



Office of the Municipal Manager
Annex Building
Municipal Building
27 Voortrekker Street
Ficksburg
9730

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO AND BETWEEN:

SETSOTO LOCAL MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

NOMVULA MALATJIE
MUNICIPAL MANAGER

AND

LEFA MOLETSANE
CHIEF FINANCIAL OFFICER

FOR THE FINANCIAL YEAR 02 FEBRUARY 2026-31 JUNE 2026

PERFORMANCE AGREEMENT

ENTERED INTO BETWEEN:

**SETSOTO LOCAL MUNICIPALITY
(FS191)**

Herein represented by councillor **Nomvula Malatjie** in her capacity as the **Municipal Manager** herein after referred to as the Employer or Supervisor

and

**LEFA MOLETSANE
CHIEF FINANCIAL OFFICER**

Employee of the Setsoto Local Municipality-herein referred to as the Employee

WHEREBY IT IS AGREED AS FOLLOWS:

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 System Act, 32 of 2000-“the Systems Act”. The Employer and the Employee are herein referred to as the “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 Section 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to-

- 2.1 comply with the provision 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.
- 2.2 specify objectives and targets established for Employee and communicate to the Employee the Employer’s expectations of the Employee’s performance expectations and accountabilities.
- 2.3 specify accountabilities as set out in the Performance Agreement-Annexure A.
- 2.4 monitor and measure performance against set targeted outputs.
- 2.5 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 her job; and
- 2.6 give effect to the Employer’s commitment to a performance-oriented relationship with the Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 01 February 2026 and will remain in force until 30 July 2026 whereafter 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.
- 3.2 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 at least once a year not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 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-as set out-
 - 4.1.1 the performance objectives and targets that must be met by the Employee; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 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:
 1. Key Performance Objectives.
 2. Predetermined Objectives.
 3. Key Performance Indicators.
 4. Focus Area.
 5. Targets.
 6. Target Dates; and
 7. Weightings.
- 4.3 They key performance areas describe the main tasks to be done, the predetermined objectives describe the standard to be achieved, the key performance indicators provide the details of the evidence that must be provided to show that the predetermined objective has been achieved. The focus area describes the type of services provided, the target describes the qualitative and quantitative measure of the service provided and the target dates describe the timeframes in which the work must be achieved. The weightings show the relative importance of the predetermined objectives to each other.
- 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 AND DEVELOPMENT SYSTEM

- 5.1 The Employee agrees to participate in the Performance Management and Development System that the Employer adopts or introduce for the Employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the Performance Management and Development System will be to provide a comprehensive system with specific 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 standards that will be included in the Performance Management and Development Systems as applicable to the Employee.
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Key Performance Areas-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, 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 and Core Managerial Competencies respectively.

5.5.2 Each area of assessment will be weighted and will contribute a specific part of the total score.

5.5.3 Key Performance Areas covering the main areas of work will account to 80% and the Core Managerial Competencies will account for 20% of the final assessment.

5.6 The Employee's assessment will be based on her performance in terms of outcomes and performance indicators as identified as per attached Performance Plan-Annexure A, which are linked to the Key Performance Areas, and will constitute 80% of the overall assessment results as per weightings agreed to between the Employer and Employee.

KEY PERFORMANCE AREA	WEIGHTING
Financial Management	70%
Local Economic Development	30%
Total Percentage	100%

5.7 The Core Managerial Competencies will make up the other 20% of the Employee's assessment score. The Core Managerial Competencies that are deemed to be the most critical for the Employee's specific job should be selected from the list below as agree between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES			
CORE MANAGERIAL COMPETENCIES		Requirement	WEIGHT
1. Strategic Direction and Leadership	<ul style="list-style-type: none"> • Impact and Influence • Institutional Performance Management and Development System • Strategic Planning and Management • Organisational Awareness 	Compulsory	10%
2. People Management	<ul style="list-style-type: none"> • Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management 	Compulsory	10%
3. Program and Project Management	<ul style="list-style-type: none"> • Program and Project Planning and Implementation • Service Delivery Management • Program and Project Monitoring and Evaluation 	Compulsory	10%
4. Financial Management	<ul style="list-style-type: none"> • Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring 	Compulsory	40%
5. Change Leadership	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Impact Monitoring and Evaluation 	Compulsory	10%
6. Governance Leadership	<ul style="list-style-type: none"> • Policy Formulation • Risk and Compliance Management • Co-operative Governance 	Compulsory	10%

CORE OCCUPATIONAL COMPETENCIES	WEIGHT
7. Moral Competence	2%
8. Planning and Organising	1%
9. Analysis and Innovation	2%
10. Knowledge and Information Management	2%
11. Communication	1%
12. Results and Quality Focus	2%
Total Percentage	100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan-Annexure A-to this Agreement set out:

- 6.1.1 the standards and procedures for evaluating the Employee's performance; and
- 6.1.2 the intervals for 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 the set time frames.

6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each Key Performance Area should be assessed according to the extent to which the specific standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the Key Performance Area.
- (b) An indicative rating on the five-point scale should be provided for each Key Performance Area.
- (c) The applicable assessment rating calculator-refer to paragraph 6.5.3 below-must be used to add the scores and calculate a final Key Performance Area score.

6.5.2 ASSESSMENT OF THE CORE MANAGERIAL COMPETENCIES

- (a) Each Core Managerial Competency should be assessed according to the extent the specified standards have been met.
- (b) An indicative rating on a five-point scale should be provided for each Core Managerial Competency.
- (c) The applicable assessment rating calculator-refer to paragraph 6.5.1 above-must then be used to add the scores and calculate a final Core Managerial Competency score.

Performance Levels



LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance	Performance far exceeds the standard expected of an employee at the level . the appraisal indicates the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher that 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	Performance fully effective	Performance fully meets the standard expected in all areas of the job. The appraisal results indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.

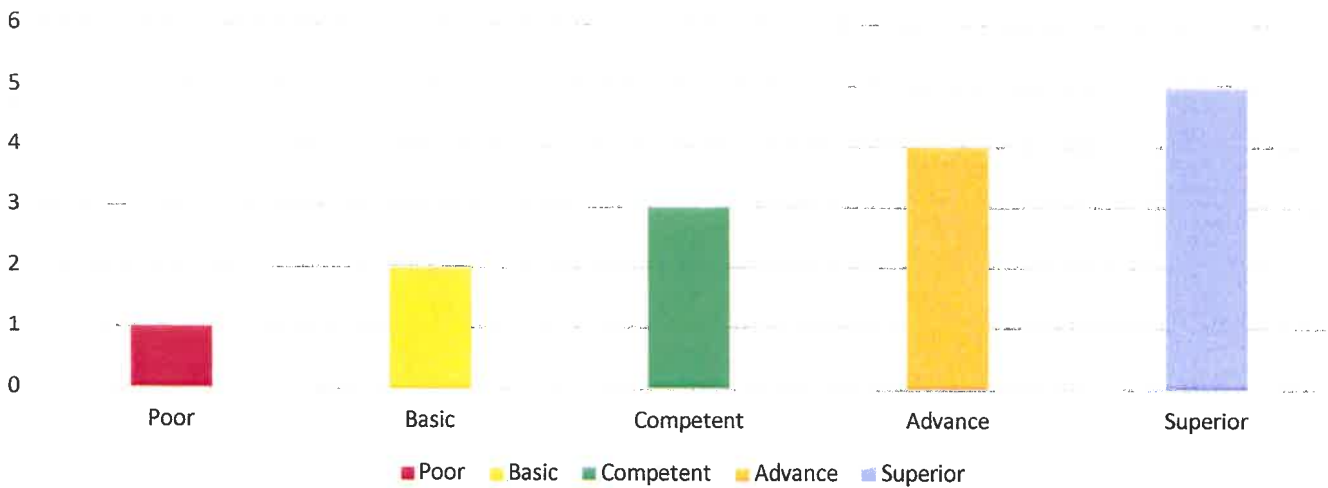
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LEVEL	TERMINOLOGY	DESCRIPTION
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The appraisal indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The appraisal results indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement 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.

6.5.3 ASSESSMENT OF THE CORE MANAGERIAL COMPETENCIES

- (a) Each Core Managerial Competency should be assessed according to the extent the specified standards have been met.
- (b) An indicative rating on a five-point scale should be provided for each Core Managerial Competency.
- (c) The applicable assessment rating calculator-refer to paragraph 6.5.1 above-must then be used to add the scores and calculate a final Core Managerial Competency score.

Achievement Levels



6.5.4 OVERALL RATING

An overall rating is calculated by using the applicable assessment rating calculator. Such overall rating represents the outcome of the performance appraisal.

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6.6 The assessment of the performance of the Employee will be based on the following rating scale for Key Performance Areas and Core Managerial Competencies:

ACHIEVEMENT LEVEL	DESCRIPTION
Poor	Do not apply the basic concepts and methods to proof a basic understanding of local government operations and requires extensive supervision and development interventions.
Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention.
Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analysis.
Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analysis.
Superior	Has comprehensive understanding of local government operations, critical in strategic shaping strategic direction and change, develops and applies comprehensive concepts and methods.

6.5 THE EVALUATION PANEL FOR REVIEWING PERFORMANCE

According to the Municipal Performance Regulation of 2006, Regulation 27(4)(d) stipulates that:

For evaluating the Manager directly accountable to the Municipal Manager:

6.7.1 The Municipal Manager.

6.7.2 Chairperson or delegated Member of the Audit and Performance Audit Committee.

6.7.3 Relevant Members of the Mayoral Committee.

6.7.4 Municipal Manager from another municipality, and/or external specialist nominated by the Executive Mayor and/or Municipal Manager.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of Employee in relation to her 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 satisfactorily:

7.2 Quarterly performance reviews will be scheduled as follows:

Quarter	Period	Date for Performance Review
First Quarter	July-September	3 rd Wednesday of October
Second Quarter	October-December	3 rd Wednesday of January
Third Quarter	January-March	3 rd Wednesday of April
Fourth and Annual	April-June	3 rd Wednesday of July

7.3 The Employer shall keep a record of the mid-year review and annual assessment meetings.

7.4 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

7.5 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.

7.6 The Employer may amend the provision of Annexure "A" whenever the Performance Management and Development system is adopted, implemented and/or amended as the case may be. In that case the Employee

will be fully consulted before such change is made.

7.7 With reference to Section 3.6 of the Employment Contract entered into with the Employee, the particulars of Section 8 and 32 of Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers of 2006, will be applicable as follows:

- "32. (1) The evaluation of employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- (2) A performance bonus ranging from 5% to 14% of all inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus, the relevant percentage is based on the overall rating, calculated by using the applicable assessment calculator, provided that:
- (a) a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- (b) a score of 150% and above is awarded a performance bonus ranging from 10% to 14%."

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan for addressing developmental gaps is attached as Annexure B.

9. OBLIGATION 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 collaborately 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 her to meet the performance objectives and targets to established in terms of this Agreement; and
- 9.1.5 Make available to the Employee such resources as Employee may reasonably require from time to time to assist her to meet the performance objectives and targets 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 give effect to a decision by the Employer; and
- 10.1.3 A substantial financial effect on the Employer.

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

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for acknowledging outstanding performance or correcting unacceptable performance.
- 11.2 the payment of performance bonus is determined by the performance score obtained during the fourth quarter.

11.3 The performance bonus will be awarded pro-rata according to the period of this agreement based on the following scheme:

Score	Bonus %
101-114	1%
115-119	2%
120-124	3%
125-129	4%
130-133	5%
134-137	6%
138-141	7%
142-145	8%
146-149	9%
150-153	10%
154-157	11%
158-161	12%
162-165	13%
166+	14%

11.4 In the event of the Employee terminating her services during the validity period of this Agreement, but after months after the start of this agreement's inception date, The Employee's performance will be evaluated for the period during which she was employed, and she will be entitled to a pro-rata performance bonus on her evaluated performance for the period of actual service.

11.5 The Employer will submit the total score of the annual assessment and of the Employee to the full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

12.1 The evaluation of the Employee's performance will form part the basis for rewarding performance or correcting unacceptable performance.

12.2 The Employee will be subject to an annual performance appraisal-quarterly assessments in terms of performance regulations. Provided that the employee shall be entitled to a performance bonus as contemplated in the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers of 2006 and particularly Regulation 8 and 32 thereof. The performance contract entered between the Employee and the Employer will serve as a job description for the Employee.

12.3 In case of unacceptable performance. The Employer shall:

12.3.1 Provide systematic remedial or developmental support to assist the Employee to improve her performance; and

12.3.2 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 her duties.

13 CONSEQUENCE MANAGEMENT FOR NON-PERFORMANCE

Poor work performance must be dealt with accordance with item 9 of Schedule 8 of the Labour Relations Act, 66 of 1995. The guidelines in terms of Item 9 determines cases of dismissal for poor work performance:

Any person determining whether a dismissal for poor work performance is unfair should consider-

- (a) whether or not the Employee failed to meet a performance standard; and
- (b) if the Employee did not meet a required performance standard whether or not-

- (i) the Employee was aware, or could reasonably be expected to have been aware, of her required performance standard.
- (ii) the Employee was given a fair opportunity to meet the required performance standard; and
- (iii) dismissal was an appropriate sanction for not meeting the required performance standard.

14. DISPUTE RESOLUTION

14.1 Any dispute about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by:

- 14.1.1 The Member of the Executive Council for Local Government in Free State Province within thirty days of receipt of a formal dispute from the Employee; or
- 14.1.2 Any other person appointed by the Member of the Executive Council

14.2 In the event that the mediation process contemplated above fails, Clause 19.3 of the Contract of Employment shall apply.

15. GENERAL

15.1 The contents of this Agreement and the Outcome of any review conducted in terms of Annexure "A" may be made available to public by the Employer.

15.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Employee in terms of her Contract of Employment, or the effects of existing or new regulations, circulars, directives or other instruments.

Thus, done and signed at Ficksburg on this 31 day of MARCH 2026

AS WITNESSES:

- 1. Mabelay
- 2. [Signature]

[Signature]
LEFA MOLETSANE
CHIEF FINANCIAL OFFICER

[Signature]
NOMVULA MALATHE
MUNICIPAL MANAGER

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PERFORMANCE PLAN

ENTERED INTO AND BETWEEN:

SETSOTO LOCAL MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

NOMVULA MALATJIE
MUNICIPAL
["THE EMPLOYER"]

And

LEFA MOLETSANE
CHIEF FINANCIAL OFFICER
["THE EMPLOYEE"]

FOR THE FINANCIAL YEAR 01 FEBRUARY 2026-30 JUNE 2026

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1. Purpose

The Performance Plan defines the council's expectations of the Chief Financial Officer's Performance Agreement to which this document is attached and Section 57(5) of the Municipal Systems Act, 32 of 2000, which provides that performance objectives and targets must be based on the Key Performance Indicators as set in the municipality's Integrated Development Plan and as reviewed annually.

2. Key Responsibilities

The following predetermined objectives of the Setsoto Local Municipality will inform the Municipal Manager's performance against set performance indicators:

- 2.1. Supporting the delivery of municipal services to the right quality and standard
- 2.2. Creating a conducive environment for economic development
- 2.3. Building institutional resilience and administrative capability
- 2.4. Ensuring sound financial management and accounting
- 2.5. Promoting good governance, transparency and accountability
- 2.6. Putting people first and engaging with communities

3. Key Performance Areas

The following Key Performance Areas as outlined in the Back to Basic Principles inform the predetermined objectives listed above:

- 3.1 Financial Management
- 3.2 Local Economic Development

4. CHIEF FINANCIAL OFFICER'S TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2025/2026

4.1 BASIC SERVICES

Indicator Assignment		FM1.2	
A1-Indicator Short Description		Funded annual budget (Y/N) (Municipal)	
A2-Alignment		Enhanced municipal budgeting and budget implementation	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Financial Management	
A5-Unit of measurement		Binary determination (Yes/No)	
A6-Frequency		Bi-annual	
A7-Rationale		<ul style="list-style-type: none"> Funded budget is good indicator to assess that a municipality develops and implements a budget that is credible, realistic, relevant and sustainable. An outcome of less than R0 on the municipal budget table A8 (cash backed reserves or accumulated surplus reconciliation) indicates that the budget is unfunded. 	
A8-Definition		<ul style="list-style-type: none"> A municipality considers inputs from the National Treasury and adopts a budget that is funded in line with Section 18 of the MFMA which states that a budget is funded from either revenue realistically to be collected and accumulated cash backed reserves not committed for other purposes. Accumulated cash backed reserves refers to surpluses accumulated from previous years not committed for other purposes. A budget is funded when a municipality reflects a surplus of R0 or more on budget table A8. 	
A9-Indicator Formula		<ul style="list-style-type: none"> (1) Municipal funded budget self-assessment outcome: Yes/No 	
A10-Indicator origin		<ul style="list-style-type: none"> Section 18 of the MFMA 	
A11-Notes on calculation		<ul style="list-style-type: none"> The municipality will be required to do a self-assessment to determine the funding of the budget. Essentially, the outcome on budget table A8 must be positive, this means that it must be R0 or more. Although a municipality will be required to assess its own budget, the final outcome and validity lies with the National Treasury. Municipal budget is assessed on the annual budget in May. 	
A12-Additional notes		<ul style="list-style-type: none"> None. 	
Reporting Responsibility		Budget and Reporting Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 1	
Weight	37%	Baseline Indicator	0
		Annual Target	2
		Adjusted Target	2
		Quarter 1	N/A
		Quarter 2	N/A
		Quarter 3	1
		Quarter 4	1
Motivation for the adjustment		N/A	



Indicator Assignment		FM1.11	
A1-Indicator Short Description		Total Capital Expenditure as a percentage of Total Capital Budget [Finance department capital budget]	
A2-Alignment		Enhanced municipal budgeting and budget implementation	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Financial Management	
A5-Unit of measurement		Percentage of R-value	
A6-Frequency		Quarterly	
A7-Rationale		<ul style="list-style-type: none"> • Capital spending against the capital budget is a reflection of the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. • It provides an indication of whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance below 95% (at the end of the financial year) indicates challenges in planning and budgeting and capacity challenges to implement projects. 	
A8-Definition		<ul style="list-style-type: none"> • This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. • Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment. 	
A9-Indicator Formula		(1) Actual Capital Expenditure / (2) Budgeted Capital Expenditure	
A10-Indicator origin		<ul style="list-style-type: none"> • MFMA Circular 71 	
A11-Notes on calculation		<ul style="list-style-type: none"> • The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter. • Final budget, which is the adjustments budget should be used when measuring performance at the end of the financial year. • Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25. • Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year. 	
A12-Additional notes		<ul style="list-style-type: none"> • None. 	
Reporting Responsibility		Budget and Reporting Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 1	
Weight	10%	Baseline Indicator	New
		Annual Target	90%
		Adjusted Target	90%
		Quarter 1	10%
		Quarter 2	28%
		Quarter 3	65%
		Quarter 4	90%
Motivation for the adjustment		N/A	

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Indicator Assignment	FM1.12		
A1-Indicator Short Description	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget [Finance department]		
A2-Alignment	Enhanced municipal budgeting and budget implementation		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Financial Management		
A5-Unit of measurement	Percentage of R-value		
A6-Frequency	Quarterly		
A7-Rationale	<ul style="list-style-type: none"> This measures the municipality's ability to spend the operational budget as planned. It also assesses the effectiveness of internal controls that ensures the expenditure is incurred in accordance with an approved budget. Underspending (below 95% at the end of the financial year) may either indicate that there are budgeting/ capacity challenges in the municipality or limited implementation of programmes or projects due to financial constraints. Overspending (above 100%) may indicate poor financial management. 		
A8-Definition	<ul style="list-style-type: none"> The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations. 		
A9-Indicator Formula	(1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure		
A10-Indicator origin	<ul style="list-style-type: none"> MFMA Circular 71 		
A11-Notes on calculation	<ul style="list-style-type: none"> The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter. Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year. Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25. Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year. 		
A12-Additional notes	None.		
Reporting Responsibility	Budget and Reporting Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 1		
Weight	5%	Baseline Indicator	New
		Annual Target	90%
		Adjusted Target	90%
		Quarter 1	18%
		Quarter 2	40%
		Quarter 3	68%
		Quarter 4	90%
Motivation for the adjustment	N/A		

Indicator Assignment	FM1.13		
A1-Indicator Short Description	Total Operating Revenue as a percentage of Total Operating Revenue Budget		
A2-Alignment	Enhanced municipal budgeting and budget implementation		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Financial Management		
A5-Unit of measurement	Percentage of R-value		
A6-Frequency	Quarterly		
A7-Rationale	<ul style="list-style-type: none"> • Operating revenue against budgeted operating revenue indicates the municipality's ability to generate revenue as planned. • Underperformance (below 95% at the end of the financial year) either indicates weakness in budgetary controls or changes in economic activities during the financial year. • Overperformance (above 100%) either indicates that additional revenue was received than anticipated during the financial year or there was an improvement in revenue management. 		
A8-Definition	<ul style="list-style-type: none"> • The indicator measures the extent of actual operating revenue (excl. capital grant revenue) generated in relation to budgeted operating revenue during the financial year. • Operating revenue is revenue generated from sale of goods or services, taxes or intergovernmental transfers 		
A9-Indicator Formula	(1) Actual Operating Revenue / (2) Budgeted Operating Revenue		
A10-Indicator origin	<ul style="list-style-type: none"> • MFMA Circular 71 		
A11-Notes on calculation	<ul style="list-style-type: none"> • The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter. • Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year. • Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25. • Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year. 		
A12-Additional notes	None.		
Reporting Responsibility	Revenue Management Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 1		
Weight	8%	Baseline Indicator	NEW
		Annual Target	90%
		Adjusted Target	90%
		Quarter 1	18%
		Quarter 2	40%
		Quarter 3	65%
		Quarter 4	90%
Motivation for the adjustment	N/A		

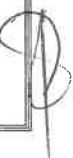
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Indicator Assignment		FM1.14	
A1-Indicator Short Description		Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	
A2-Alignment		Enhanced municipal budgeting and budget implementation	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Financial Management	
A5-Unit of measurement		Percentage of R-value	
A6-Frequency		Quarterly	
A7-Rationale		<ul style="list-style-type: none"> • Service Charges and Property Rates Revenue against budgeted Service Charges and Property Rates Revenue indicates the municipality's ability to generate revenue as planned. • A ratio below 95% at the end of the financial year indicates weaknesses in the overall revenue value chain and poor budgetary controls. • Overperformance (above 100%) indicates there was an improvement in revenue management. 	
A8-Definition		<ul style="list-style-type: none"> • The ratio measures the extent of actual Service Charges and Property Rates Revenue generated in relation to budgeted Service Charges and Property Rates Revenue during the financial year. • Service Charges include revenue generated from sale of water, electricity, refuse and sanitation. • Property rates include revenue generated from rates and taxes charged on properties. 	
A9-Indicator Formula		((1) Actual Service Charges Revenue + (2) Actual Property Rates Revenue) / (3) Budgeted Service Charges and Property Rates Revenue	
A10-Indicator origin		<ul style="list-style-type: none"> • MFMA Circular 71 	
A11-Notes on calculation		<ul style="list-style-type: none"> • The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter. • Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year. • Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25. • Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year. 	
A12-Additional notes		None.	
Reporting Responsibility		Revenue Management Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 1	
Weight	8%	Baseline Indicator	New
		Annual Target	90%
		Adjusted Target	90%
		Quarter 1	18%
		Quarter 2	40%
		Quarter 3	65%
		Quarter 4	90%
Motivation for the adjustment		N/A	

Indicator Assignment	FM5.31		
A1-Indicator Short Description	Repairs and Maintenance as a percentage of property, plant, equipment and investment property		
A2-Alignment	Improved asset management		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Financial Management		
A5-Unit of measurement	Percentage of R-value		
A6-Frequency	Annual		
A7-Rationale	<ul style="list-style-type: none"> • The indicator measures the level of repairs and maintenance to ensure that there is adequate maintenance to prevent breakdowns and interruptions to service delivery. • Repairs and maintenance of municipal assets is required to ensure the continued provision of services. Maintenance is critical as it will always cost more – much more - to replace an asset which is not properly maintained. • A municipality is recommended to spend a minimum of 8% for repairs and maintenance relative to property, plant and equipment (PPE). • A ratio below 8% is either, a reflection that insufficient monies are being spent on repairs and maintenance or the municipality's strategy is to renew or upgrade its existing assets to improve their useful life. 		
A8-Definition	<ul style="list-style-type: none"> • This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative to its asset base. • Repairs and maintenance is a group of accounts consisting of labour costs, material costs, secondary costs and etc. 		
A9-Indicator Formula	(1) Total Repairs and Maintenance Expenditure/ ((2) Property, Plant and Equipment + (3) Investment Property (Carrying Value))		
A10-Indicator origin	<ul style="list-style-type: none"> • MFMA Circular 71 		
A11-Notes on calculation	<ul style="list-style-type: none"> • This calculation is done at the end of the financial year, for comparative analysis. • In the absence of the audited figures, unaudited annual financial statements should be used. • The calculation of repairs and maintenance must be aligned to the mSCOA requirements. 		
A12-Additional notes	<ul style="list-style-type: none"> • None. 		
Reporting Responsibility	Budget and Reporting Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 1		
Weight	5%	Baseline Indicator	1%
		Annual Target	1%
		Adjusted Target	1%
		Quarter 1	N/A
		Quarter 2	N/A
		Quarter 3	N/A
		Quarter 4	1%
Motivation for the adjustment	N/A		

Indicator Assignment		FM7.12	
A1-Indicator Short Description		Collection rate ratio	
A2-Alignment		Improved revenue and debtors management	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Financial Management	
A5-Unit of measurement		Percentage of R-value	
A6-Frequency		Quarterly	
A7-Rationale		<ul style="list-style-type: none"> Assessing this indicator will provide an indication of how effective is the credit control and revenue management of the municipality. Effective credit control is ensuring that billed revenue is collected while improved revenue management indicates the municipality's ability to set affordable tariffs and bill correctly. If the ratio is below the norm of 95% it is an indication that revenue collection of the municipality requires urgent attention, and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. 	
A8-Definition		<ul style="list-style-type: none"> The ratio measures the revenue collection level of a municipality. It considers the level of increase or decrease of gross debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration 	
A9-Indicator Formula		((1) Gross Debtors Opening Balance + (2) Billed Revenue – (3) Gross Debtors Closing Balance - (4) Bad Debts Written Off) / (2) Billed Revenue	
A10-Indicator origin		<ul style="list-style-type: none"> MFMA Circular 71 	
A11-Notes on calculation		<ul style="list-style-type: none"> This ratio takes into account movement of gross debtors in the calculation. This means that the revenue collection also includes cash receipts from outstanding debt and not only billed revenue for one financial year. 	
A12-Additional notes		None.	
Reporting Responsibility		Revenue Management Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 1	
Weight	8%	Baseline Indicator	50%
		Annual Target	55%
		Adjusted Target	55%
		Quarter 1	40%
		Quarter 2	45%
		Quarter 3	50%
		Quarter 4	55%
Motivation for the adjustment		N/A	



Indicator Assignment	FM7.11		
A1-Indicator Short Description	Debtors payment period		
A2-Alignment	Improved revenue and debtors management		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Financial Management		
A5-Unit of measurement	Number of days		
A6-Frequency	Quarterly		
A7-Rationale	<ul style="list-style-type: none"> • This indicator provides information about the consumers payment patterns and how well the municipality manages its debtors. • A shorter payment period (less than 30 days) indicates improved efficiency. • This implies that a municipality has and maintains an effective system of credit control and debt collection in respect of debtors management. • A period longer than 30 days is an indication that the municipality may be experiencing challenges with debtors management and exposes the municipality to significant cash flow risk. • It also indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management. 		
A8-Definition	<ul style="list-style-type: none"> • Net Debtor Days refers to the average number of days required for a municipality to receive payment from its consumers for bills/invoices issued to them for services. 		
A9-Indicator Formula	$((1) \text{ Gross Debtors} - (2) \text{ Bad Debt Provision}) / (3) \text{ Billed Revenue} \times (4) \text{ Number of days in the reporting period year to date}$		
A10-Indicator origin	<ul style="list-style-type: none"> • MFMA Circular 71 		
A11-Notes on calculation	<ul style="list-style-type: none"> • The provision for bad debt is excluded to determine net debtors. • Number of days in a reporting period should be used to calculate the in-year reporting. E.g. 92 days should be used to calculate the debtors payment period in Q1 (July – Sept) 		
A12-Additional notes	<ul style="list-style-type: none"> • None. 		
Reporting Responsibility	Revenue Management Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 1		
Weight	8%	Baseline Indicator	New
		Annual Target	460 days
		Adjusted Target	460 days
		Quarter 1	460 days
		Quarter 2	460 days
		Quarter 3	460 days
		Quarter 4	460 days
Motivation for the adjustment	N/A		

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Indicator Assignment		FM3.11	
A1-Indicator Short Description		Cash/Cost coverage ratio	
A2-Alignment		Improved liquidity management	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Financial Management	
A5-Unit of measurement		Ratio of months (R-value)	
A6-Frequency		Quarterly	
A7-Rationale		<ul style="list-style-type: none"> • This indicator provides an indication as to whether a municipality has adequate cash to meet its monthly fixed operational costs. • If a municipality has a ratio below the norm of 1 month it could be vulnerable and at a higher risk in the event of financial “shocks/set-backs” and its ability to meet its obligations to provide basic services or its financial commitment is compromised. 	
A8-Definition		<ul style="list-style-type: none"> • The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. 	
A9-Indicator Formula		$\frac{(((1)\text{Cash and Cash Equivalents} - (2)\text{Unspent Conditional Grants} - (3)\text{Overdraft}) + (4)\text{Short Term Investment})}{(5)\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$	
A10-Indicator origin		<ul style="list-style-type: none"> • MFMA Circular 71 	
A11-Notes on calculation		This indicator is expressed as a decimal rather than as a percentage	
A12-Additional notes		None.	
Reporting Responsibility		Budget and Reporting Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 1	
Weight	5%	Baseline Indicator	New
		Annual Target	1
		Adjusted Target	1
		Quarter 1	1
		Quarter 2	1
		Quarter 3	1
		Quarter 4	1
Motivation for the adjustment		N/A	

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Indicator Assignment	FM4.11		
A1-Indicator Short Description	Irregular, Fruitless and wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure		
A2-Alignment	Improved expenditure management		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Financial Management		
A5-Unit of measurement	Percentage of R-value		
A6-Frequency	Annual		
A7-Rationale	<ul style="list-style-type: none"> • Irregular, Fruitless and Wasteful, Unauthorised Expenditure in relation to Total Operating Expenditure determines the extent to which the total expenditure constitute the UIFW. • A ratio that exceeds 0% must be investigated and acted upon. 		
A8-Definition	<ul style="list-style-type: none"> • The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. • Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. • Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. • Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget. 		
A9-Indicator Formula	Irregular + Fruitless and wasteful + Unauthorised Expenditure / Total Operating Expenditure		
A10-Indicator origin	<ul style="list-style-type: none"> • MFMA Circular 71 		
A11-Notes on calculation	<ul style="list-style-type: none"> • The final figure is obtained from the audited annual financial statements. In the absence on the audited AFS, pre audit figures can be used. • The net amount after recoveries, write offs or condonement should be used in this calculation. • Although this ratio excludes the capital expenditure whilst irregular expenditure is to a large extent also part of contracts for capital projects, the National Treasury will review the method of calculating this ratio through the MFMA C71 update. 		
A12-Additional notes	None.		
Reporting Responsibility	Expenditure Management Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 2		
Weight	10%	Baseline Indicator	New
		Annual Target	1%
		Adjusted Target	1%
		Quarter 1	N/A
		Quarter 2	N/A
		Quarter 3	N/A
		Quarter 4	1%
Motivation for the adjustment	N/A		

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4.2 LOCAL ECONOMIC DEVELOPMENT

Indicator Assignment		LED1.11	
A1-Indicator Short Description		Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area [quotations up to a value R30 000]	
A2-Alignment		Growing inclusive local economies	
A3-Result-chain level		Output	
A4-Back to Basic Pillar		Service delivery	
A5-Unit of measurement		Percentage of R-value	
A6-Frequency		Quarterly	
A7-Rationale		<ul style="list-style-type: none"> • Municipalities play an important role in enabling local economic development. • Tracking the percentage of operating expenditure on contracted services within the municipal area gives an indication of the extent to which the municipality's own operating budget is spent within the local economy for outsourced services which it has procured. • By tracking against the overall expenditure, as opposed to the planned budget, a measure of the proportion of municipal spend within the municipal area is determined as this relates to the overarching intention to grow inclusive local economies. 	
A8-Definition		<ul style="list-style-type: none"> • This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations. • Contracted services are inclusive of consultancy services and refer to services rendered by any entity outside of the municipality secured through a public procurement process. 	
A9-Indicator Formula		<ul style="list-style-type: none"> • (1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services 	
A10-Indicator origin		<ul style="list-style-type: none"> • Informed by MFMA Circular No. 71 and COGTA consultations with municipalities. The indicator relates to MTSF Priority 2: Economic Transformation and Job Creation. • It aligns in terms of the Outcome- Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities. 	
A11-Notes on calculation		<ul style="list-style-type: none"> • The indicator is cumulative across quarters over the financial year. • The annual report should reflect the indicator against total operating expenditure on contracted services for the financial year. 	
A12-Additional notes		<ul style="list-style-type: none"> • The indicator only pertains to services for which there is a contractual agreement (or equivalent) for services the municipality has procured through a supply chain process. • If the municipality has procured the services of its own entities, that would fall within the first data element of the indicator. 	
Reporting Responsibility		Supply Chain Management Division	
Applies to Municipal Category		Local Municipality	
Readiness		Tier 2	
Weight	50%	Baseline Indicator	New
		Annual Target	70%
		Adjusted Target	70%
		Quarter 1	70%
		Quarter 2	70%
		Quarter 3	70%
		Quarter 4	70%
Motivation for the adjustment		N/A	

Indicator Assignment	LED2.12		
A1-Indicator Short Description	Percentage of the municipality's operating budget spent on indigent relief for free basic services		
A2-Alignment	Improved levels of economic activity in municipal economic spaces		
A3-Result-chain level	Output		
A4-Back to Basic Pillar	Service delivery		
A5-Unit of measurement	Percentage expenditure (R-value)		
A6-Frequency	Quarterly		
A7-Rationale	<ul style="list-style-type: none"> Measuring the percentage of the operating budget spent on free basic services is indicative of the portion of the budget expended on poverty alleviation and also of financial viability of the municipality. Covering the cost of meeting the basic needs of households allows for greater agency and choice in relation to limited incomes. 		
A8-Definition	<ul style="list-style-type: none"> The amount municipal operating budget expended on free basic services to indigent households (R-value) as a percentage of the total operating budget of the municipality for the period. Free Basic Services are understood in terms of water, sanitation, electricity and waste removal services only. 		
A9-Indicator Formula	<ul style="list-style-type: none"> ((1) R-value of operating budget expenditure on free basic services / (2) R-value of the total operating budget) 		
A10-Indicator origin	<ul style="list-style-type: none"> The indicator relates to MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services. It aligns in terms of the Outcome- Sustainable Community Development interventions. 		
A11-Notes on calculation	<ul style="list-style-type: none"> Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year. If the municipality provides for a minimum free basic service to all households, only the expenditure on indigent households should be considered. Where a budget or revised or adjusted in the middle of the year, this should reflect in the numerator from quarter 3 onwards. 		
A12-Additional notes	<ul style="list-style-type: none"> Formerly indicator GG6.11. The indicator does not refer to salary spend on staff related to Free Basic Services, only in relation to operational costs of providing free basic services in terms of water, sanitation, electricity and waste removal. 		
Reporting Responsibility	Revenue Management Division		
Applies to Municipal Category	Local Municipality		
Readiness	Tier 2		
Weight	50%	Baseline Indicator	New
		Annual Target	4%
		Adjusted Target	4%
		Quarter 1	1%
		Quarter 2	2%
		Quarter 3	3%
		Quarter 4	4%
Motivation for the adjustment	N/A		

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Thus, done and signed at Ficksburg on this 31 day of MARCH 2026

AS WITNESSES:

1. Mabete

2. [Signature]

[Signature]

LEFA MOLETSANE
CHIEF FINANCIAL OFFICER

[Signature]

NOMVULA MALATHE
MUNICIPAL MANAGER

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PERSONAL DEVELOPMENT PLAN

ENTERED INTO AND BETWEEN:

SETSOTO LOCAL MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

**NOMVULA MALATJIE
MUNICIPAL MANAGER
["THE EMPLOYER"]**

And

**LEFA MOLETSANE
CHIEF FINANCIAL OFFICER
["THE EMPLOYEE"]**

FOR THE FINANCIAL YEAR 01 FEBRUARY 2026-30 JUNE 2026

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1. A municipality should commit to:

- (a) the continuous training and development of its employees to achieve its vision, mission and strategic Objectives and empower employees; and
- (b) managing training and development within the ambit of relevant national policies and legislation

2. A municipality should follow an integrated approach to human resource management that:

- (a) is a human resource development that forms an integral part of human resource planning and management.
- (b) in order for training and development strategy and plans to be successful, it should be based on sound human resource practices, such as the Strategic Human resource Plan, Job Descriptions, the result of regular performance appraisals and career pathing
- (c) ensure the necessary linkage with performance management and development that provides for the personal development plans of employees to be included in their annual performance agreements. Such approach will also ensure the alignment of individual performance objectives to the municipality's strategic objectives, and that training and development needs can be identified through performance management and development and appraisal.
- (d) career-pathing ensures that employees are placed and developed in jobs according to aptitude and identified potential. Through training and development, they can acquire the necessary competencies to prepare for the future positions. A comprehensive competency framework and profile for municipal managers are attached and these should be linked to relevant registered unit standards to specifically assist in compiling Personal Development Plans with their managers.
- (e) Personal Development Plans are compiled for individual employees and the data collated from employees in the municipality forms the basis for the prescribed Workplace Skills Plan, which municipalities are required to compile as a basis for all training and education activities in the municipality in a specific financial year and report on progress made to the Local Government Sector Education and Training Authority.

3. The aims of the compilation of Personal Development Plans to identify, prioritise and implement training needs

4. Compiling the Personal Development Plan attached as Appendix

- (a) Competency assessment instruments, which are dealt with more specifically in Appendix 1 and 2, should be established against their job specific competency profile and managerial competencies at a given period in time with the purpose of identifying training needs or skills gap.
- (b) The competency framework and profiles and relevant competency assessment results will enable a manager, in consultation with her employee, to compile a Personal Development Plan. The identified training needs should be entered into column 1 of Appendix 1, entitled Skills/Performance Gap.

The following should be carefully determined during this process:

(i) organisational needs, which include the following:

- 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.

(ii) individual training needs that are job/career related.

- (c) Next, the prioritisation of the training needs should be listed 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 Strategic Human Resource Plan, Personal Development Plans and Workplace Skills Plan.

- (d) Consideration must then be given to the expected outcomes, to be listed in Column 2 of Appendix 1, so that once the intervention is completed the impact it has can be measured against relevant output indicator.
- (e) An appropriate intervention should be identified to address training needs/skills gap and the outcome to be achieved but with due regard to cost effectiveness. These should be listed in Column 3 of Appendix 1, entitled: Suggested training and/or development activity in line with the National Qualification Framework, which could enable the trainee to obtain recognition towards a qualification for training undertaken.

It is important to determine through the Human Resource Development Division within the municipality whether unit standards have been developed and registered with the South African Qualification Authority that are in line with the skills gap and expected outcomes identified. Unit standards usually have measurable assessment criteria to determine achieved competency.

- (f) guidelines regarding the number of training days per employee and nominations of employees: An employee should on average receive at least five days of training per financial year and not unnecessarily be withdrawn from training interventions.
- (g) Column 4 of Appendix 1: The suggested mode of delivery refers to the chosen methodology that is deemed most relevant to ensure transfer of skills training or development activity should impact on service delivery back in the workplace. Mode of delivery consists of amongst others:
- self-study-the official takes it upon herself to read e.g. legislation.
 - internal or external training provision.
 - coaching and/or mentoring; and
 - exchange programmes.

- (h) the suggested timeframes-Column 5 of Appendix 1-enable managers to effectively plan for the annum so that not all their employees are away from work within the same period and also ensuring that the Personal Development Plan is implemented systematically.

- (j) The final column, Column 7 of Appendix 7, provides the employee with support person that could act as coach or mentor with regard to the area of learning.

5. Personal Development Planning

Personal Development Planning Initiative	Competency Development Area	Description	Evidence
Post graduate diploma / honours in financial management	<ul style="list-style-type: none"> • People Management • Change Management • Planning and Organising • Results and Quality Focus 	<ul style="list-style-type: none"> • Demonstrate a broad, specialised understanding of general management and the business management environment • Demonstrate a specialised understanding of the interaction between operational and strategic management • Identify and solve problems on an executive level, demonstrating critical and creative thinking • Apply the general management skills in various context • Appraise and integrate management issues from the various knowledge fields • Integrate and apply knowledge and work experience by means of an applied research output in the form of a mini dissertation 	Registration for Post Graduate Diploma / Honours at a recognised tertiary institution

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Personal Development Planning Initiative	Competency Development Area	Description	Evidence
CIGFARO Annual Conference	<ul style="list-style-type: none"> Governance Leadership 	<ul style="list-style-type: none"> Moral competence on financial management matters Detection of fraud/irregularities in procurement processes 	Proof of attendance/registration at CIGFARO Conference
Association of Certified Fraud Examiners Annual Conference	<ul style="list-style-type: none"> Moral Competence Detection of Fraud in procurement processes 	Ethical leadership and practical tips on how to deal with material irregularities	Proof of attendance/registration at ACFE Conference
Advanced Certificate in Project Management	<ul style="list-style-type: none"> Project and program Management 	Necessary for successful and sustainable service delivery	Registration for Advance Project Management at a tertiary institution

Thus, done and signed at Ficksburg on this 31 day of MARCH 2026

AS WITNESSES:

1. Mabeleng

2. [Signature]

[Signature]

LEFA MOLETSANE
CHIEF FINANCIAL OFFICER

[Signature]

NOMVULA MALATJIE
MUNICIPAL MANAGER