



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**ABAQULUSI LOCAL MUNICIPALITY
(EMPLOYER)**

AS REPRESENTED BY THE MUNICIPAL MANAGER:

SIBONGOKUHLE PRECIOUS DLAMINI

AND

MANDLA PHUMLANI ENOCK MTHEMBU

(EMPLOYEE)

HEREIN REFERRED TO AS THE CHIEF FINANCIAL
OFFICER

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FINANCIAL YEAR: 01 JULY 2026 – 30 JUNE 2027

1. Introduction

- a. 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 Employee are herein referred to as "the Parties".
- b. Section 57(1) (b) of the Systems Act, read with the Contract of Employment requires the parties to conclude an Annual Performance Agreement.
- c. 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.
- d. 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 the Agreement

The purpose of this Agreement is to -

- a. 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;
- b. 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;
- c. Specify accountabilities as set out in the Performance Plan **(Annexure A)**;
- d. Monitor and measure performance against set targeted outputs;
- e. 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;
- f. Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

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- g. Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved qualitative and quantitative service delivery.

3. Commencement and duration

- a. This Agreement will commence on 01 July 2026 and will remain in force until 30 June 2027 where after 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.
- b. 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 within one month after the beginning of each financial year.
- c. This Agreement will terminate on the termination of the Employees contract of employment for any reason.
- d. The contents of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon subject to both parties reaching an agreement.
- e. 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

- a. The Performance Plan (**Annexure A**) sets out:
- The Performance objective and targets that must be met by the Employee; and
 - The time frames within which those performance objectives and targets must be met.
- b. 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 weighting.

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- c. 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 time frame in which the work must be achieved. The weightings show the relative importance of the key objective to each other.
- d. 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.

- a. The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Municipality, Management and Municipal Staff.
- b. 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.
- c. 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 System that the Employer Adopts

- a. The Employee undertakes to actively focus towards the promotion and implementation of Key Performance Area (including special projects relevant to the Employees responsibilities) within the local government framework
- b. The criteria upon which the performance of the Employees shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - I. The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Leading Competencies and Core Competencies respectively.
 - II. Each area of assessment will be weighted and will contribute a specific part to the total score.

III. KPA's covering the main areas of work will account for 80% and Competencies will account for 20% of the final assessment.

- c. The Employees 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 Area (KPA)	Weighting (%)
Good Governance and Community Participation	
Service Delivery and Infrastructure Development	
Local Economic and Social Development	
Municipal Transformation and Institutional Analysis	
Financial Viability and Management	100%
Cross-Cutting (Spatial, Environmental and Disaster)	
Total	100%

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

Leading Competencies	Weight%
1.Strategic Direction and Leadership	10%
2. People Management	10%
3.Programme and Project Management	5%
4.Financial Management	10%
5.Change Leadership	5%
6.Governance Leadership	5%
Core Competencies	Weight%
1.Moral Competency	10%
2.Planning and Organising	10%
3.Analysis and Innovation	10%
4.Knowledge and information management	5%
5.Communication	10%
6.Result and Quality Focus	10%
Total	100%

7. Evaluating performance

- a. The Performance Plan/Scorecard (**Annexure A**) to this agreement sets out:

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- I. the standards and procedures for evaluating performance;
and
 - II. the intervals for the evaluation of the Employees performance
- b. Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employees performance at any stage while the contract of employment is still in force.
- c. Personal growth and development needs to be identified during any performance review discussion which must be documented in a Personal Development Plan in a suitable format (**Annexure B**) as well as the actions agreed to, and implementation must take place within set time frames. This process is to be driven by the HR Department.
- d. The Employees performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.
- e. The annual performance appraisal will involve:

i. Assessment of the achievement of results as outlined in the performance plan

- 1. 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.
- 2. An indicative rating on the five-point scale should be provided for each KPA.
- 3. The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

ii. Assessment of Competencies

- 1. Each Competency should be assessed according to the extent to which the specified standards have been met.
- 2. An indicative rating on the five-point scale should be provided for each Competency.
- 3. The applicable assessment rating calculator must then be used to add the scores and calculate a final Competency score.

iii. Overall Rating

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1. An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.
- f. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and Competencies:

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

- g. For purposes of evaluating the performance, an evaluation panel constituted in terms of Regulation 27(4)(d)(e) will be established.

8. Schedule of Performance Reporting, Monitoring, Evaluation and Review

2026-2027 Performance Agreement: Mr MPE Mthembu; Chief Financial Officer

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- a. The performance of the Employee in relation to his/her performance agreement shall be monitored and evaluated on or before the dates indicated below, with the understanding that formal and informal evaluations will be conducted for the 4 quarters.

Quarter	Period	Assessment Date	Type of Assessment
First	01 July 2026 – 30 September 2026	November 2026	Informal
Second	01 October 2026 – 31 December 2026	February 2027	Formal
Third	01 January 2027 – 31 March 2027	May 2027	Informal
Fourth	01 April 2027 – 30 June 2027	August 2027	Formal

- b. The Employer shall keep a record of the quarterly, mid-year and annual assessment reviews.
- c. The Employee is responsible for maintaining a Portfolio of Evidence, which must be made available at the informal and formal evaluation sessions, and audit purposes.
- d. Performance scoring and feedback shall be based on the Employer's assessment of the Employee's performance against actuals reported and evidence provided.
- e. The Employer will be entitled to review and make reasonable changes to the Performance Plan (**Annexure A**) in line with the mid-year assessments for operational reasons. The Employee will be fully consulted before any such change is made. Such changes to the Performance Plan will be applicable by default upon Council's adoption of the Adjusted Budget and Services Delivery Budget Implementation Plan.

9. Developmental Requirements

- a. The Personal Development Plan (PDP) for addressing developmental gaps is attached as **Annexure B**. The PDP will be completed after every quarterly assessment.

10. Obligations of the employer

The Employer shall –

- a. Create an enabling environment to facilitate effective performance by the employee;
- b. Provide access to skills development and capacity building opportunities;

- c. Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- d. 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
- e. Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him/her to meet the performance objectives and targets established in terms of this agreement.

11. Employee obligations

- a. The employee is obliged to perform his/her functions to the best of his/her abilities and shall as far as is practically possible endeavour to meet the standards of performance as set out in this agreement.
- b. The employee shall act in the good faith and in the best interest of the Municipality at all times
- c. The employee shall be responsible for the completion or execution of the specific programs identified in his/her service delivery and budget implementation plans or KPA's within the timeframes agreed upon.
- d. The employee shall co-operate with the employer in conducting the performance review.

12. Consultation

- a. Both parties to this agreement agree to consult each other in the event either party wishes to exercise a duty or function in terms of this agreement.
- b. The Employer is to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in paragraph 12 (a) above, as soon as is practicable to enable the Employee to take any necessary action without delay.

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13. Management of Evaluation Outcomes

- a. The evaluation of the Employees performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- b. A performance bonus may be paid (5% to 14%) in terms of section 32 (2) of the Local Government: Municipal Performance Regulations and any other policy of Council according to the Bonus Rating Scale attached as **Annexure C**.
- c. In case of unacceptable performance, the Employer must implement procedures for dealing with substandard performance as prescribed in Section 16 of the Local Government: Disciplinary Code and Procedures for Senior Managers.

14. Disputes

Any disputes about the nature of the Employees **performance agreement**, whether it relates to key responsibilities, priorities, methods of assessment, and/or salary increment in the agreement, must be mediated by:

- i. In the case of the Municipal Manager be mediated by the MEC for local government in the province, or any other person appointed by the MEC within thirty (30) days of receipt of a formal dispute from the Employee;
- ii. In the case of Managers directly reporting to the Municipal Manager, the Mayor, within thirty (30) days of receipt of a formal dispute from the Employee;

whose decision shall be final and binding on both parties

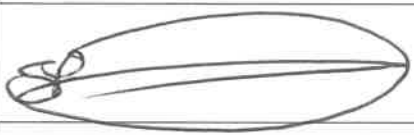
- b. Any disputes about the nature of the Employees **performance evaluation** must be mediated by:
 - i. In the case of the Municipal Manager be mediated by the MEC for local government in the province, or any other person appointed by the MEC within thirty (30) days of receipt of a formal dispute from the Employee;
 - ii. In the case of Managers directly reporting to the Municipal Manager, a member of the council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the Employee;

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whose decision shall be final and binding on both parties

15. General

- a. The contents of the Agreement and the outcome of any review conducted in terms of **Annexure A** will not be confidential, and may be made available to the public by the Municipality (MFMA, 2003 and Section 46 of the Municipal Systems Act, 2000)
- b. 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.
- c. No performance bonus will be paid in terms of this agreement irrespective of the outcome of performance evaluation results in the event that the municipality does not obtain an unqualified audit opinion from the Auditor General in respect of the relevant financial year.

Name	Signature	Date
Signed and accepted by Mandla Phumlani Enock (Employee)		23/06/2026
Signed And Accepted By Sibongokuhle Precious Dlamini (Employer)		23-06-2026
Witness 1 (Name): LARISH DOOKHILAL		23/06/2026
Witness 2 (Name): MBONGENI NDLOVU		23/06/2026

Annexures:

- A. Performance Plan (Scorecard)
- B. Personal Development Plan
- C. Bonus Payment Rating Scale

Finance Department Scorecard

Period: 01 July 2026 – 30 June 2027

2026-2027 Quarterly Targets										Res. Dept.	Portfolio of Evidence					
SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
												Target	Target	Target	Target	
												01 Jul 2026–30 Sep 2026	01 Oct 2026–31 Dec 2026	01 Jan 2027–31 March 2027	01 April 2027–30 June 2027	
KPA - Financial Viability & Management:																
Municipal Goal: Ensure sound financial management and accountability.																
FVM 01	Revenue	Ensure the Municipal Revenue Streams are optimised	24	Revenue collection	N/A	N/A	N/A	% of collection Rate on billing by 30 June 2027	percentage (%)	N/A	85% of collection Rate on billing on by 30 June 2027	85% of the collection Rate on billing on by 30 Sep 2026	85% of the collection Rate on billing on by 31 Dec 2026	85% of the collection Rate on billing on by 31 March 2027	85% of the collection Rate on billing on by 30 June 2027	Billing report
FVM 02	Expenditure	To ensure effective expenditure control	25	Expenditure control	N/A	N/A	N/A	% of the Service Providers paid within 30 days	percentage (%)	N/A	100% of the Service Providers paid within 30 June 2027	100% of the Service Providers paid within 30 Sep 2026	100% of the Service Providers paid within 30 days by 31 Dec 2026	100% of the Service Providers paid within 30 days by 31 March 2027	100% of the Service Providers paid within 30 days by 30 June 2027	Copy of Expenditure Reports & Age analysis
FVM 04					N/A	N/A	N/A	Percentage of households on Indigent Register with access to free basic services by 30 June 2027	percentage (%)	100%	100% of households on Indigent Register with access to free basic services by 30 June 2027	100% of households on Indigent Register with access to free basic services by 30 Sep 2026	100% of households on Indigent Register with access to free basic services by 31 Dec 2026	100% of households on Indigent Register with access to free basic services by 31 March 2027	100% of households on Indigent Register with access to free basic services by 20 June 2027	Free Basic Services Report
FVM 05	SCM	To strengthen the Supply Chain Unit and Processes	26	Procurement Plan	N/A	N/A	N/A	Date Procurement Plan adopted by 31 May 2027	Date	28 May 2026	Procurement Plan adopted 31 May 2027	N/A	N/A	N/A	Final Procurement Plan adopted by 31 May 2027	Copy of Council Resolution & Procurement plan


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SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	2026-2027 Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
FVM 06				Draft SCM Policy	N/A	N/A	N/A	Date Draft SCM Policy tabled to Council	Date	31 March 2026	Draft SCM Policy tabled to Council by 31 March 2027	N/A	N/A	Draft SCM Policy tabled to Council by 31 March 2027	N/A		Copy of Council Resolution
FVM 07				Final SCM Policy	N/A	N/A	N/A	Date Final SCM Policy tabled to Council for adoption	Date	28 May 2026	Final SCM Policy tabled to Council by 31 May 2027	N/A	N/A	N/A	Final SCM Policy tabled to Council by 31 May 2027		Copy of Council Resolution
FVM 08				Submission of expenditure report on (UIFW) to MPAC	N/A	N/A	N/A	Number of reports submitted to MPAC by 30 June 2027	Number	4	4 reports submitted to the MPAC by 30 June 2027	1 (one) report submitted to the MPAC by 30 Sep 2026	1 (2) report submitted to MPAC by 31 Dec 2026	1 (3) report submitted to the MPAC by 31 March 2027	1 (4) report submitted to the MPAC by 30 June 2027		Proof of submission to Records
FVM 09	Assets	To Maintain Fixed Assets of the Municipality	27	Asset verifications	N/A	N/A	N/A	Number of asset verifications undertaken by 30 June 2027	Number	2	2 Quarterly verification of inventory undertaken by 30 June 2027	N/A	1 quarterly verification of inventory undertaken by 31 Dec 2026	N/A	1 (2) quarterly verification of inventory undertaken by 30 June 2027		Copy of the Updated Asset Register
FVM 10	Financial Reporting	Ensure that financial reporting conforms to all legal and institutional requirements	28	Draft 2027/28 Budget	N/A	N/A	N/A	Date Draft 2027/28 Budget developed and submitted to Council for noting	Date	31 March 2026	Draft 2027/28 Budget developed and submitted to Council for noting by 31 March 2027	N/A	N/A	Draft 2027/28 Budget developed and submitted to Council for noting by 31 March 2027	N/A		Copy of Council Resolution

Financial Services

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	2026-2027 Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1	Quarter 2	Quarter 3	Quarter 4		
												Target	Target	Target	Target		
				Final 2027/28 Budget	N/A	N/A	N/A	Date Final 2027/28 Budget adopted by Council	Date	28 May 2026	Final 2027/28 Budget adopted by 31 May 2027	N/A	N/A	N/A	Final 2027/28 Budget adopted by 31 May 2027	Copy of Council Resolution	
FVM 11		Ensure that financial reporting conforms to all legal and institutional requirements	28	S71 Report	N/A	N/A	N/A	Number of Sec.71 Reports submitted to the Records Office by 30 June 2027	Number	12	12 sec.71 Reports submitted to Records Office by 30 June 2027	3 sec.71 Reports submitted to Records Office by 30 Sep 2026	3 (6) sec.71 Reports submitted to Records Office by 31 Dec 2026	3 (9) sec.71 Reports submitted to Records Office by 31 March 2027	3 (12) sec.71 Reports submitted to Records Office by 30 June 2027	Proof of submission to Records office	
FVM 12		S72 Report		N/A	N/A	N/A	Date Sec. 72 Reports submitted to the Mayor, National Treasury and Provincial Treasury	Date	21 Jan 2026	Sec. 72 Reports submitted to the Mayor, National Treasury, and Provincial Treasury by 25 Jan 2027	N/A	N/A	Sec. 72 Reports submitted to the Mayor, National Treasury and Provincial Treasury by 25 Jan 2027	N/A	Copy of Council Resolution & Sec 72 report		
FVM 13		S52 Report		N/A	N/A	N/A	Number of sec52 (d) reports submitted to Records by 30 June 2027	Number	4	4 sec. 52(d) reports submitted to Records office by 30 June 2027	1 sec 52(d) reports submitted to Records office by 30 Sep 2026	1 (2) sec 52(d) reports submitted to Records office by 31 Dec 2026	1 (3) sec 52(d) reports submitted to Records office by 31 March 2027	1 (4) sec 52(d) reports submitted to Records office by 30 June 2027	Proof of submission to Records office		
FVM 14																	





SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	2026-2027 Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1	Quarter 2	Quarter 3	Quarter 4		
												Target	Target	Target	Target		
				2025/2026 AFS	N/A	N/A	N/A	Date Annual Financial Statements completed and submitted to AG	Date	31 August 2025	Annual Financial Statements completed and submitted to AG by 31 August 2026	01 Jul 2026- 30 Sep 2026	01 Oct 2026 -31 Dec 2026	01 Jan 2027- 31 March 2027	01 April 20267-30 June 2027		
												Annual Financial Statements completed and submitted to AG by 31 August 2026	N/A	N/A	N/A		Proof of submission to AG

FVM 15


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PERSONAL DEVELOPMENT PLAN

This plan must be completed and reviewed after every Performance Quarterly Review. The purpose is to provide opportunity for the Employee and the immediate supervisor to identify incumbent's strength, skills and competency gap. To complete this plan you need to know and understand your Department objectives, your customer's (internal and external), requirements and your key performance Indicators. The information provided should be considered in relation to the critical nature of the current position and your future career goals.

KPA CONFIRMATION	COMPETENCY IDENTIFICATION	DEVELOPMENT ACTION PLAN				TIME FRAMES	
		Required Key competencies to be developed to achieve current KPA's future career aspirations (OUTCOME TO BE ACHIEVED)	Proposed Solutions	Proposed Provider (s)	Estimated cost for budgeting	Start	End
Key Performance areas/outputs	Competencies required to achieve current KPA's performance outputs						

Department:	Approved By:
Official Name:	Official Name:
Position Held:	Position Held:
Signature:	Signature:
Date:	Date:


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Annexure C: Bonus Rating Scale

Performance Bonuses will be rewarded according to the following table which is based on a Provincial scale method:

PROVINCIAL SCALE	100% SCALE	BONUS ALLOCATE (%)
130	77.9	5
131	78.5	5.2
132	79.1	5.5
133	79.7	5.7
134	80.3	6.0
135	80.9	6.2
136	81.5	6.5
137	82.1	6.7
138	82.7	6.9
139	83.3	7.2
140	83.9	7.4
141	84.5	7.7
142	85.1	7.9
143	85.7	8.2
144	86.3	8.4
145	86.9	8.6
146	87.5	8.9
147	88.1	9.1
148	88.7	9.4
149	89.3	9.6
150	89.9	9.9
151	90.4	10.1
152	91.0	10.4
153	91.6	10.6
154	92.2	10.8
155	92.8	11.1
156	93.4	11.3
157	94.0	11.6
158	94.6	11.8
159	95.2	12.1
160	95.8	12.3
161	96.4	12.5
162	97.0	12.8
163	97.6	13.0
164	98.2	13.3
165	98.8	13.5
166	99.4	13.8
167	100	14.0

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