

BA-PHALABORWA MUNICIPALITY



PERFORMANCE AGREEMENT

2026/2027

NKOANE LI

CHIEF FINANCIAL OFFICER

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE BA-PHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

MOKOBI TS

(Herein and after referred to as the Employer)

AND

CHIEF FINANCIAL OFFICER

NKOANE LI

(Herein and after referred to as the Employee)

FOR THE

FINANCIAL YEAR:

01 JULY 2026 – 30 JUNE 2027

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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;

1.5 In this Agreement, the following terms will have the meaning ascribed thereto:

1.5.1 "this Agreement" – means the performance Agreement between the Employer and the Employee and the Annexures thereto;

1.5.2 "the Executive Committee" – means the Executive Committee of council constituted in terms of the Structures Act (Local Government: Municipal Structures Act 117 of 1998) as represented by its chairperson, the Mayor;

1.5.3 "the Employee" means the **Chief Financial Officer** appointed in terms of Section 56 of the Systems Act;

1.5.4 "the Employer" = means Ba-Phalaborwa Municipality; and

1.5.5 "the parties" means the Employer and the Employee.

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 Act as well as the employment contract entered into between the parties;
- 2.2 Specify objectives in terms of the key performance indicators and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement;
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.6 In the event of outstanding performance, to appropriately reward the employee;
- 2.7 Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2026** and will remain in force until **30 June 2027** thereafter 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;

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- 3.2 The parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon;
- 3.5 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

- 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 The performance objectives, key performance indicators and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and.
 - 4.1.3 The core competency requirements (Annexure C – definitions) as the management skills regarded as critical to the position held by the Employee
- 4.2 The performance objectives, key performance indicators and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators that provide the details of the evidence that must be provided to show that a key objective has been achieved;
 - 4.2.3 Target dates that describe the time frame in which the targets must be achieved; and
 - 4.2.4 Weightings showing the relative importance of the key objectives to each other;

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- 4.3 The Personal Development Plan (Annexure B) sets out the employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 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

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer;
- 5.2 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;
- 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;
- 5.4 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;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, Operational Performance (in the form of key performance indicators (KPIs) under specific Key Performance Areas (KPAs)) and Core Competency Requirements (CCRs), both of which shall be contained in the Performance Agreement.
 - 5.5.1 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.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

- 5.6 The Employee's assessment will be based on his / her performance in terms of the key performance indicator outputs / outcomes 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:

KPA No.	Key Performance Areas	100%
1	Spatial Rationale	0%
2	Basic Service Delivery	
3	Municipal Financial Viability and Management	
4	Local Economic Development (LED)	
5	Municipal Institutional Development and Transformation	
6	Good Governance and Public Participation	
		Converted to 80%

- 5.7 Manager's responsibilities are also directed in terms of the abovementioned key performance areas. In the case of managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager
- 5.8 The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the Employee's specific job should be selected (v) from the list below as agreed to between the Employer and Employee. Three of the CCRs are compulsory for Municipal Managers:

CORE MANAGERIAL COMPETENCIES ¹	✓ 2	WEIGHTING %	LEVEL ³
Strategic Capability and Leadership		10	
Programme and Project Management		10	
Financial Management	✓	5	
Change Management		5	
Knowledge Management		15	
Service Delivery Innovation		25	
Problem Solving and Analysis		15	

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People Management and Empowerment	√	10	
Client Orientation and Customer Focus	√	25	
Communication		15	
Accountability and Ethical Conduct		10	
TOTAL PERCENTAGE		100%	
Converted to 20%			

¹As published and defined within the Draft Competency Guidelines, Government Gazette 23, March 2007

²√ Compulsory for municipal manager

³Proficiency level (1, 2 or 3) as stipulated in the Draft Competency Guidelines, Government Gazette 23, March 2007

6. PERFORMANCE ASSESSMENT

6.1 The Performance Plan (Annexure A) to this Agreement sets out:

6.1.1 The standards and procedures for evaluating the Employee's performance; and

6.1.2 The intervals for the evaluation of the Employee's performance;

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;

6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;

6.4 The Employee's performance will be measured in terms of contributions to the strategic objectives and strategies set out in the Employer's IDP

6.5 The Annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the Performance Plan

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- (a) 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
- (b) Values are supplied for KPI's and Activities under each KPA as part of the Institutional Assessment. Based on the Target for an activity or KPI, over or under performance are calculated and converted to the 1-5 point scale automatically. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to submit evidence of performance where a disagreement
- (c) The Employee will submit his self-evaluation to the Employer prior to the formal assessment; and
- (d) An overall score will be calculated based on the total of the individual scores calculated above.

6.5.2 Assessment of the CCRs:

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score
- (d) An overall score will be calculated based on the total of the individual scores calculated above.

6.5.3 Overall rating

- (a) An overall rating is calculated by adding the overall scores as calculated in 6.5.1 (d) and 6.5.2 (d) above; and
- (b) Such overall rating represents the outcome of the performance appraisal.

6.6 The assessment of the performance of the Employee will be based on the following rating scale for KPIs and CCRs:

Level	% score	Terminology	Description
5	167	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	133 – 166	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	100 – 132	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	67 – 99	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 performances criteria and indicators as specified in the PA and Performance Plan.
1	0 - 66	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.

6.7 For purpose of evaluating the performance of the Employee for the mid-year and year-end reviews, an evaluation panel constituted of the following persons will be established:

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- 6.7.1 Municipal Manager
- 6.7.2 Chairperson of the Performance Audit Committee (PAC) or the Audit Committee (AC) in the absence of a performance audit committee
- 6.7.3 The Portfolio Councilor as Chairperson and a member of the executive committee (Exco);
- 6.7.4 A Municipal Manager from another municipality; and
- 6.7.5 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels.

7. SCHEDULE FOR PERFORMANCE REVIEWS

- 7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

Quarter	Review Period	Review to be completed by
1	July – September 2026	October 2026
2	October – December 2026	February 2027
3	January – March 2027	April 2027
4	April – June 2027	August 2027

- 7.2 The Employer shall keep a record of the mid-year review and annual assessment meetings;
- 7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;
- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before any such change is made;
- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B. Such Plan may be implemented and/or amended as the case may be after each

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assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall:

- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 Provide access to skills development and capacity building opportunities;
- 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 9.1.4 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
- 9.1.5 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.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others:

- 10.1.1 A direct effect on the performance of any of the Employee's functions
- 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer
- 10.1.3 A substantial financial effect on the Employer

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of 5% to 14% of the all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the Employer shall:
 - 11.3.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance;
 - 11.3.2 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 the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION

- 12.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The employer will record the outcome of the meeting in writing;
- 12.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and

12.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment shall apply.

13. GENERAL

13.1 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;

13.2 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; and

13.3 The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at PHALABORWA on this the 31 day of July 2026

1. 
CHIEF FINANCIAL OFFICER

2. _____
MUNICIPAL MANAGER

3. AS WITNESSES:



Annexure A

PERFORMANCE PLAN

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

MOKOBI ST

["the Employer"]

AND

NKOANE LI

CHIEF FINANCIAL OFFICER

["the Employee"]

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BUDGET AND TREASURY

CHIEF FINANCIAL OFFICER SCORECARD 2026 – 2027

VISION: “To provide of quality services for community well-being, tourism and mining development”

MISSION: “To provide quality infrastructure and affordable services, promote sustainable development, financial viability, sound administration and accountable governance”.

VALUES: Efficiency and effectiveness; Accountability; Innovation and creativity; Professionalism and hospitality; Transparency and fairness; Continuous learning; and Conservation conscious.

FUNCTIONAL AREA: BUDGET AND TREASURY

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KPA 2 : Basic Service Delivery												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2027	Budget	2026/27 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
2.1 Free Basic Electricity												
2.1.1	Ensure that indigents households are provided with free basic electricity	Free basic electricity	Number of indigent HH receiving free basic electricity	Chief Financial Officer	780	1 008	OPEX	1 008	1 008	1 008	1 008	Indigent Register and Proof of payment to Eskom

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KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

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KPA 3: Municipal Financial Viability and Management 48%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2027	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
3.1 Financial Viability												
3.1.1	To improve the annual revenue collection rate	Revenue collection	% of improvement in revenue collection quarterly (Improvement from 65% to 95%)	Chief Financial Officer	-8%	95%	OPEX	65%	75 %	85%	95%	% of Revenue Collected per Quarter (Billing vs Collection) (Technical – How much was approved for tariff)
3.1.2	To improve the annual revenue collection rate	Outstanding service debtors to revenue	% of outstanding service debtors collected	Chief Financial Officer	21%	15%	OPEX	3.75%	7.5%	11.25%	15%	Quarterly reports on debt collection
3.2 Financial Management												
3.2.2	To ensure compliance with legislation	Annual Budget	Number of 2027/28 Draft Budget tabled to Council by 31 March 2027	Chief Financial Officer	1	1	OPEX	n/a	n/a	1	n/a	Draft Budget document; council resolution
3.2.3	To ensure compliance with legislation	Annual Budget	Number of Number of 2027/28 Annual Budgets approved by Council by 31 May 2027	Chief Financial Officer	1	1	OPEX	n/a	n/a	n/a	1	Annual Budget document; Council Resolution
3.2.4	To ensure compliance with budget and reporting regulations	MFMA Reports	Number of Adjustment Budget reports submitted to Council in terms of S28	Chief Financial Officer	1	1	OPEX	n/a	n/a	1	n/a	Adjustment budget document and council resolution
3.2.5	To ensure compliance with legislative requirements and organisational	Review of Policies	Number of Reviewed budget related policies	Chief Financial Officer	27	29	OPEX	n/a	n/a	n/a	29	Approved budget related policies and Council resolution 1. Property Rates Policy 2. Tariff Policy 3. Credit Control and Debt

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KPA 3: Municipal Financial Viability and Management 48%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2027	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	needs.											Collection By-law 4. Indigent Policy 5. Indigent Subsidy By-law 6. Supply chain management policy 7. Virement policy 8. Budget policy 9. Petty Cash policy 10. Asset Management Policy 11. Bad Debts Write Off 12. Deposit & Refund Policy 13. Cash management and Investment Policy 14. Fleet management Policy 15. Unknown Deposit Policy 16. Electricity Supply By-law 17. Subsistence and travelling Policy 18. Customer care Policy and Service Standards 19. Inventory Management Policy 20. Model SCM Policy for Infrastructure Procurement and Delivery Management 21. Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy 22. Cost Containment Policy 23. Gifts, Donations and Sponsorship policy 24. Property Rates By-laws 25. Tariff Book 26. Borrowing Policy 27. Funding and Reserve Policy 28. Infrastructure and Investment Policy 29. Long-term Financial Planning Policy
3.2.6	To ensure	Supply Chain	Supply Chain	Chief Financial	3	3	OPEX	3/Specification	n/a	n/a	n/a	Appointment letters of bid

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KPA 3: Municipal Financial Viability and Management 48%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2027	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	compliance with Supply Chain Management regulations	Management committees and structures	structures / Committees members appointed by 07/07/2026	Officer				\$,Evaluation,Adjustment				committees members
3.2.7	Ensure compliance with asset and inventory management policy (GRAP 17)	Asset and inventory management	Number of quarterly movable asset verifications conducted	Chief Financial Officer	4	4	OPEX	1	1	1	1	Quarterly assets verifications reports
3.2.8	To ensure compliance with budget and reporting regulations	Budget and reporting	Number of quarterly financial reports submitted to council	Chief Financial Officer	4	4	OPEX	1	1	1	1	Quarterly financial report and financial statement
3.2.10	To improve financial management to enhance revenue base	Revenue enhancement	Number of Revenue Enhancement Strategies reviewed and approved	Chief Financial Officer	New	1	OPEX	n/a	n/a	n/a	1	Approved Reviewed Revenue enhancement strategy
3.2.11	To ensure compliance with budget and reporting regulations	MFMA Reports	Number of S71 reports submitted to the mayor and provincial treasury within 10 working days of start of the month	Chief Financial Officer	12	12	OPEX	3	3	3	3	Signed s71 reports, proof of submission to Mayor proof of submission on the portal to Provincial Treasury
3.3.12	Good governance and administration	Advance good corporate governance	Number of Monthly reports on Compliance to water Service Level Agreement)	Chief Financial Officer	12	12	OPEX	3	3	3	3	Monthly reports submitted to MDW
3.2.13	To maintain an accurate and credible indigent	Indigent Register	Number of indigent register updated	Chief Financial Officer	1	1	OPEX	n/a	n/a	n/a	1	Updated indigent register

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KPA 3: Municipal Financial Viability and Management 48%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2027	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	register											
3.2.1.4	To improve revenue collection and reduce outstanding debt	Improve financial viability	% of customers whose electricity supply is disconnected due to arrears in line with Credit Control Policy	Chief Financial Officer	New	100%	OPEX	100%	100%	100%	100%	Disconnection list submitted to Technical Service department.
3.2.1.5	Governance and administration	Improve financial viability	% of properties on the General Valuation Roll successfully reconciled and linked to the Financial Management System (excluding villages)	Chief Financial Officer	New	100%	OPEX	100%	100%	100%	100%	Billing report Valuation roll General Valuation reconciliation report

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KPA 4: LOCAL ECONOMIC DEVELOPMENT

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KPA 4: Local Economic Development 3%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter 1 Apr – 30 Jun 27)	
4.1 Enterprise Support												
4.1.1	Create an enabling environment for sustainable job opportunities.	MSMEs support	Number of MSMEs supported through the municipal Supply Chain Management processes (procurement)	Chief Financial Officer	420	400	OPEX & CAPITAL	100	100	100	100	System generated Expenditure report with MSMEs supported.

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KPA 5:

MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

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KPA 5: Municipal Transformation and Institutional Development 26%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
5.1 Organisational Design & Human Resource												
5.1.1	To enhance organisational effectiveness	Institutional Development and Transformation	Number of Reviewed Departmental Organisational structure	Chief Financial Officer	1	1	OPEX	n/a	n/a	n/a	1	Council resolution on Reviewed organizational structure with dates
5.1.2	To enhance organisational effectiveness	Human Resource Management / Institutional Development and Transformation	Submission of departmental attendance registers by the 1 st of each month	Chief Financial Officer	by the 1 st of each month	by the 1 st of each month	OPEX	by the 1 st of each month	by the 1 st of each month	by the 1 st of each month	by the 1 st of each month	Dated proof of submission to Corporate Services
5.1.3	To enhance organisational effectiveness	Human Resource Management / Institutional Development and Transformation	Submission of overtime before 06 th of each month	Chief Financial Officer	Before the 06 th of each month	Before the 06 th of each month	OPEX	Before the 06 th of each month	Before the 06 th of each month	Before the 06 th of each month	Before the 06 th of each month	Dated proof of submission
5.1.4	To promote a safe and healthy working environment	Occupational Health and Safety	Number of monthly Departmental Safety meetings held	Chief Financial Officer	11	11	OPEX	3	2	3	3	Agenda, safety minutes
5.2 Skills Development												
5.2.1	To ensure compliance with skills development legislation	Institutional Development and Transformation	Number of Reviewed and submitted Skills Development Plan by 30/04/2027	Chief Financial Officer	1	1	OPEX	n/a	n/a	1	n/a	Proof of Submission of Departmental Skills Development Plans
5.3 Performance Management System												
5.3.1	To enhance departmental coordination, communication	Administration and Management	Number of monthly departmental meetings held	Chief Financial Officer	11	11	OPEX	3	2	3	3	Minutes of Departmental meeting and attendance register

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

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KPA 5: Municipal Transformation and Institutional Development 26%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter (1 Oct – 31 Dec 26)	3 rd Quarter (1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	and performance monitoring			Officer								
5.3.2	To strengthen oversight, accountability and effective decision-making	Governance and Public Participation	Number of portfolio committee meetings held	Chief Financial Officer	11	12	OPEX	3	3	3	3	Minutes of Portfolio committee meeting and attendance register
5.3.3	Sustain management of performance for Section 54 & 56 Managers	Performance Management System	Number of Signed performance agreements by 30/07/2026 (one month after the start of each financial year)	Chief Financial Officer	1	1	OPEX	1	n/a	n/a	n/a	Copy of signed agreements & submission to Coghsta

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

KPA 6:

GOOD GOVERNANCE & PUBLIC PARTICIPATION

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

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KPA 6: Good Governance and Public Participation 20%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter 1 Oct – 31 Dec 26)	3 rd Quarter 1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
6.2 Public Participation and Ward Committees												
6.2.1	To ensure timely response to Batho Pele findings and improve accountability for service delivery	Enhance stakeholder management	Deadline of submission of responses to batho pele report within 7 days of issue to Office of the MM	Chief Financial Officer	Within 7 days of issue of Batho Pele Report	Within 7 days of issue of Batho Pele Report	OPEX	Within 7 days of issue of Batho Pele Report	Within 7 days of issue of Batho Pele Report	Within 7 days of issue of Batho Pele Report	Within 7 days of issue of Batho Pele Report	Dated proof of submission to office of the MM
6.2.2	To promote community participation, stakeholder engagement and responsive governance	Good governance and public participation	Number of quarterly Mayoral imbizo and public participation attended	Chief Financial Officer	4	4	OPEX	1	1	1	1	Attendance register
6.3 Corporate Governance												
6.3.1	To strengthen the municipality's internal control environment and ensure compliance with legislative and regulatory	Financial Governance and Internal Control	Number of Reviewed, documented approved internal controls (Creditors payment procedure manual)	Chief Financial Officer	1	1	OPEX	n/a	n/a	1	n/a	Approved copy of internal controls

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

L.J. STM

KPA 6: Good Governance and Public Participation 20%												
PMS No. & Performance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter 1 Oct – 31 Dec 26)	3 rd Quarter 1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	requirements											
6.4 Internal Audit												
6.4.1	To strengthen governance, accountability and compliance through the implementation of Audit Committee resolutions	Good Governance and Public Accountability	% implementation of Audit Committee resolutions	Chief Financial Officer	100%	100%	OPEX	100%	100%	100%	100%	Audit committee resolution register
6.4.2	To strengthen governance, accountability and compliance through the implementation of Internal Audit recommendations	Good Governance and Public Accountability	% implementation of Internal Audit recommendations	Chief Financial Officer	75%	75%	OPEX	75%	75%	75%	75%	Internal Audit Follow-up report
6.4.3	To improve municipal internal controls and systems	External Auditing	% of audit queries addressed per quarter (2025/26 Audit Report)	Chief Financial Officer	75%	100%	OPEX	100%	100%	n/a	n/a	Audited AG Action Plan
6.5 Risk Management & Security management												
6.5.1	To mitigate identified risks and strengthen the municipality's	Risk register	% on implementation Risk Management action plans per	Chief Financial Officer	New	100%	OPEX	25%	50%	75%	100%	Quarterly implementation report

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L.D. S/M

KPA 6: Good Governance and Public Participation 20%												
PMS No. & Perfor mance Area	Measurable Objective	Programme	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2026	Budget	2026/2027 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 26)	2 nd Quarter 1 Oct – 31 Dec 26)	3 rd Quarter 1 Jan – 31 Mar 27)	4 th Quarter (1 Apr – 30 Jun 27)	
	risk management framework		quarter									

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

LJ STM

Employee's Signature:



Date:

31/07/2026

Witness

Municipal Manager's Signature:



Date:

31/07/2026

Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

Annexure B

PERSONAL DEVELOPMENT PLAN (PDP)

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

MOKOBI TS

('The employer')

AND

NKOANE LI

CHIEF FINANCIAL OFFICER

('The employee')

1. ["the Employee"]INTRODUCTION

The aim of the Personal Development Plan (PDP) is to ensure that Employees are skilled to meet objectives as set out in the Performance Agreement as prescribed by legislation. Successful career-path planning ensures competent employees of current and possible future positions. It therefore identifies, prioritises and implements training needs.

Legislative needs taken into account from the Municipal Systems Act Guidelines, generic senior management competency framework and occupational competency profiles, Municipal Finance Management Competency Regulations, such as those developed by the National Treasury and other line sector departments' legislated competency requirements need also to be taken into consideration during the PDP process.

2. COMPETENCE MODELLING

The Department of CoGTA has decided that a competency development model will consist of both managerial and occupational competencies:

Managerial competencies should express those competencies which are generic for all management positions

Occupational competence refers to competencies which are job/function specific.

3. COMPILING THE PERSONAL DEVELOPMENT PLAN

A manager, in consultation with his/her subordinate is to compile a Personal Development Plan. The PDP has 7 columns that need to be completed. An example is attached.

Column 1: Skills/Performance GAP

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
E.g. 1. Appraise Performance of Managers	The manager will be able to enter into performance agreements with all managers reporting to him/her, appraise them against set criteria, within relevant time frames	A course containing theoretical and practical application with coaching in the workplace following [relevant unit standard]	External provider, in line with identified unit standard and not exceeding R6 000	March 200...	Appraisal of managers reporting to him/her	Senior Manager: Training/HR

- (a) The identified training needs should be entered into column one. The following should be taken into consideration:

Organisational Needs:

Strategic development priorities and competency requirements, in line with the Municipality's strategic objectives.

The competency requirements of individual jobs. The relevant job requirements (job competency profile) as identified in the job description should be compared to the current competency profile of the employee to determine the individual's competency gaps. Specific competency gaps as identified during the probation period and performance appraisal of the employee.

Individual training needs that are job / career related:

Prioritisation of the training needs [1 to ...] in column 1 should also be determined since it may not be possible to address all identified training needs in a specific financial year. It is however of critical importance that training needs be addressed on a phased and priority basis. This implies that all these needs should be prioritised for purposes of accommodating critical / strategic training and development needs in the HR Plan, Personal Development Plans and the Workplace Skills Plan.

Column 2: Outcomes Expected

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
E.g. 1. Appraise Performance of Managers	The manager will be able to enter into performance agreements with all managers reporting to him/her, appraise them against set criteria, within relevant time frames	A course containing theoretical and practical application with coaching in the workplace following [relevant unit standard]	External provider, in line with identified unit standard and not exceeding R6 000	March 200...	Appraisal of managers reporting to him/her	Senior Manager: Training/HR

Consideration must be given to the outcomes expected in column 2 so that once the intervention is completed the impact it had can be measured against relevant output indicators.

Column 3: Suggested Training

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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Training needs must be identified with due regard to cost effectiveness and listed in column 3.

Column 4: Suggested Mode of Delivery

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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The suggested mode of delivery refers to the chosen methodology that is deemed most relevant to ensure transfer of skills. Mode of delivery consists of, amongst others, self-study, internal or external training provision; coaching and / or mentoring and exchange programmes. Training must be conducted either in line with a recognised qualification from a tertiary institution or unit standards registered on the National Qualifications Framework (South African Qualifications Authority), which could enable the trainee to obtain recognition towards a qualification for training undertaken. It is important to determine within the municipality whether unit standards have been developed with regard to a specific outcome (and registered with the South African Qualifications Authority). Unit standards usually have measurable assessment criteria to determine achieved competency.

Column 5: Suggested Time Lines

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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Ba-Phalaborwa Municipality complies with the requirements of Protection of Personal Information Act 4 of 2013 and Promotion of Access to Information Act 2 of 2000.

An employee should on average receive at least five days of training per financial year and not unnecessarily be withdrawn from training interventions. The suggested time frames enable managers to effectively plan for the annum e.g. so that not all their employees are away from work within the same period and also ensuring that the PDP is implemented systematically.

Column 6: Work Opportunity Created to Practice Skills / Development Area

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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This further ensures internalization of information gained as well as return on investment (not just a nice to have skill but a necessary to have skill that is used in the workplace).

Column 7: Support Person

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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This identifies a support person that could act as coach or mentor with regard to the area of learning for the employee.

Personal Development Action Plan

Skills Performance Gap	Outcomes Expected	Suggested Training / Development Activity	Suggested Mode of Delivery	Suggested Time Frames	Work Opportunity Created to Practice Skill / Development	Support Person

Employee's Signature:



Municipal Manager's Signature:



Date:

31/07/2026

Date:

31/07/2026

Annexure C

CORE COMPETENCY FRAMEWORK

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

MOKOBI TS

["The Employer"]

AND

NKOANE LI

CHIEF FINANCIAL OFFICER

["The Employee"]

CORE COMPETENCY FRAMEWORK: CHIEF FINANCIAL OFFICER

Core Managerial Skills	Definitions	Weight
Strategic Leadership and Management	Skills to be able to provide a vision, set the direction for the Municipality or department and inspire others in order to deliver on the Municipality's mandate	10
Programme and Project Management	Skills to enable the individual to plan, manage, monitor and evaluate specific activities in order to ensure that policies are implemented and that local government objectives are achieved	10
Financial Management	Skills required in managing projects and/or departmental work within the constraints of a budget. This includes being able to plan a budget at the beginning of the financial year, controlling expenditure throughout the year by allocating resources efficiently and understanding and anticipating the impact of other departments on won budget	25
Change Management	Skills to initiate and support municipal transformation and change in order to implement new initiatives successfully and deliver on service delivery commitments	15
Knowledge Management	Skills to enable individuals, teams and entire organisation to collectively create, share and apply knowledge, to better achieve institutional objectives	5
Problem Solving and Analytical Thinking	Skills to be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions in a timely manner.	10
People and Diversity Management	Skills to manage and encourage people, optimize their outputs, and effectively manage relationships. This includes holding regular information sharing sessions to ensure that team members are made aware of decisions that may affect them. It also involves distribution of workloads to ensure that individual skills are used appropriately and so that the work is evenly spread, making sure that the team has the necessary tools and resources in order to do their work and motivating the team so that they are committed to achieving the goals of the department and ultimately those of the Municipality.	5
Client Orientation and Customer Focus	The Skill to seek to understand the needs of the customer and meeting the needs. At a minimum, employees are required to react to queries, keeping promises, being honest in all their dealings, adhering to policies, procedures and delegations, keeping the client up to date, being friendly and helpful and solving problems quickly and without arguments. Ideally, managers are required to be proactive by trying to understand the needs of the customer and providing an appropriate service based on those underlying needs.	5
Service Delivery Innovation	The Skill to work well to achieve a high standard by trying to improve on the way things are done and by working towards achieving the work objectives. It is also about putting plans into action, meeting deadlines, taking initiative and solving problems to make sure that things get done. Employees do not wait to be told to do something, but are encouraged to use their initiative to make sure things get done accurately and efficiently.	5
Communication	Skills to be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve the desired outcomes.	5
Accountability and Ethical Conduct	Must be able to display and build the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.	5

Employee's Signature:



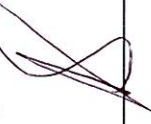
Date:

31/07/2026

WITNESS



Municipal Manager's Signature:



Date:

31/07/2026
