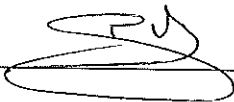
Thus done and signed at Middelburg on the ...15... day of ...July..... 2015

AS WITNESSES:

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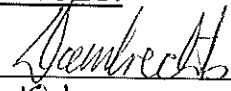
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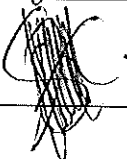
EMPLOYEE

AS WITNESSES:

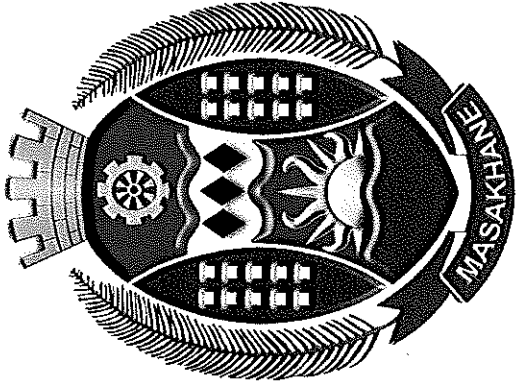
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2. _____



EMPLOYER



2015/2016 Performance Plan Executive Director Financial Services

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KPA: GOOD GOVERNANCE & PUBLIC PARTICIPATION

Performance Objective	Weighting	Key Performance Indicator (KPI)	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
STRATEGIC OBJECTIVE: TO ENSURE EFFECTIVE COMMUNITY PARTICIPATION AND INTERACTION												
To promote co-operative governance	1	% of matters raised by ward committees responded to	100% of matters raised by ward committees responded	100% Responses to matters raised responded to within 21 days	100%	100%	100%	100%	Reports submitted on matters raised at ward meetings	Ward committee meetings and human capital	Community matters responded to.	Good Governance & Public Participation
STRATEGIC OBJECTIVE: TO PROVIDE SUPPORT FOR THE PROVISION OF SERVICES OF THE HIGHEST POSSIBLE STANDARDS TO THE SATISFACTION OF THE RESIDENTS												
To promote co-operative governance	2	Number of reports submitted to section 79 political monitoring committees	11 reports submitted	5 reports submitted by June 2016	2	1	1	1	Reports submitted to section 79 political monitoring committees.	Human Capital and meetings attended	Bi-monthly reports submitted	Good Governance & Public Participation
	2	Number of reports submitted to administrative monitoring committees.	12 reports submitted	11 reports to submitted by June 2016	3	3	3	3	Reports submitted to administrative monitoring committees and minutes.	Human capital and meetings attended	Reports submitted monthly	Good Governance & Public Participation
To maintain proper records management system	1	% of incoming correspondence responded to.	75% of incoming correspondence responded to within 15 working days.	100% of incoming correspondence responded to within 15 working days after receipt.	100%	100%	100%	100%	Reports submitted on incoming and outgoing correspondence attended to in time	Correspondence responded to and human capital	Incoming and outgoing correspondence monitored	Good Governance & Public Participation
To ensure clear monitoring and reporting of performance	1	Number of management meetings for the directorate financial services	2 meetings were held as at June 2015	12 management meetings held by June 2016	3	3	3	3	Meeting minutes Attendance registers	Human capital and meetings submitted	Improved financial management and administration	Good Governance
To improve service delivery levels to the community	2	% of Council resolutions implemented.	75% of Council Resolutions implemented.	100% of Council resolutions implemented.	100%	100%	100%	100%	Directorate report	Human capital	Report on resolutions implemented.	Good governance
Promote performance measurement	1	Number of back to basics report submitted.	12 reports submitted.	12 Reports submitted by 30 June 2015	3	3	3	3	Back to Basic report submitted	Human Capital	Final report	Good Governance & Performance

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KPA: GOOD GOVERNANCE & PUBLIC PARTICIPATION

Performance Objective	Weighting	Key Performance Indicator (KPI)	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
and reporting	1	Annual Report inputs submitted.	Annual report information submitted for 2014/2015	Annual report information submitted for 2014/2015 financial year by January 2016		1		Draft and final submissions on Annual report for 2014/2015	Human Capital	Report submitted on previous year results.	Good governance & Public Participation	

STRATEGIC OBJECTIVE: TO FACILITATE THE DEVELOPMENT OF THE ORGANIZATIONAL RISK REGISTER

Facilitate and coordinate risk management function and processes	1	Directorate risk register submitted	Directorate risk register submitted.	Submit one risk register by	1			Risk register submitted	Human Capital	Risk Register	Good Governance
	2	% of identified risk mitigation measures implemented	80% of identified risk mitigation measures implemented as at June 2015	85% of identified risk mitigation measures implemented by June 2016	80%	80%	80%	Quarterly progress report on implemented mitigation measures	Risk Register and Budget	Risk mitigation plan	Good Governance

STRATEGIC OBJECTIVE: TO PROMOTE PERFORMANCE MEASUREMENT & REPORTING

To promote performance measurement and reporting	2	Number of performance plans for financial services developed	Signed performance plans for up to level 3 implemented	6 performance plans signed	5	1		Signed performance plans	Human Capital	Signed performance plans	Good Governance & Performance
	2	Number of performance reviews conducted	4 performance reviews conducted and verified	24 performance reviews conducted	6	6	6	Attendance register & minutes signed performance reviews	Human Capital	Productive work place	Good Governance & Performance
	2	Number of organizational performance reports submitted	Four reports submitted for 2014/2015 financial year.	4 Organizational performance report submitted by 30 June 2016	1	1	1	Performance report with evidence submitted.	Human Capital	Organization performance plan	Good Governance & Performance

KPA: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT

STRATEGIC OBJECTIVE: THE PROVISION OF EFFECTIVE, EFFICIENT & TRANSFORMED HUMAN CAPITAL

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
To maintain a personnel structure that will ensure effective & efficient service delivery	2	Request to fill vacant positions submitted to HCM after occurrence of a vacancy	40% of vacant positions submitted to HCM within 10 working days for advertisement	100% of vacant positions request to advertised submitted to HCM within 10 working days	100 %	100 %	100 %	100 %	Proof of vacancy e.g. termination of service form Acknowledgement receipt from HCM	Human Capital	Process of filling positions commences	Effective Personnel structured
To create safe and healthy working environment	2	% compliance to 20 key OHS points (Template)	No activities performed	100% Compliance with 20 key OHS points template for directorate.	100 %	100 %	100 %	100 %	OHS 20 key Compliance report with evidence for directorate.	Human Capital	Compliance to OHS	Safe working environment
Promote organizational efficiency	2	% Reduction of overtime	New	10% reduction in overtime	2%	2%	3%	3%	Financial report on overtime	Human Capital	Reduce expenditure	Human Resource Management & Financial Viability

KPA: FINANCIAL MANAGEMENT & VIABILITY

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
STRATEGIC OBJECTIVE: TO CONTINUE WITH ACCOUNTABLE & DEVELOPMENTAL ORIENTATED MONETARY MANAGEMENT TO SUSTAIN A SOUND FINANCIAL POSITION												
To ensure compliance with prescribed accounting standards and legislation	10	% compliance with GRAP reporting framework (financially unqualified)	Gazetted accounting standards 100% compliant annual financial statements for 2013/2014	Submit 100% GRAP compliant annual financial statements by 31 August 2015 for 2014/2015 financial year	100%	-	-	-	Annual financial statements submitted and audit report Final management letter	Human Capital and budget	Proof of AFS Report on management letter Audit opinion report	Financial Management & Viability
		Number of reports submitted on implementation of audit action plan.	New	Four Quarterly reports submitted to Audit Committee by June 2016	1	1	1	1	Report submitted and considered by audit committee.	Human Capital	Clean audit status	Financial Management and Good Governance
To maintain clean audit status	3	Clean audit opinion received	Clean audit received 2013/2014	Receive clean audit opinion for 2014/2015 financial year	-	-	1	Auditor General Audit report and opinion received	Human capital	Audit outcome	Financial Management and Good Governance	
		Number of compliant in-year reports submitted on time	12 month reports 4 quarterly reports 1 mid-year budget and performance assessment report	17 section 71 reports to be submitted by 30 June 2016	4	4	5	4	Council resolution and reports submitted	Human Capital	Report on financial status of municipality	Financial Management & Viability and good governance
To ensure compliance with budget and reporting regulations	10	% compliance with budget and reporting regulation framework	Annual budget submitted according to regulations	100% compliant and funded annual budget submitted by May 2016	-	-	100%	Annual budget and resolution, budget steering minutes Inputs on budget by National & Provincial Treasury	Human Capital	Funded Budget and SDBIP	Financial Management & Viability	
		% supplementary taxes implemented	100% of supplementary valuations implemented as of June 2015	100% of supplementary valuations implemented by 30 June 2016	100%	100%	100%	100%	Supplementary valuations received and implemented	Supplementary valuations received and Human Capital	Implementation of supplementary valuations	Expand municipal revenue base

KPA: FINANCIAL MANAGEMENT & VIABILITY

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
To fully comply with supply chain regulation and National Treasury guide on procurement processes	4	Number of compliant in-year reports submitted on time	4 quarterly reports 1 annual report 12 deviation reports	17 supply chain management reports submitted by June 2016	5	4	4	4	Reports and resolutions	Human Capital	SCM report submitted	Financial Viability & Sustainability
	2	Reduce turnaround time on supply chain comments on tenders	Turnaround time for comments as at 30 June 2015 ±15 working days	Reduce to 10 working days	<10 days	<10 days	<10 days	<10 days	Tender register on report time frames submitted	Human Capital	Improved turnaround time	Financial Viability & Sustainability
To comply with the municipal minimum competency level	2	Increase number of compliant senior personnel with minimum competency levels	Senior personnel compliant to municipal minimum competency levels as at June 2014	3 additional personnel by 30 June 2016 and ad hoc training to 12 employees (levels 4 – 12)	-	-	2	1	Accredited confirmation by SETA and proof of training.	Human Capital and Budget	Competent personnel	Financial Viability & Sustainability
	3	Number of improved controls, procedures and systems instituted	3 development and/or upgrade of management systems by 30 June 2014	8 development of controls and procedures reviewed by June 2016	-	-	4	4	Proof of sign off procedure documents	Human capital and resources	Signed off procedures	Financial Viability & Sustainability
To maintain and upgrade the existing financial operations and procedures to provide an efficient functionality	4	Number of budget-related policies reviewed	10 budget-related policies reviewed	Review 10 budget-related policies	-	-	-	10	Council resolution on reviewed policies	Human capital and resources	Report and resolution on improved policies	Financial Viability & Sustainability
	2	Debt coverage ratio	Debt coverage ratio as at 30 June 2015	Debt cover-age ratio maintained at above 10 at any given time	10x	10x	10x	10x	Monthly report and key indicator schedule	Human capital and financial report	Improve cash / liquidity position	Financial Viability & Sustainability
To ensure efficient, effective cash flow management	2	Cost coverage ratio	Cost coverage ratio as at 30 June 2015	Cost cover-age ratio increased to above 2 at any given time	2x	2x	2x	2x	Monthly report and key indicator schedule	Human capital and financial report	Improve cash / liquidity position	Financial Viability & Sustainability
	2	Secure new external loan for capital programme over next MTREF	Five (5) external loans	New external loan facility compliant to reporting requirements at best rate by 31 Dec 15	-	1	-	-	Signed external loan agreement and documentary proof of process	Human capital and tender document	Obtain additional funding for CAPEX programme	Financial Viability & Sustainability

S.S.A.



KPA: FINANCIAL MANAGEMENT & VIABILITY

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
To alleviate poverty to improve quality of household life	1	% of allocated equitable share implemented for free basic services	% allocated equitable share actually implemented for free basic services	Additional 5% of allocated equitable share to be utilized for free basic services	-	-	-	5%	Budget report and equitable share provided for free basic services	Human capital and budget	% equitable share utilized for free basic services	Financial Viability & Sustainability
	2	% decrease in doubtful outstanding debts	% doubtful debts of total debtors' book as at 30 June 2015	Uncollectible outstanding debt, that is, 150 days and older reduced by 2% by June 2016	<2 %	<2 %	<2 %	<2 %	Monthly & quarterly reporting on outstanding service debtors and billing reports	Human Capital and budget	Reduction in outstanding debt	Financial Viability & Sustainability
	2	% of amounts billed collected	Average payment rate for financial year as at June 2015, that is, 99%	Average payment rate maintained at above 98% by June 2016	>98 %	>98 %	>98 %	>98 %	Monthly & quarterly reporting on outstanding debts and billing reports	Human Capital and budget	12 debtors billing reports with analysis schedule	Financial Viability & Sustainability
	2	% of debtors to revenue ratio	% debtors' turnover ratio as at June 2015	Debtors' to revenue ratio maintain at below 8% by June 2016	<8 %	<8 %	<8 %	<8 %	Monthly & quarterly reporting on gross debtors day to billing revenue	Human Capital and budget	12 debtors billing reports with analysis schedule	Financial Viability & Sustainability
TO MANAGE AND MAINTAIN ALL ASSETS PURSUANT TO COMPLYING WITH GRAP 17.												
To manage, control and maintain all assets of the municipality	2	% asset verification according to inventory lists	No baseline	95% of assets verified according to inventory lists			95 %	Report on asset verification	Appoint asset champion and inventory lists	Safeguard municipal assets	Financial Viability & Sustainability	
	1	% increase of OPEX allocated to repairs and maintenance	4,9% allocated for maintenance on the 2013/2014 budget	1% increase of 2016/2017 OPEX budget to be allocated on repair and maintenance			1%	Repair and maintenance per approved budget	Budget inputs	Secure health of municipal assets	Financial Viability & Sustainability	
	2	% reduction in annual stock take differences	No baseline	5% reduction in annual stock take differences	5%			Stock take report	Human capital and stock count	Control and reduce stock losses	Financial Viability & Sustainability	

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KPA: FINANCIAL MANAGEMENT & VIABILITY

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome	
					Q1	Q2	Q3	Q4					
TO RENDER AN EFFICIENT EFFECTIVE AND RESPONSIVE CONSUMER SERVICE TO THE COMMUNITY													
To identify and investigate inaccurate meter readings / consumptions	1	Number of meter reading based on estimation instead of actual meter reading	1550 meter readings estimated as at 30 June 2014, that is, 5%	Reduce meter readings with estimations by 250 by 30 June 2016	60	60	65	65	65	Deviation reports on water meters estimated	Human capital and budget resources	Reduction of meter readings average	Financial Viability & Sustainability
To extend service delivery to the community	1	Number of payment channels available to consumers	11 pay point facilities and 6 after hour vending facilities	Internet vending payment facility.	-	-	-	1	1	SLA of payment facilities for internet	Human Capital and budget	Internet vending facility	Financial Viability & Sustainability



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KPA: LOCAL ECONOMIC DEVELOPMENT

STRATEGIC OBJECTIVE: TO ENSURE A BETTER LIFE FOR THE SOCIETY BY COORDINATING SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENTAL PROGRAMMES

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
Development an environment that promotes SMME's and BBBEE	1	Advertisement to update supplier database.	Annual advertisement to update database	Place and update supplier database advertisement				1	Advertisement place	Human Capital and budget	Increased number of SMME's on supplier database	Economic growth for SMME's

KPA: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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

Performance Objective	Weighting	KPI	Current Baseline Indicators	Annual Target 2015/2016	Quarterly Targets				Evidence	Input	Output	Outcome
					Q1	Q2	Q3	Q4				
To extend service delivery to the community	3	% of municipality capital budget actually spent on capital projects identified in terms of IDP for finance directorate	90% of actual capital expenditure spent on projects identified in IDP by June 2014	95% of actual capital expenditure agrees to SDBIP in 2015/2016 IDP	3%	22%	75%	95%	Monthly & quarterly reports on CAPEX spending for finance directorate	Human Capital and materials	Budget expended according to SDBIP	Financial Viability & Sustainability