



SUNDAY RIVER VALLEY MUNICIPALITY

PERFORMANCE AGREEMENT AND PERFORMANCE PLAN

of

Acting Director Financial Management

FINANCIAL YEAR: 1 JULY 2025 – 30 JUNE 2026



Sundays River Valley

Municipality

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Sundays River Valley Local Municipality herein represented by **Mr. Thabiso Klaas** in his capacity as Municipal Manager (hereinafter referred to as the **Employer**) **Mr Mzuqhamile Mbangi, Acting Director: Financial Management** of the Sundays River Valley Local Municipality (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.

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 Competency Requirements (CCRs) 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 CCRs 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): 80%	Weighting
Basic Service Delivery and Infrastructure	15
Municipal Institutional Development and Transformation	15
Local Economic Development (LED)	5
Financial Viability and Management	45
Good Governance and Public Participation	20
Total	100%

6.4 The CCRs will make up the other 20% of the **Employee's** assessment score.

LEADING COMPETENCIES		WEIGHT
01	Strategic Direction and Leadership	8 %
02	People Management	8 %
03	Program and Project Management	8 %
04	Financial Management	12 %
05	Change Leadership	8 %
06	Governance Leadership	8 %
CORE COMPETENCIES		
07	Moral Competence	8 %

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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 Employee 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.					

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- 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. . In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment rating calculator; provided that-
 - 12.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%;
and
 - 12.2.2 a score of 150% and above is awarded a performance bonus ranging 10% to 14%
- 12.3 The **Employee** will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.
- 12.4 In the case of unacceptable performance, the **Employer** shall –
 - 12.4.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
 - 12.4.2 after appropriate performance counselling 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

4.2 Any disputes about the outcome of the employee's performance evaluation, must be mediated by the MEC responsible for Local Government in the Province of the Eastern Cape, within thirty (30) days of receipt of a formal dispute from the employee, whose decision shall be final and binding on both parties.

5. GENERAL


5.1 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**.

5.2 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 Nqweba on this the 01 day of FEBRUARY 2026.

AS WITNESSES:

1.  _____



EMPLOYEE

2. _____

Thus done and signed at Nqweba on this the 01 day of FEBRUARY 2026.

1.  _____



MUNICIPAL MANAGER

2. _____



KPI No	Strategy	Projects	Key Performance Indicator	Spatial Reference	Annual Target	Budget	Q1	Q2	Q3	Q4	Means of Verification	Responsible Dept
		<ul style="list-style-type: none"> - MPAC Workplan development/review and implementation (2) - Public Hearings (4) - Project oversight visits (2) 									9. Oversight Report on Annual Report 10. Monthly and quarterly reports	
IDP Goal 4 : Mobilize Sustainable Funding and Partnerships												
Strategic Objective: To ensure an economically developed society and improved quality of life through job creation, agriculture and tourism												
GGP-10	LED Strategy development and implementation SMME Support Job creation	<ul style="list-style-type: none"> - LED Strategy development/review - LED Forum establishment - SMME Policy development and implementation - Business licensing and compliance monitoring - Reporting on Creation of job opportunities - Tourism initiatives - Investment and Trading attraction initiative 	Number of LED projects implemented	All wards	6 LED projects implemented	R60 000	2 LED projects implemented	3 LED projects implemented	2 LED projects implemented	1 LED projects implemented	1. LED Strategy 2. Council Resolutions 3. LED Forum minutes 4. SMME Policy 5. Register of employed people and SMMEs 6. Invitation letters 7. Attendance Registers 8. Quarterly LED report 9. Monthly report	Office of the Municipal Manager
IDP Goal 6: Monitor Performance and Foster Accountability												
Strategic Objective: To ensure a financially viable and sustainable municipality through compliant budget, revenue management and reporting												
FIN-01	Budget, Compliance and Financial Reporting	<ul style="list-style-type: none"> - Section 71 monthly reporting (12) - Quarterly Section 52d reporting (4) - Section 72 mid term reporting (1) - Section 29 adjustment budget and reporting (1) - Annual Budget review - Section 24 (1) 	Number of budget management projects implemented	Head Office	19 budget management projects implemented	Opex	4 budget management projects implemented	8 budget management projects implemented	14 budget management projects implemented	19 budget management projects implemented	<ul style="list-style-type: none"> - Section 71 monthly report - Quarterly Section 52d report - Section 72 mid term report - Section 29 adjustment budget - Annual Budget - Adjusted Budget - Council resolution - Signed acknowledgement by the Mayor (S71) - Monthly report - Quarterly report 	Budget and Treasury
FIN-02	Budget, Compliance and	Annual Financial Statements Interim FS	Date by which Annual/Interim/AFS are	Head Office	AFS submitted by 31 August 2025	Opex	AFS submitted by 31 August 2025	Draft IFS Plan developed	IFS submitted the	IFS Plan to Audit	<ul style="list-style-type: none"> - IFS submitted to Internal Audit by 30 - Proof of submission to AFS - IFS 	Budget and Treasury

KPI No	Strategy	Projects	Key Performance Indicator	Spatial Reference	Annual Target	Budget	Q1	Q2	Q3	Q4	Means of Verification	Responsible Dept
		- FAR reconciliations (12) - Monthly update to Project register (12) - Development of GRAP compliant fixed asset register (1)	successfully implemented		successfully implemented		successfully implemented	successfully implemented	successfully implemented	successfully implemented		

IDP Goal 6: Monitor Performance and Foster Accountability

Strategic Objective: To ensure a compliant supply chain management function and reduction in Unauthorized, Irregular, Fruitless and Wasteful Expenditure in terms of chapter 11 of MFMA

FIN-07	SCM Regulation	-Develop and report on procurement plan (4) - Quarterly SCM reporting (4) - UJFWE prevention and reduction (4) - Annual SCM reporting (1) - Bid Committee administration (4)	Number of SCM projects implemented	Head Office	17 SCM projects implemented	Opex	5 SCM projects implemented	9 SCM projects implemented	13 SCM projects implemented	17 SCM projects implemented	- Procurement plan - Monthly SCM report - Quarterly SCM report - Annual SCM report - UJFWE reduction plan	Budget and Treasury
FIN-08	SCM Regulation	Reduction of UJFWE	% reduction in UJFWE	Head Office	75% reduction in UJFWE	Opex	Institutional capacity building for building for MPAC, Political Office bearers management and staff 10% reduction in UJFWE	25% reduction in UJFWE	50% reduction in UJFWE	75% reduction in UJFWE	- Procurement plan - Monthly SCM report - Quarterly SCM report - Annual SCM report - UJFWE reduction plan - Council resolutions for write off - Bid Committee invitations, agenda	Budget and Treasury

IDP Goal 6: Monitor Performance and Foster Accountability

Strategic Objective: To ensure a transformed workplace environment and continuous organizational development

ITD-01	HR Management	- HRM Plan review - Organogram review and implementation - Filling of critical vacancies - Policy development and review	% of HRM projects implemented	Head Office	100% of HRM projects implemented	Opex	15% of HRM projects implemented	40% of HRM projects implemented	70% of HRM projects implemented	100% of HRM projects implemented	- HRM Plan - Organogram - Council resolution organogram and policies - LLF minutes for organogram presentation - List of critical budgeted vacancies - Appointment letters - Attendance register for policy workshop - Program for policy workshop	Corporate Services
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