

## Annexure A

### Performance Plan

#### Mopani District Municipality



The *main parts* to this Performance Plan are:

1. Performance Plan Overview
2. Strategy Map
3. A statement about the *Purpose* of the Position;
4. A performance scorecard per Key Performance Areas (KPA's, DPLG), dealing with Balanced Scorecard Perspectives (BSC), IDP Objectives, Weightings, Performance Indicators (KPIs), Weightings, Baseline, Targets (quarterly), evidence required, and assessment score
5. A performance scorecard per Key Performance Areas (KPA's, DPLG), dealing with Balanced Scorecard Perspectives (BSC), IDP Objectives, Weightings, Projects / Initiatives and assessment score
6. Competencies
7. Approval of Personal Performance Plan
8. Summary Scorecard

Name: Mr MM Mokgolobotho  
Position: Chief Financial Officer  
Accountable to: Municipal Manager  
Plan Period: 01.07.07 – 28.02.08

# Annexure A

## PERFORMANCE PLAN

### 1. Purpose

The performance plan defines the Council's expectations of the Municipal Manager'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. Objects of Local Government

The following objects of local government will inform the Municipal Manager's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.

### 3. Key Performance Areas

The following Key Performance Areas (KPAs) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed in the table below:

- 3.1 Municipal Transformation and Organisational Development
- 3.2 Infrastructure Development and Service Delivery
- 3.3 Local Economic Development (LED)
- 3.4 Municipal Financial Viability and Management
- 3.5 Good Governance and Public Participation

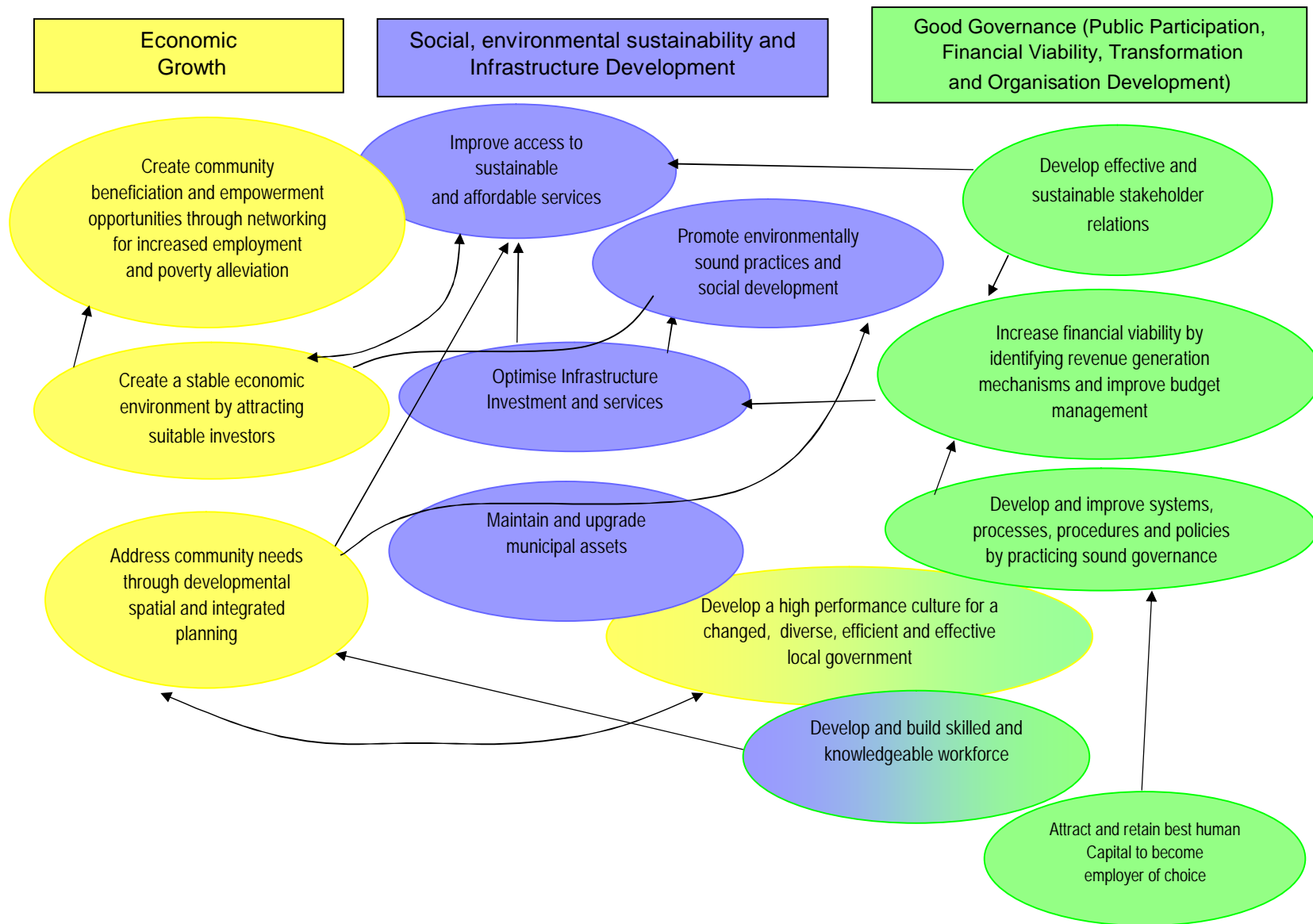
### 4. BSC Perspectives

The BSC Methodology was used for the development of the Performance Management System and will read as follows:

- 4.1 Community
- 4.2 Financial
- 4.3 Institutional Processes
- 4.4 Learning and Growth

### 5. Strategic Objectives

The Key Performance Indicators are devised according to the IDP Institutional Objectives to be achieved as depicted on the next page



<b>STRATEGIC VISION</b>
<b>“To be the Food Basket of Southern Africa and the Tourism Destination of choice”</b>
<b>STRATEGIC MISSION</b>
- To provide integrated sustainable equitable services through democratic responsible and accountable governance
- Promoting the sustainable use of resources for economic growth to benefit the community
<b>JOB PURPOSE</b>
<b>Position Goal</b>
To be the leading financial department in Limpopo Province who is recognized by Mopani District Municipality and other Municipalities as an extremely competent financial department who can be consulted if necessary
<b>Position Purpose</b>
To secure sound and sustainable management of the financial affairs of Mopani District Municipality by managing the budget and treasury office and advising and if necessary assisting the accounting officer and other directors of their duties and delegation contained in the MFMA
<b>The Chief Financial Officer is accountable and responsible for amongst others:</b>
Ø The management of Municipality's financial accounting functions to ensure unqualified audit reports
Ø The compilation and control of the municipality's budget to effect no budget variance
Ø To manage cash receipts and disbursement to facilitate non-utilisation of bank overdrafts
Ø The management of the payroll and ensuring timeous and accurate payment of personnel salaries and allowances
Ø The administration of the municipal finances to ensure cash is available for projects and operations
Ø Ensuring daily banking of cash received
Ø Management of investment to earn above national average interest on surplus funds
Ø Determination of tariffs and taxes and ensuring budgeted costs are recovered
Ø Timely development and submission of financial statements to ensure positive financial results
Ø Alignment of the budget, Integrated Development Plan and Performance Management System
Ø Manage income and expenditure of the municipality to ensure sound financial management of Council

## KEY PERFORMANCE INDICATORS

Key Performance Indicators														
BSC	IDP Objective	Obj. Weighting	Institutional KPI	KPI Weighting	Baseline 2006/07	Annual 2007/08 target	2007/08 Quarterly Targets				Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
							1st Q	2nd Q	3rd Q	4th Q				
KPA 1. Municipal Transformation and Organisational Development														
F3	Address community needs through developmental spatial and integrated planning	100%	% Compliance to Budget legislative deadlines	40%	100%	100%	100%	100%	100%	100%	Process Plan implementation report			
			% Departmental Scorecard rating - CFO Office	60%	-	130%	130%	130%	130%	130%	Assessment reports			
KPA 2. Basic Service Delivery														
C2	Improve access to sustainable and affordable services	100%	% indigents (households earning less than R1600 p.m.) with access to free basic sanitation	50%	50% (158,754 / 315,259)	55% (176,906 / 319,358)	50,7% (160,070 / 315,259)	50,8% (161,386 / 317,259)	50,8% (161,386 / 317,259)	55% (176,906 / 319,358)	Financial reports			
			% indigents (households earning less than R1600 p.m.) with access to free basic water	50%	67,32% (212,240 / 315,259)	Increase with 50% if can get more funding [84% (264,423 / 319,358)]	67,32% (212,240 / 315,259)	75%	80%	Increase with 50% if can get more funding [84% (264,423 / 319,358)]	Financial reports			

## KEY PERFORMANCE INDICATORS

BSC	IDP Objective	Obj. Weighting	Institutional KPI	KPI Weighting	Baseline 2006/07	Annual 2007/08 target	2007/08 Quarterly Targets				Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
							1st Q	2nd Q	3rd Q	4th Q				
KPA 4. Municipal Financial Viability and Management														
F3	Increase financial viability through increased revenue and efficient budget management	80%	% of budget allocated for basic services	5%		151,221,036 / 346,193,033 = 43,68 %	43,68%	43,68%	43,68%	151,221,036 / 346,193,033 = 43,68 %	Budget			
			% personnel costs / Operating expenses (excl Salaries of councillors)	5%	28,76%	45%	45%	45%	45%	45%	Budget			
			% MIG expenditure (R-value MIG received / R-value MIG spent)	10%	95%	100%	30%	75%	100%	100%	Budget			
			Total R-value operating expenditure	5%		113,522,247	28,380,561.75	56,761,123.5	85,141,684.5	113,522,247	Budget			
			R-value creditors outstanding longer than 90 days	5%	0	0	0	0	0	0	Budget			
			% Cost coverage (calculated i.t.o. PM Regulations Nat KPI's ratios)	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% actual payment of deduction of VAT, pension and other third party payments	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% payment of insurance premiums before 31 Aug every year	5%	100%	100%	100%	100%	100%	100%	Financial reports			

## KEY PERFORMANCE INDICATORS

BSC	IDP Objective	Obj. Weighting	Institutional KPI	KPI Weighting	Baseline 2006/07	Annual 2007/08 target	2007/08 Quarterly Targets				Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
							1st Q	2nd Q	3rd Q	4th Q				
F3	Increase financial viability through increased revenue and efficient budget management		% of claims received submitted to insurance broker within 7 days from receipt of all relevant documents	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% daily cash banking	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% monthly cash reconciliation report	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% financial statements finalised and submitted to Auditor General, the MEC and Nat Treasurer by 31 Aug every year	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			Average days between system close, month end and supply of financial reconciled information for reporting	5%	10 working days	7 working days	7 working days	7 working days	7 working days	7 working days	Financial reports			
			% contracts awarded to SMME's	5%	10%	20%	10%	12%	15%	20%	Tender register			
			Average time taken from tender advertisement to award of tender	5%	90 days	35 days	35 days	35 days	35 days	35 days	Tender register			

## KEY PERFORMANCE INDICATORS

BSC	IDP Objective	Obj. Weighting	Institutional KPI	KPI Weighting	Baseline 2006/07	Annual 2007/08 target	2007/08 Quarterly Targets				Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
							1st Q	2nd Q	3rd Q	4th Q				
F3	Increase financial viability through increased revenue and efficient budget management		R-value grant revenue / R-value total revenue	5%		316,852,000 / 346,193,033 = 91,52%	95,488,333	200,163,555	290,901,888	316,852,000 / 346,193,033 = 91,52%	Budget			
			R-value fire services revenue / Total r-value revenue as %	5%	-	250,000 / 346193,033 = 0,07%	85,000	125,000	165,000	250,000 / 346193,033 = 0,07%	Budget			
			% equitable share allocated within 30 days of receipt	5%	100%	100%	100%	100%	100%	100%	Financial reports			
			% budget variance per directorate - CFO Office	5%	0,5%	0,2%	0,2%	0,2%	0,2%	0,2%	Financial reports			
I2	Optimise infrastructure investment and services	20%	% variance from asset register	90%	10%	0%	0%	0%	0%	0%	Asset register - report			
			% Financial reporting on asset management within time frame	10%	75%	100%	100%	100%	100%	100%	Asset register - report			

## KEY PERFORMANCE INDICATORS

BSC	IDP Objective	Obj. Weighting	Institutional KPI	KPI Weighting	Baseline 2006/07	Annual 2007/08 target	2007/08 Quarterly Targets				Evidence Required	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
							1st Q	2nd Q	3rd Q	4th Q				
KPA 5. Good Governance and Public Administration														
C4	Develop effective and sustainable stakeholder relations	100%	% stakeholder participation (Budgetary public participation events in which all stakeholder groups participate)	20%	43%	95%	95%	95%	95%	95%	Events programmes, stakeholder register, attendance registers			
			% customer satisfaction rating per directorate	30%	70%	90%	75%	80%	85%	90%	Survey report			
			% service standards completed per directorate - CFO Office	20%	10%	100%	100%	100%	100%	100%	Survey report			
			% critical success factors of clients dissatisfaction addressed per directorate - CFO Office	30%	90%	100%	100%	100%	100%	100%	Survey report			

## Projects / Initiatives

BSC	IDP Objective	Obj. Weighting	Project / Initiative	Proj. Weighting	Budget 2007/08	Target date	1st Assessment (rated 1-5)	2nd Assessment (rated 1-5)	Final Score
KPA 2. Basic Service Delivery - Projects									
C2	Improve access to sustainable and affordable services	100%	Free Basic Water	80%	20,000,000	08/03/31			
			Disaster Internet Connection	20%	200,000	07/11/30			
KPA 4. Municipal Financial Viability and Management - Projects									
F3	Increase financial viability through increased revenue and efficient budget management	80%	Revenue management	5%	General Exp	07/12/31			
			Municipal fiscal and tariff policy	10%	General Exp	08/03/31			
			Credit Control policy	10%	General Exp				
			Investment Policy	10%	General Exp	On-going			
			Budget compilation	10%	General Exp				
F3	Increase financial viability through increased revenue and efficient budget management		Budget control and implementation	10%	General Exp				
			MFMA implementation, monitoring and compliance plan	10%	General Exp				
			Financial Statements and Reports	10%	General Exp	On-going			
			Letting and disposal of assets policy	10%	General Exp	08/02/28			
F3	Increase financial viability through increased revenue and efficient budget management		Supply Chain management policy and implementation plan	10%	General Exp	07/10/31			
			Full automation of financial system	5%	General Exp				
F2	Optimise infrastructure investment and services	10%	Asset Register	100%	General Exp	07/12/31			
C2	Improve access to sustainable and affordable services	10%	Indigent register and policy development and maintenance	100%	General Exp	2008/03/31			
KPA 5. Good Governance and Public Participation - Projects									
F1	Create a stable economic environment by attracting suitable investors	30%	Website Maintenance	100%	General Exp	On-going			
I3	Develop and improve systems, processes, procedures and policies by practicing sound governance	70%	Development of Master System Plan (MSP)	100%	3,000,000	07/12/31			

Competencies						
	Weighting	Proficiency Level	2nd Quarter	4th Quarter	Total Score	Comment
Strategic Capability and Leadership	5%	1				
Programme and Project Management		1				
Financial Management	20%	1				
Change Management		1				
Knowledge Management	10%	1				
Service Delivery Innovation		1				
Problem Solving and Analysis	10%	1				
People Management and Empowerment	5%	1				
Client Orientation and Customer Focus		1				
Communication	5%	1				
Accountability and Ethical Conduct	15%	1				
Competence in Self Management		1				
Interpretation of and implementation within the legislative and national policy frameworks	10%	1				
Knowledge of developmental local government		1				
Knowledge of Performance Management and Reporting		1				
Knowledge of global and South African specific political, social and economic contexts		1				
Competence in policy conceptualisation, analysis and implementation	10%	1				
Knowledge of more than one functional municipal field / discipline		1				
Skills in Mediation		1				
Skills in Governance	5%	1				
Competence as required by other national line sector departments		1				
Exceptional and dynamic creativity to improve the functioning of the municipality	5%	1				
<b>Section Total:</b>	<b>100%</b>					

\* These Competencies are dependent on final promulgation of the Guidelines in terms of the Regulations

## Approval of the Personal Performance Plan

The process followed ensures individual alignment to the strategic intent of the institution and give clear direction on what needs to be achieved through a self-directed approach to execute on the objectives, to build sound relationships, to develop human capital and to strengthen the organisation through excellent performance. This plan has derived from intense workshopping to ensure integration, motivation and self-direction. The employer and employee both have responsibilities and accountabilities in getting value from this plan. Neither party can succeed without the support of the other.

Undertaking of the employer / superior	Undertaking of the employee
On behalf of my organisation, I undertake to ensure that a work environment conducive for excellent employee performance is established and maintained. As such, I undertake to lead to the best of my ability, communicate comprehensively, and empower managers and employees. Employees will have access to ongoing learning, will be coached, and will clearly understand what is expected of them. I herewith approve this Performance Plan.	I herewith confirm that I understand the strategic importance of my position within the broader organisation. I furthermore confirm that I understand the purpose of my position, as well as the criteria on which my performance will be evaluated twice annually. As such, I therefore commit to do my utmost to live up to these expectations and to serve the organisation, my superiors, my colleagues and the community with loyalty, integrity and enthusiasm at all times. I herby confirm and accept the conditions to this plan.
Signed and accepted by the Supervisor on behalf of Council:	Signed and accepted by the Employee:
<b>DATE:</b>	<b>DATE:</b>

Summary Scorecard					
Position Outcomes/Outputs	Assess Weighting	1st Assessment	2nd Assessment	Total Score	Comment
Key Performance Areas	100				
Municipal Institutional Development and Transformation	20				
Basic Service Delivery	10				
Municipal Financial Viability and Management	60				
Good Governance and Public Participation	10				
Competencies	100				
Overall Rating =	KPA x 0.8 + Competencies x 0.2	KPA x 0.8 + Competencies x 0.2	KPA x 0.8 + Competencies x 0.2	Average 1st assessment + 2nd assessment	

The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs:				
5	4	3	2	1
Outstanding Performance	Performance Significantly Above Expectations	Fully Effective	Not Fully Effective	Unacceptable 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.	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.	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.	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.	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.