
SERVICE DELIVERY AGREEMENT

Position: Member of the Mayoral Committee for Corporate Services
Administration: Setsoto Local Municipality
Mayoral Term: 2025/2026



June 30, 2025
SETSOTO LOCAL MUNICIPALITY
27 Voortrekker Street Ficksburg 9730

Parties:

- **The Executive Mayor:** Councillor Seipati Mbiwe
- **The Member of the Mayoral Committee for Corporate Services:** Councillor Morongoe Mofokeng

1. Preamble and Purpose

This Service Delivery Agreement between the Executive Mayor and the Member of the Mayoral Committee for Corporate Services outlines the key performance indicators, targets, and deliverables for the portfolio for the current financial year. The purpose of this agreement is to:

1. Clarify the roles, responsibilities, and performance expectations of the Member of the Mayoral Committee.
2. Ensure strategic alignment between the Mayor's Integrated Development Plan (IDP) priorities and the operational outputs of the Corporate Services Directorate.
3. Provide a framework for monitoring and evaluating the performance of the Department.
4. Enhance accountability, transparency, and service delivery within the portfolio of Corporate Services

The Member of the Mayoral Committee 's role is one of strategic oversight and political leadership, holding the administration, led by the **Director: Corporate Services**, accountable for the implementation of these targets

2. Legislative and Strategic Framework

The Member of the Mayoral Committee 's performance will be guided by, but not limited to, the following

- Constitution of the Republic of South Africa, 1996
- Public Service Act, 103 of 1994
- Local Government: Municipal Systems Act, 32 of 2000
- Local Government: Municipal Structures Act, 117 of 1998
- King IV Report on Corporate Governance
- Basic Conditions of Employment Act, 75 of 1997
- Labour Relations Act, 66 of 1995
- Employment Equity Act, 55 of 1998
- Skills Development Act, 97 of 1998
- Skills Development Levies Act, 9 of 1999
- Occupational Health and Safety Act, 85 of 1993
- Pension Funds Act, 24 of 1956
- Compensation for Occupational Injuries and Diseases Act, 130 of 1993)
- Local Government: Municipal Finance Management Act, 56 of 2003
- Treasury Regulations and Instructions

MA SSM

There are also other plans that are part of municipality's governance framework that have a direct or indirect bearing on the functioning and structure of the corporate services currently. More importantly, these regulations, policies and plans have a bearing on how some of the proposals indicated above can be undertaken more immediately. These include, but are not limited to:

- Municipal Staff Regulations of 2021
- Human Resources Policy Manual
- Regulation of Minimum Competency Levels of 2007
- Regulations on the Appointment of Municipal Manager and Managers directly Accountable to the Municipal Manager of 2014
- Free State Growth and Development Strategies
- Local Economic Development Strategies
- Spatial Development Perspective
- Spatial Development Framework
- Local Economic Precinct Plan
- Integrated Transport Plan

3. Core Responsibilities and Oversight Focus Areas

The Member of the Mayoral Committee for Corporate Services provides political oversight and leadership to the following key functional areas:

- Human Resources
- Human Resources Development
- Payroll Administration
- Legal Services and Contract Management
- Administration and Executive Support

4. Performance Pillars and Realistic Targets

Here are realistic targets structured by key performance areas. These should be reviewed and adjusted based on the municipality's specific starting point (baseline) and the Integrated Development Plan.

M.B. STM

KPA 1: Strategic Leadership and Governance Oversight

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective		To provide political leadership and ensure the department's strategies and operations are aligned with the IDP and council resolutions							
1.1	Ensure 100% of the Directorate's SDBIP is aligned with IDP objectives within Q1 of the financial year	Percentage	100%	100%	100%	100%	N/A	N/A	N/A
1.2	Number of quarterly performance review meetings with the Director Corporate Services to assess progress against the SDBIP and this Service Delivery Agreement.	Number	4	New	4	1	1	1	1
1.3	Number of comprehensive quarterly performance report to the Mayoral Committee, highlighting achievements, challenges, and corrective measures.	Number	6	New	6	2	1	2	1
1.4	Ensure 80% implementation of audit action plans (from AG, internal audit) related to the Corporate Services portfolio within stipulated timeframes	Percentage	80%	80%	80%	80%	80%	80%	80%

MS SM

KPA 2: Efficient and Ethical Employee Management

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective		To oversee the development of a skilled, productive, and high-performing workforce in a stable labour environment.							
2.1	Vacancy Rate: Reduce the critical post vacancy rate from 41% to 0% by the end of the financial year.	Percentage	0%	41%	0%	20%	11%	10%	0%
2.2	Staff Stability: Decrease the staff turnover(attrition) rate by -1% year-on-year.	Percentage	1%	New	1%	N/A	N/A	N/A	1%
2.3	Discipline Management: Ensure that 90% of all formal disciplinary cases are finalized within 90 calendar days from date of initiation.	Percentage	90%	New	90%	90%	90%	90%	90%
2.4	Grievance Resolution: Ensure 90% of formal employee grievances are resolved at the institutional level without escalating to external bodies like the SALGBC and CCMA.	Percentage	90%	New	90%	90%	90%	90%	90%
2.5	Performance Management and Development System: Achieve a 100% submission rate of signed Performance Agreements for managers and supervisors on the PMDS system by the end of Q1.	Percentage	100%	New	100%	100%	N/A	N/A	N/A

MSD

KPA 3: Targeted Employee Training and Development

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective		To ensure training is strategically linked to skills gaps and service delivery needs.							
3.1	Skills Audit: Oversee the completion of a targeted number of skills audits for mission-critical roles by the end of Q3.	Number	542	New	542	N/A	N/A	542	N/A
3.2	Training Plan: Ensure 100% of the Workplace Skills Plan is informed by the skills audit and IDP priorities.	Percentage	100%	New	100%	N/A	N/A	100%	N/A
3.3	Execution: Achieve 80% implementation rate of the approved Workplace Skills Plan and Annual Training Report.	Percentage	80%	New	80%	N/A	N/A	N/A	80%
3.3	Mandatory Training: Ensure 100% of officials in supply chain management and other high-risk areas complete mandatory ethics and anti-corruption training annually.	Percentage	100%	New	100%	N/A	100%	N/A	N/A

Handwritten signature/initials

KPA 4: Effective Legal and Contract Management Oversight

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective		To minimize legal and financial risks to the municipality through robust contract and litigation management.							
4.1	Contract Compliance: Implement a quarterly sample-based audit of high-value contracts to ensure 80% adherence to SLA terms and conditions.	Percentage	80%	New	80%	80%	80%	80%	80%
4.2	Litigation Reduction: Reduce the number of new litigation cases against the municipality by 10% through improved internal legal compliance and alternative dispute resolution mechanisms.	Percentage	10%	New	10%	N/A	N/A	N/A	10%
4.3	Litigation Reduction: Conclusion of the long outstanding legal matters	Percentage	Percentage of long outstanding legal matters finalised.	New	50%	N/A	25%	N/A	50%
4.3	Legal Costs: Contain actual legal costs to within 5% of the approved annual budget.	Percentage	5%	New	5%	N/A	N/A	N/A	5%
4.4	Turnaround Time: Ensure 90% of requests for legal opinion from other departments are provided within 10 working days.	Percentage	90%	New	90%	90%	90%	90%	90%

WCS
M.D.

KPA 5: Accurate and Timeous Payroll and Administration

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective		To ensure all employees are paid correctly and on time, and that administrative services support the entire municipality efficiently.							
4.1	Payroll Accuracy: Achieve a 100% accuracy rate in payroll processing (correct salaries, deductions, and allowances) for every pay cycle.	Percentage	100%	New	100%	100%	100%	100%	100%
4.2	On-Time Payment: Guarantee 100% on-time payment of salaries.	Percentage	100%	New	100%	100%	100%	100%	100%
4.3	Record Management: Oversee the development and implementation of a digital records management strategy, aiming to reduce the time to retrieve official documents by 25%.	Percentage	25%.	New	25%.	25%.	25%.	25%.	25%.
4.4	SLA for Internal Services: Ensure all internal support units achieve a 95% SLA adherence rate all the schedules.	Percentage	100%	New	100%	100%	100%	100%	100%

Handwritten signature/initials

KPA 5: Governance and Reporting Framework for Oversight The Core Member of the Mayoral Committee Role

No	Performance Indicator	Unit	Realistic Target	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1	Conduct quarterly performance review meetings with the Director Corporate Services and middle management team to assess progress against this SDA and departmental targets.	Number	4 formal minuted meetings per year.	0	4	1	1	1	1
5.2	Table comprehensive quarterly corporate services performance reports in Council, providing clear explanations for variances and corrective action plans.	Achievement	4 quarterly reports tabled on schedule.	4	4	1	1	1	1
5.3	Provide monthly updates to the Executive Mayor on the municipality's corporate services status, including key risks and mitigation strategies.	Achievement	Monthly briefing provided.	New	12	3	3	3	3
5.4	Ensure public participation in council meetings through 4 well-advertised council meetings	Number	4 meetings held	New	4	1	1	1	1

W.S
M.D

5. Reporting and Review Mechanisms

1. **Monthly Performance Meetings:** Formal monthly meetings with the Director Corporate Services and middle management to review performance against these targets, discuss challenges, and provide strategic direction.
2. **Quarterly Portfolio Committee Reports:** Presenting a formal report to the Municipal Council's Portfolio Committee on Corporate Services, detailing progress, challenges, and corrective measures.
3. **Annually:** A comprehensive report assessing the annual performance, which will inform the Member of the Mayoral Committee's performance evaluation.
4. **Review of Audit Reports:** Actively engaging with the findings and recommendations of Internal Audit and the Auditor-General related to the Corporate Services portfolio.

6. Stakeholder Engagement

The Member of the Mayoral Committee for Finance is expected to maintain constructive engagement with:

- The National and Provincial Treasuries
- Relevant National and Provincial Sector Departments
- SALGA
- The Auditor-General of South Africa (AGSA)
- Councillors, especially the Chairperson of the Municipal Public Accounts Committee
- Organized Business and Labour
- The Public-through structured communication on financial matters

7. Review and Amendment

This agreement may be amended at any time by mutual written agreement between the Executive Mayor and the Member of the Mayoral Committee. It will be formally reviewed on an annual basis.


8. Signatures

This agreement signifies a commitment to the people of Setsoto Local Municipality to pursue the highest standards of financial management and accountability.



CLLR SEIPATI MBIWE (MRS.)
EXECUTIVE MAYOR

Date: 26/09/2025



CLLR M MOFOKENG (MS.)
MEMBER OF THE MAYORAL COMMITTEE FOR CORPORATE SERVICES

DATE: 26-09-2025

How this Service Delivery Agreement assists the Member of the Mayoral Committee in their oversight role?

This document transforms the Member of the Mayoral Committee's role from a passive approver of documents to an active executive leader. It provides:

Oversight vs. Management: Member of the Mayoral Committee's role is **oversight**.

- Member of the Mayoral Committee's hold the Director Corporate Services accountable for achieving these targets through their line managers.
- Member of the Mayoral Committee should not be involved in day-to-day operational decisions.

Use of Data: Insist on data-driven reporting. The targets above are measurable. Require the Director Corporate Services to provide the data to support their reports (e.g., vacancy reports, litigation registers, training reports, payroll error logs).

Collaboration: Many of these targets require collaboration with other departments (e.g., Finance for payroll budget, all departments for skills audits). Use your political office to facilitate this inter-departmental cooperation.

Realistic Timeframes: The Director Corporate Services may advise that some targets are too ambitious. Engage in a technical discussion with them. The final targets should be challenging but achievable, based on the municipality's current capacity and budget.

Focus on Culture: Beyond the numbers, Member of the Mayoral Committee role is to champion a culture of professionalism, ethics, and customer service (internal customers are other departments) within the Department of Corporate Services.

This Service Delivery Agreement provides a strong, realistic foundation for driving and monitoring performance in the critical Corporate Services portfolio.

Recommendation

This framework should be adopted and then socialized with the Municipal Manager and the Director Corporate Services to ensure their full buy-in and understanding, as they are responsible for the operational achievement of these targets