

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

FINANCIAL, ADMINISTRATION, MONITORING AND EVALUATION

DATE: JANUARY 2018

ITEM No: /07/FAME

**SUBMISSION OF PERFORMANCE AGREEMENTS OF SECTION 56 AND SECTION 57
EMPLOYEES: 2017/18 FINANCIAL YEAR**

1. Introduction:

The purpose of this report is to table the 2017/18 Performance Agreements and Performance Plans for the Municipal Manager and Directors to Council for information in compliance with legislative requirements in this regard.

The Performance Agreements is attached hereto.

2. Legislative requirements:

Section 57(1)(b) and (2)(a)(i)(ii) of the Local Government Municipal Systems Act 32 of 2000 provides that a person appointed as Municipal Manager and a person appointed as a manager directly accountable to the Municipal Manager may only be appointed to such a position subject to a separate performance agreement concluded annually within one month of the beginning of each financial year provided that in the instance of new appointments, the performance agreement must be concluded within 60 days from date of appointment,

The Act further provides that the contract of employment of any such Manager shall lapse where the provisions with regard to the conclusion of the performance agreements have not been complied with.

Section 53(3) of the Local Government Municipal Finance Management Act 56 of 2003 requires the performance agreements of Municipal Managers and Directors to be submitted to the MEC for Local Government.

3. Comment

The performance plans of the Municipal Manager and Directors are based on the Service Delivery and Budget Implementation Plan for the 2017/18 year as approved by the Executive Mayor.

In terms of legislative provisions the performance agreement of the Municipal Manager is concluded with the Executive Mayor and the performance agreements of Directors with the Municipal Manager.

It must be noted that Performance Plans reflects the relevant Integrated Plan Priority so as to comply with the requirements of the Auditor General for direct linkages between Senior Management Performance Agreements and the Integrated Development Plan.

The Director Corporate Services were appointed with effect 28 August 2017 while the Director Infrastructure and Engineering was appointed with effect 1 September 2017. For practical purposes the performance agreements were required to be signed before 31 October 2017.

4. Recommendation

- i) That the Performance Agreements and supporting Performance Plans for the 2017/18 financial year in respect of the Municipal Manager and Directors be noted.
- ii) That in terms of the provisions of Section 53(3) of the Local Government Municipal Finance Management Act 56 of 2003 the Performance Agreements of the Municipal Manager and Directors for the 2017/18 financial year be submitted to the MEC for Local Government.