

Annexure A



**PERFORMANCE PLAN**

**Entered into by and between**

**THE MUNICIPALITY OF KOUGA**

**AS REPRESENTED BY THE MUNICIPAL MANAGER**

**MR C DU PLESSIS**

**AND**

**RIAAZ LORGAT**

**THE EMPLOYEE OF THE MUNICIPALITY**

**CHIEF FINANCIAL OFFICER**

**PERIOD: 1 JULY 2021 TO 30 JUNE 2022**

2021/22 PERFORMANCE PLAN: CFO: R LORGAT

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## 1. PURPOSE

The performance plan defines the Council's performance expectations of the Chief Financial Officer's and has the purpose of the alignment of such performance expectations with the Integrated Development Plan as provided for in Section 57 (5) of the Municipal Systems Act.

## 2. KEY RESPONSIBILITIES

It is expressly agreed that while certain key responsibilities of the Chief Financial Officer shall be measured in terms of the Performance Agreement and the Performance plan, the duties of the Chief Financial Officer shall not be restricted to the measured responsibilities only.

## 3. PERFORMANCE REPORTING

- 3.2 The provision of the Performance Agreement relative to performance reporting time frames and the time frames for the submission of supporting performance evidence is herewith re-confirmed.
- 3.3 Whereas Section 57 of the Local Government Municipal Systems Act, 2000 provides that the appointment of the Employee is subject to participation in the performance management system of the Employer, the Parties herewith agree that the non-submission of performance information and/or performance evidence, on the electronic performance management systems and/or manually, on due dates as set out in the Performance Agreement may result therein that any possible performance reward due to the Employee may be forfeited at the discretion of the Employer.
- 3.4 It is herewith agreed that in instances where it becomes clear that any set target in respect of any reporting period cannot/shall not be achieved and/or has not been achieved, the Employee shall prepare a Memorandum addressed to the Municipal Manager detailing the following:
- Key Performance Indicator and target for the reporting period.
  - Actual achievements on the target in accordance with the Key Performance Indicator.
  - Reasons why the target could not be fully achieved.
  - Proposals on corrective actions to be implemented to ensure that the target shall be achieved at a date and time indicated in the corrective actions which shall be prior to the end of the reporting year.
  - Provided that were the non-achievement becomes evident at such a late stage that corrective actions shall not result in achievement of the target prior to the year end, corrective actions must indicate how the matter shall be dealt with to ensure achievement in the shortest possible time after year end.

Only where the Municipal Manager has approved the reasons for the non-achievement of a target shall the Employee report the non-achievement of the target as part of the performance reporting cycle and the Employee shall at all times attach

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the Memorandum directed to the Municipal Manager as well as the approval of the Municipal Manager to such reporting on the electronic performance management system.

#### 4. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as set in consultation with the employee inform the strategic objectives, listed in the table below:

KPA No	Key Performance Area	Weight
3.	Municipal Financial Viability and Management	100
	Total	100

#### 5. KEY PERFORMANCE INDICATORS

- 5.1 The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. 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.

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## 5.1 INSTITUTIONAL SERVICE DELIVERY IMPLEMENTATION PLAN TARGETS

FINANCIAL VIABILITY AND MANAGEMENT																	
SDO6: Directorate Finance																	
Finance																	
Budget and Treasury																	
Financial Reporting																	
<b>SOD:6.1</b> BUDGET AND REPORTING: To manage and control the implementation of budget policies and procedures, statements and reporting processes to ensure legislative compliance.																	
KPA	Strategic Objective	Directorate	Division	Function	SOD:6.1	Focus Area	Key Performance Indicator	Baseline	Annual Target	Revised Target	2021/2022: Quarterly Targets						Weight
											Ending 30 September 2021	Ending 31 Dec 2019	Ending 31 March 2022	Ending 30 June 2022	Target	Actual	
Financial Reporting						% compliance with financial reporting as per national treasury reporting calendar	100%	100%		100%		100%		100%			3
Sound Financial Planning						Number of Financial Statements submitted to the Auditor General by 31 August 2021	1	1			1						5
						Number of draft budgets submitted to Council by 31 March 2022	1	1				1			1		5
						Number of final budgets submitted to Council by 30 May 2022	1	1							1		5

	Number of adjustments budgets submitted to Council by 31 January 2022	1 (28/2)	1	-	-	-	-	1	-	-	1	-	-	5
Sound Financial Planning	Number of Tariff Review proposals for the Directorate submitted by 28 February 2022	1	1	-	-	-	-	1	-	-	1	-	-	3
	Number of business plans for projects relevant to the Directorate submitted by 28 February 2022 for budget considerations	1	1	-	-	-	-	1	-	-	1	-	-	3
	Liquidity Ratio	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1	5
	Current Ratio	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	0.9:1	5
	Number of unqualified Audits from AG	1	1	-	-	-	-	1	1	-	-	-	5	
	Number of reports submitted on the financial viability on the establishment of a Kouga Development Agency submitted by 30 September 2021	-	1	1	-	-	-	1	-	-	-	-	-	3
Cost Controls	% Reduction in staff overtime compared to previous year	10%	5%	1/5%	1/5%	2.5/5%	4/5%	5/5%	5/5%	5/5%	5/5%	5/5%	5/5%	5

Strategic Objective	SDO6: Directorate Finance													
Directorate	Finance													
Division	Revenue													
Function	Revenue													
SOD:6.3	<b>REVENUE:</b> To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance													
Focus Area	Key Performance Indicator	Baseline	Annual Target	Revised Target	2021/2022: Quarterly Targets				2022: Quarterly Targets				Weight	
					Ending 30 September 2021	Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022				
						Target	Actual	Target	Actual	Target	Actual			
Revenue Enhancement	% revenue collection rate between revenue raised and revenue collected	90%	93%		93%	93%	93%	93%	93%	93%	93%			5
	Number of Phases of Revenue Completion Plan Implemented by 30 June 2022	-	1		-	-	-	-	-	-	1			5
	Number of Bad Debt Committee meetings held	-	4		1/4	2/4	3/4	4/4	4/4	4/4	4/4			4
Indigent support	% of indigent residents as per the indigent register provided with access to free basic services	100%	100%		100%	100%	100%	100%	100%	100%	100%			3
	Number of Indigent Support Registration Drives by 31 March 2022	1	1		-	-	-	1	-	-	-			3

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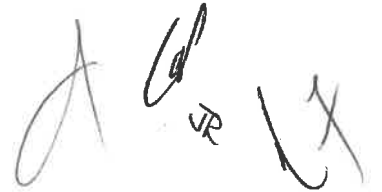
Strategic Objective	SDO6: Directorate Finance												
Directorate	Finance												
Division	Information Communication Technology												
Function	ICT Services												
SOD:6.4	ICT SERVICES: To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT strategy and policy												
Focus Area	2021/2022: Quarterly Targets												
Key Performance Indicator	Baseline			2021/2022: Quarterly Targets									Weight
	Annual Target	Revised Target	Ending 30 September 2021	Ending 31 Dec 2019	Ending 31 March 2022	Ending 30 June 2022	Actual	Target	Actual	Target	Actual		
ICT Systems	4		1/4	2/4	3/4	4/4						5	
ICT Policies	1		-	-	-	1						5	



Strategic Objective	SDO6: Directorate Finance												
Directorate	Finance												
Division	Supply Chain Management												
Function	Supply Chain Management												
SOD:6.5	SUPPLY CHAIN MANAGEMENT (SCM): To manage supply chain management service to ensure proper systems, policies and procedures and control for demand, acquisition, logistics, assets and disposal management												
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets								Weight		
Budget spending	% of Creditors paid within 30 Days of invoice	100%	Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022		
			100%		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
			100%		100%		100%		100%		100%		5
SOD:6.6	DISPOSAL MANAGEMENT: To manage supply chain management service to ensure proper systems, policies and procedures and control for demand, acquisition, logistics, assets and disposal management												
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets								Weight		
Assets Management	Number of Asset registers completed by 20 August 2021	1	Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022		
			1		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
			1		1		-		-		-		5
	Number of Annual Auctions held by 28 February 2022	-	1		-		-		1				5



Strategic Objective	SDO6: Directorate Finance												
Directorate	Finance												
Division	Budget and Treasury												
Function	Financial Reporting												
SOD:6.1	<b>BUDGET AND REPORTING:</b> To manage and control the implementation of budget policies and procedures, statements and reporting processes to ensure legislative compliance.												
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets								Weight		
Financial Management	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	100%	Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022		
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
			100%		100%	100%	100%	100%	100%	100%	100%	3	
<b>Total Weight: KPA Financial Viability and Management</b>												<b>100</b>	



## 6. MMFMA CIRCULAR 88 REPORTING

In terms of the provisions of 4.5 of the Performance Agreement of the Employee, the Employee undertakes to provide the following operational statistical information at the same agreed to reporting timelines for the provision of performance information.

As per the provisions of the Performance Agreement shall the performance of the Employee not be measured on these matters.

### 6.1 OUTPUT INDICATORS FOR QUARTERLY REPORTING

Reference	Performance Indicator	Reference	Data Element	2020/21 Baseline
LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	LED1.11(1)	(1) R-value of operating expenditure on contracted services within the municipal area	
		LED1.11(2)	(2) Total municipal operating expenditure on contracted services	
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services	GG6.11(1)	(1) R-value of operating budget expenditure spent on free basic services	
		GG6.11(2)	(2) Total operating budgets for the municipality	
LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	LED3.31(1)	(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award	
		LED3.31(2)	(2) Total number of 80/20 tenders awarded as per the procurement process	
LED3.32	Percentage of municipal payments made to service providers who submitted complete	LED3.32(1)	(1) Number of municipal payments within 30-days of complete invoice receipt made to service providers	



Reference	Performance Indicator	Reference	Data Element	2020/21 Baseline
	forms within 30-days of invoice submission	LED3.32(2)	(2) Total number of complete invoices received (30 days or older)	

## 6.2 QUARTERLY COMPLIANCE REPORTING INDICATORS

Reference	Performance Indicator	2020/21 Baseline
C26.	R-value of all tenders awarded	
C27.	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	
C28.	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	
C33.	Number of tenders over R200 000 awarded	
C71.	Number of procurement processes where disputes were raised	
C77.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	
C78.	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	
C79.	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	
C86.	Number of households in the municipal area registered as indigent	

## 6.3 ANNUAL COMPLIANCE QUESTIONS

Reference	Question	2020/21 Baseline
Q19.	Is the municipal supplier database aligned with the Central Supplier Database?	

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Thus, done and signed on this 22<sup>nd</sup> day of July 2021 in the presence of the undersigned witnesses




**EMPLOYEE**



**EMPLOYER**

**WITNESSES:**



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