PERFORMANCE AGREEMENT

ENTERED INTO BETWEEN

The eThekwini Municipality

DULY REPRESENTED BY **MR. BONGUMUSA MBHELE**
in his capacity as **City Manager** of ETHEKWINI MUNICIPALITY

AND

DR. SANDILE MNGUNI

EXECUTIVE DIRECTOR:

FINANCE CLUSTER

FOR THE

PERIOD: 1 JULY 2025 – 30 JUNE 2026

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1. INTRODUCTION

1.1 EThekwini Municipality ("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").

1.2 Section 57(1) (b) of the Systems Act, read with the Contract of Employment concluded between the employer and employee, requires the parties to conclude an annual Performance Agreement.

1.3 The parties will 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 the eThekwini Municipality's goals.

1.4 The parties will ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. THE PARTIES

The eThekwini Municipality duly represented by Mr. T.B Mbhele in his capacity as City Manager.

(Hereinafter referred to as **"The Employer"**)

And

DR. SANDILE MNGUNI

(Hereinafter referred to as **"The Employee"**)

3. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

3.1 comply with the provisions 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;

3.2 specify objectives and targets established for the Employee and to communicate to the employee the Employer's expectations of the Employee's performance and accountabilities;

3.3 specify accountabilities as set out in the Performance Plan (Annexure A);

3.4 monitor and measure performance against set targeted outputs;

3.5 use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his job;

3.6 appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance;

3.7 give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

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4. COMMENCEMENT AND DURATION

4.1 This Agreement will commence on 1 JULY 2025 and will remain in force until 30 JUNE 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.

4.2 The parties will review the provisions of this Agreement during April each year and will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year but not later than the beginning of each successive financial year.

4.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

4.3 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

4.4 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.

5. PERFORMANCE OBJECTIVES

5.1 The Performance Plan (Annexure A) sets out:-

5.1.1 The performance objectives and targets that must be met by the Employee; and

5.1.2 The time frames within which those performance objectives and targets must be met.

5.2 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 key objectives; key performance indicators; target dates and weightings.

5.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

5.4 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 (IDP).

6. PERFORMANCE MANAGEMENT SYSTEM

6.1 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.

6.2 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.

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7. **The Employee agrees to participate in the performance management and development system that the Employer adopts.**

7.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Area's (KPA's) (including special projects relevant to the employee's responsibilities) within the local government framework.

7.2 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.

7.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Competency Framework Structure (CFS), respectively.

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

7.2.3 KPAs covering the main areas of work will account for 80% and CFS will account for 20% of the final assessment.

7.3 The Employee's assessment will be based on his/ her performance in terms of the outputs/ outcomes (performance indicators) 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.

7.4 The CFS will make up the other 20% of the Employee's assessment score, which will be recorded in the performance plan (Annexure "A").

8. **EVALUATING PERFORMANCE**

8.1 The Performance Plan (Annexure A) to this Agreement sets out –
8.1.1 The standards and procedures for evaluating the Employee's performance; and
8.1.2 The intervals for the evaluation of the Employee's performance.

8.2 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.

8.3 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.

8.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

8.5 The annual performance assessment will involve:

8.5.1 Assessment of the achievement of results as outlined in the performance plan:
(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.

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(b) An indicative rating on the five-point scale should be provided for each KPA.

(c) The applicable assessment rating calculator (refer to paragraph 8.5.3 below) must then be used to add the scores and calculate a final KPA score.

8.5.2 Assessment of the CFS:

(a) Each CFS should be assessed according to the extent to which the specified standard has been met.

(b) An indicative rating on the five-point scale should be provided for each CFS.

(c) The applicable assessment rating calculator (refer to paragraph 8.5.1 above) must then be used to add the scores and calculate a final CFS score.

8.5.3 Overall rating:

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

8.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CFS:

Level	Terminology	Description	Rating of 1 to 5
5	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	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	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	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 performance criteria and indicators as specified in the PA and Performance Plan.	
1	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.	

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8.7 For purposes of evaluating the performance of the Employees, an evaluation panel constituted by the following persons will be established.

8.7.1 The evaluation panel shall comprise the following persons:-

8.7.1.1 The Municipal Manager;
8.7.1.2 The Chairperson of the Performance Audit Committee.
8.7.1.3 The Representative of the Executive Committee;
8.7.1.4 Municipal Manager from another Municipality;

9. SCHEDULE FOR PERFORMANCE REVIEWS

9.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed for the following dates.

First quarter	:	July	–	September
Second quarter	:	October	–	December
Third quarter	:	January	-	March
Fourth quarter	:	April	-	June

9.2 The Employer shall keep a record of all reviews and assessment meetings.

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

9.4 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.

9.5 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.

10. DEVELOPMENTAL REQUIREMENTS

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

11. OBLIGATIONS OF THE EMPLOYER

11.1 The Employer shall –

11.1.1 Create an enabling environment to facilitate effective performance by the employee;

11.1.2 Provide access to skills development and capacity building opportunities;

11.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

11.1.4 Where necessary delegate such powers to the Employee to enable him/ her to meet the performance objectives and targets established in terms of this Agreement; and

11.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assisting him/ her to meet the performance objectives and targets established in terms of this Agreement.

12. MANAGEMENT OF EVALUATION OUTCOMES

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

12.2 A performance bonus of between 5% and 14% of the inclusive annual remuneration package may be paid to the 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 rating calculator; provided that:-

12.2.1 a score of 130% to a 149% is awarded, a performance bonus ranging from 5% to 9% and

12.2.2 a score of 150% and above is awarded, a performance bonus ranging from 10% to 14%.

12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least 12 (TWELVE) consecutive months service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.

12.4 In the case of unacceptable performance, the Employer shall, after appropriate performance counselling and having provided the necessary guidance and/or support as well as a reasonable time for improvement in performance, take steps to terminate the contracts of employment of the employee on the grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

13.1 Any dispute about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment, and/or salary increment in this agreement shall be mediated by:-

13.1.1 The Executive Mayor/ Mayor ;

13.1.2 The mediation shall take place within a period of 30 (Thirty) days of receipt of a formal dispute from the employee;

13.1.3 The mediator's decision will be final and binding on both parties.

13.2 Any disputes about the outcome of the employee's performance evaluation must be mediated by:-

13.2.1 A member of the Municipal Council provided that such member was not part of the evaluation panel referred to in clause 8.7 above.

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13.2.2 The mediation shall take place within a period of 30 (Thirty) days of receipt of a formal dispute from the employee;

13.1.3 The mediator's decision will be final and binding on both parties.

14. GENERAL

14.1 The contents of this agreement shall be placed on the Employer's website.

14.2 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.

SIGNED AT DURBAN **ON THIS THE** 27 **DAY OF** JUNE **2025**

AS WITNESSES:

1. _____

2. _____

_____

THE EMPLOYEE

SIGNED AT DURBAN **ON THIS THE** 8th **DAY OF** July **2025**

AS WITNESSES:

1. _____

2. _____

_____

THE EMPLOYER

APPENDIX A
(TO THE PERFORMANCE AGREEMENT)

PERFOMANCE PLAN

Entered into by and between

eThekwini Municipality

And

Dr. Sandile Mnguni

EXECUTIVE DIRECTOR: FINANCE

FINANCE

Period: 1 July 2025 To 30 June 2026

PERFORMANCE PLAN

1 **Purpose**

The performance plan defines the Council's expectations of the Executive Director's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2 **Key responsibilities**

The following objects of local government will inform the Executive Director's performance against set performance indicators:

2.1 Provide democratic and accountable government for local communities.
2.2 Ensure the provision of services to communities in a sustainable manner.
2.3 Promote social and economic development.
2.4 Promote a safe and healthy environment
2.5 Encourage the involvement of communities and community organisations in the matters of local government.

3 Key Performance Areas

The following Key Performance Areas (KPAs) as outlined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006), inform the strategic objectives listed in the table below:

3.1 Basic Service Delivery.
3.2 Municipal Institutional Development and Transformation.
3.3 Local Economic Development (LED).
3.4 Municipal Financial Viability and Management.
3.5 Good Governance and Public Participation.
3.6 Cross cutting

4 **Key Performance Objectives and Indicators, for the Executive Director**

The provisions and statutory time frames contained in the following legislation are required to be reported on and measured:

4.1 Section 157 of the Constitution of the Republic of South Africa, 1996
4.2 Local Government: Municipal performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager, 2006 (Regulation No. R805, dated 1 August 2006)
4.3 Regulation No. 796 (Local Government: Municipal Planning and Performance Management Regulations, 2001) dated 24 August 2001
4.4 Municipal Finance Management Act, 2003, in particular, but not limited to, Chapter 8. (Must include, *inter alia*, tariff policy, rates policy, credit control and debt collection policy, supply chain management policy and an unqualified Auditor General's report.)
4.5 Property Rates Act, 2004
4.6 Municipal Structures Act, 1998, in particular, but not limited to, Chapter 5 (Powers and functions as determined by legislation or agreement)
4.7 Municipal Systems Act, 2000, in particular, but not limited to, sections 55 to 57
4.8 Any other applicable legislation specific to the Deputy City Manager.

The period of this plan is from 1st July 2025 to 30 June 2026

Signed and accepted by SB Mnguni
Job title: Executive Director: Finance
Date: 08/07/2025

Signed by: The City Manager on behalf of the eThekwini Municipality
Date: 08-07-2025

Key Performance Areas (KPA's)
PLEASE NOTE
Only put key performance indicators on Key Performance Areas that are applicable to you.
The total weight on column D must add up to 100%

SDBIP Indicator No. / Additional Indicator	Key Performance Indicators	Annual Targets (30 June 2026)	Weighting	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Scoring scale
KPA 1: Municipal Institutional Development and Transformation						Weighting =	1%	
ADD	Ensure all vacancies are filled in line with the Employment Equity target of the Municipality	100% compliance with Employment Equity targets for the 2025/26 financial year.	0.50%	A	A	A	100%	3= 100% 4= exceed target by 1 to 5% 5= Exceed target by more
ADD	Consequence Management implemented to eliminate corruption	100% consequence management effected to all known cases by 30 June 2026	0.50%	A	A	A	100%	3= 90% 4= 90 - 95% 5= 95 - 100%
KPA 2: Basic Service Delivery						Weighting =	#REF!	

SDBIP Indicator No. / Additional Indicator	Key Performance Indicators	Annual Targets (30 June 2026)	Weighting	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Scoring scale
KPA 3: Local Economic Development (LED)						Weighting =	0%	
KPA 4: Municipal Financial Viability and Management						Weighting =	0%	
ADD	Percentage of clusters capital budget actually spent on capital projects	90% implementation of Finance cluster Capital Projects for the 2025/26 financial year/ spent by 30 June 2026	0.25%	10%	15%	25%	90%	3= 90% 4= 91 - 95% 5= above 95%
ADD	Percentage completion of SCM processes for the 25/26 financial years by the 31st of May 2026	100% completion of SCM processes for the 25/26 financial years by the 31st of May 2026	0.25%	N/A	N/A	N/A	100%	3= 100% by 31 May 4= 100% by 15 April 5= 100% before 15 April
8A.1	Total Capital expenditure as a percentage of Total Capital Budget (FM1.11) City Wide	90% of Capital budget spent by 30 June 2026	0.25%	10%	15%	45%	90%	3= 90% 4= 91 - 95% 5= above 95%
8A.2	Property Rates Revenue as a percentage of Property Rates Revenue (LED2.11)	92% Property Rates Revenue as a percentage of Property Rates Revenue Budget	3.00%	A	A	A	92%	3= 92% 4=92.01% - 93% 5= above 93%
	Percentage of budgeted rates revenue collected (LED2.11)	90% of budgeted rates revenue collected	2.00%	25%	60%	75%	90%	3= 90% 4= 90.01% - 100% 5= above 100%
8A.4	Percentage of municipality's operating budget spent on indigent relief for free basic services (LED2.12)	6% spend on services to indigent households to be in line with budgeted amounts during the 2025/26 financial year	3.00%	1.5%	3%	4.5%	6%	3= 6% 4=6.01 - 6.5% 5= above 6.5%
8A.5	Percentage of Revenue clearance certificates issued within 10 days from the time of completed application received (LED3.21)	85% of Revenue Clearance Certificates issued within 10 working days from the time of completed applications received.	2.00%	85%	85%	85%	85%	3= 85% 4= 85.01 - 80% 5= above 80%
8A.6	Cash/Cost coverage ratio (FM3.11)	Cost coverage of 30 - 60 days for the 2025/26 financial year	0.25%	30 - 60 days	30 - 60 days	30 - 60 days	30 - 60 days	3= 30 - 40 days 4=40 -50 days 5= above 50 days
8A.8	Provide support on city Strategic budgeting process	Table compliant budget by 31 March 2026 (100%)	20.00%	5%	30%	100%	100%	3= balanced budget tabled by 31 March 2026 4= balanced budget tabled before 31 March 26 5= National Treasury assessment of budget indicates that budget is credible and funded.
8A.9	Gearing Ratio (Debt to Total income including grant income)	Gearing ratio of 20% by 30 June 2026	5.00%	A	A	A	20%	3= 20% 4= 18% - 19.99% 5= under 20
8A.10	Issue Supplementary Valuation Roll	Issue 1 Supplementary Roll by 30 June 2026	3.00%	A	A	A	YES	1 = Supplemetary Roll not issued. 2 = 1 Supplementary Roll issued with less than 5000 entries. 3 = 1 Supplementary Roll issued with 5000 to 5499 entries.. 4 = 1 Supplementary Roll issued with 5500 to 6000 entries 5 = 1 Supplementary Roll issued with more than 6000 entries or 2 Supplementary Rolls issued.
8A.11	Compile General Valuation Roll GV 2026	Publication of General Valuation Roll	0.25%	A	A	A	YES	3: hand over on 31 Jan 2026 4: hand over before 31 Jan 2026 5: hand over by 31 December 2025

SDBIP Indicator No. / Additional Indicator	Key Performance Indicators	Annual Targets (30 June 2026)	Weighting	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Scoring scale
BA.11 (FM1.12)	Maintain an overall payment rate of Cash over monthly billing	93% collection by 30 June 2026	1.00%	93%	93%	93%	93%	3= 93% 4= 93.01% - 95% 5= over 95%
BA.12	Debt Coverage Ratio (No. of times)	Debt Coverage of 17.5 times for the 25/26 financial year	3.00%	A	A	A	17.5 times	3= 17.5 - 18.5 times 4= 18.51 - 19 times 5= over 19 times
BA.13	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget (FM1.12)	100% of operating budget spent by 30 June 2026	1.00%	25%	50%	75%	100%	3= 100% 4=97.5% - 99.9% 5=below 97.5%
BA.14	Total Operating Revenue as a percentage of Total Operating Revenue Budget (FM1.13)	100% operating revenue generated by 30 June 2026	1.00%	25%	50%	75%	100%	3= 100% 4=97.5% - 99.9% 5=below 97.5%
BA.15	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget (FM1.14)	95% Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget by 20 June 2026	1.00%	25%	50%	75%	95%	3= 95% 4=95.1% - 97.5% 5= above 97.5%
BA.16	Funded budget (Y/N) (Municipal) (FM1.21)	YES	3.00%	N/A	N/A	YES	YES	3= yes 4= funded with surplus 5=National Treasury assessment - credible
BA.17	Current Ratio (Current assets/current liabilities) (FM3.12)	Current ration of 1:1 for 2025/26 Financial year	0.25%	A	A	A	1:1	3= 1:1 4= 1.05:1 5= above 1.05:1
BA.18	Trade payables to cash ration (FM3.13)	Trade payables to cash ratio of 0.5 for 2025/26 financial year	0.25%	0.5	0.5	0.5	0.5	3= 0.5 4= 0.4 to 0.49 5= under 0.4
BA.19	Liquidity ratio (FM3.14)	Liquidity ratio of 0.3 for 2025/26 financial year	0.25%	0.3	0.3	0.3	0.3	3=0.3 4= 0.31 to 0.4 5=above 0.4
BA.20	Percentage of total capital expenditure funded from own funding (internally generated funds + borrowings)(FM5.11)	55% total capital expenditure funded from own funding (internally generated funds + Borrowings) for 2025/26 Financial year	0.25%	55%	55%	55%	55%	3= 55% 4= 55.01 - 60% 5=over 60%
BA.21	Percentage of total Capital expenditure funded from capital conditional grants (FM5.12)	45% of total capital expenditure funded from capital condition grants for 2025/26 financial year	0.25%	A	A	A	45%	3= 45% 4= 44.9 - 40% 5= below 40%
BA.22	Percentage of total capital expenditure on renewal/upgrading of existing assets (FM5.21)	17% of total capital expenditure on renewal/ upgrading of existing assets for 2025/26 Financial year	0.25%	A	A	A	17%	3= 17% 4= 17.01 -20% 5= above 20%
BA.23	Renewal/Upgrading of Existing assets as a percentage of Depreciation/Asset Impairment (FM5.22)	34% renewal/upgrading of existing assets as a percentage of Depreciation/Asset Impairment of 2025/26 Financial year	0.25%	A	A	A	34%	3= 34% 4=34.01 - 36.5% 5= above 36.5%
BA.24	Repairs and Maintenance as a percentage of property, plant, equipment and investment property (FM5.31)	6% repairs and maintenance as a percentage of property, plant, equipment and investment property for 2025/26 financial year	2.00%	A	A	A	6%	3= 6 - 6.5% 4= 6.51% - 7% 5= above 7%
BA.25	Debtors payment period (FM7.11)	Debtors payment period of 120 days for 2025/26 Financial year	0.25%	120 days	120 days	120 days	120 days	3= 120 days 4= 115 - 119 days 5=below 115 days
BA.26	Collection rate ratio (FM7.12)	Collection rate of 83% for 2025/26 Financial year	0.25%	83%	83%	83%	83%	3= 83% 4= 83.01 - 85% 5= over 85%
BB.6	Average number of days from the point of advertising to the letter of award per 80/20 procurement process (LED3.31)	Average number of 120 days from the point of advertising to the letter of award per 80/20 procurement process for 2025/26 financial year	0.25%	120 days	120 days	120 days	120 days	3= 120 days 4= 115 days -119 days 5= below 115 days
BB.7	Percentage of awarded tenders (over 750K), published on the municipal website (FM6.12)	100% of awarded tenders (over 750K), published on the Municipality's website for 2025/26 inancial year	0.25%	100%	100%	100%	100%	3= 100% 4= 100% published within 30 days 5= 100% published within

SDBIP Indicator No. / Additional Indicator	Key Performance Indicators	Annual Targets (30 June 2026)	Weighting	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Scoring scale
8B.6	Percentage of tender cancellations (FM6.13)	10% of tender cancellations	0.25%	10%	10%	10%	10%	3= 10% 4= 8 - 9.99% 5= Below 8%
8.16.6	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	12% of total municipal operating expenditure spent on contracted services physically residing within the municipal area.	0.25%	12%	12%	12%	12%	3= 12% - 12.99% 4= 13% - 15% 5= above 15%
8B.1	Submit annual financial statements in compliance with MFMA FOR 2024/2025	Annual Financial Statement (AFS) submitted by 31 August 2025 (yes or no)	20.00%	YES	YES	YES	YES	3= AFS by 31 August 25 4=AFS by 31 August 25 and consol by 30 Sept. 25 5= No material adjustments to AFS
8B.2	Obtain an unqualified Audit opinion	Obtain an unqualified audit opinion for the financial year 2025/2026 (yes)	10.00%	A	A	YES	YES	3= Unqualified Audit Opinion 4= Unqualified Audit with no material accounting adjustments. 5= unqualified opinion, no material misstatements, lower number of compliance findings reported in audit report in comparison to 24/25 audit report
8B.3	Percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission (LED3.32)	85% of creditors paid within 30 days from date of receipt of invoice	0.25%	85%	85%	85%	85%	3= 85% 4= 85.1 - 90% 5= above 90%
8B.4	Creditors payment period (FM4.31)	Creditors payment period of 30 days for 2025/26 Financial year	0.25%	30 days	30 days	30 days	30 days	3= 30 days 4=27 - 29 days 5= Less than 27 days
8B.5	Cash backed reserves reconciliation at year end (FM2.21)	100% Cash backed reserves reconciliation at year end.	1.00%	A	A	A	100%	3= 100% 4= 100.1 - 105% 5= Above 105%
8C.3	Number of repeat city wide audit findings (GG3.11)	Not more than 108 repeat findings which represents the baseline total findings issued by the AG for the 2023/24 Financial year	0.25%	A	A	A	0 Findings	3= 108 4= 100 - 107 5= less than 100
8C.4	Percentage reduction of irregular expenditure	95% reduction of irregular expenditure incrementally from baseline of 20-29-20	1.25%	A	A	A	95%	3= 95% against baseline 4= 95.1 to 99.9% against baseline 5= 100% and above
8C.5	Irregular, fruitless and wasteful, unauthorised expenditure as a percentage of Total Operating Expenditure	0% Irregular, fruitless and Wasteful, unauthorised expenditure as a percentage of Total Operating Expenditure	0.25%	A	A	A	0%	3= 2.01%-3% 4= 0.01% - 2% 5= 0%
8C.6	Percentage elimination of Fruitless and wasteful expenditure	25% reduction of fruitless and wasteful expenditure incrementally from baseline of 20-19.-20	0.25%	A	A	A	25%	3= 100% reduction 4= No new FWe 5= Over 100% reduction
8.41	Percentage of water meters read according to the schedule	80% of water meters read according to the schedule	0.50%	80%	80%	80%	80%	3= 80% 4= 80.01% to 84.99% 5= >/= 85%
8.42	Percentage of electricity meters read according to the schedule	80% of electricity meters read according to the schedule	0.50%	80%	80%	80%	80%	3= 80% 4= 80.01% to 84.99% 5= >/= 85%
KPA 5: Good Governance and Public Participation						Weighting =	10%	
ADD	Number of material audit findings for the 2025/26 financial year	Zero material audit findings for 2025/26 financial year	10.00%			0	0	3= Unqualified opinion with reduction in audit report findings 4= Unqualified opinion with no audit report findings (Clean Audit) 5=Clean Audit with a reduction in Annexure B findings.

SDBP Indicator No. / Additional Indicator	Key Performance Indicators	Annual Targets (30 June 2026)	Weighting	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Scoring scale
KPA 6: Cross Cutting						Weighting =	0%	
			100.00%					

COMPETENCY FRAMEWORK STRUCTURE						
LEADING COMPETENCIES		WEIGHTING (%)	SELF-ASSESSMENT		PANEL ASSESSMENT	
			SCORE OUT OF 5	WEIGHTED SCORE	SCORE OUT OF 5	WEIGHTED SCORE
Strategic direction and leadership	Impact and Influence	5%				
	Institutional Performance Management					
	Strategic Planning and management					
	Organisational Awareness					
People management	Human capital Planning and development	5%				
	Diversity Management					
	Employee Relations Management					
	Negotiation and Dispute Management					
Program and Project Management	Program and Project Planning and Implementation	5%				
	Service Delivery Management					
	Program and Project Monitoring and Evaluation					
Financial Management	Budget Planning and Execution	60%				
	Financial Strategy and Delivery					
	Financial Reporting and Delivery					
Change Leadership	Change Vision and Strategy	5%				
	Process Design and Improvement					
	Change Impact Monitoring and Evaluation					
Governance Leadership	Policy Formulation	8%				
	Risk and Compliance Management					
	Cooperative Governance					
CORE COMPETENCIES		WEIGHTING				
Moral Competency		2%				
Planning and Organising		2%				
Analysis and Innovation		2%				
Knowledge and Information Management		2%				
Communication		2%				
Results and Quality Focus		2%				
TOTAL PERCENTAGE		100%		0.00		

APPENDIX B
(TO THE PERFORMANCE AGREEMENT)

PERSONAL DEVELOPMENT PLAN (PDP)

Made and entered into by and between:

The eThekwini Municipality

and

Dr. Sandile Mnguni

Deputy City Manager

FINANCE

Period: 1 July 2025 To 30 June 2026

1. A municipality should be committed to –

1.1. The continuous training and development of its employees to achieve its vision, and mission and strategic objectives and empower employees; and

1.2. Managing training and development within the ambit of relevant national policies an legislation

2. A Municipality should follow an integrated approach to Human Capital Management, that is:

2.1. Human Capital development forms an integral part of human capital planning and management.

2.2. In order for training and development strategy and plans to be succesful it should be based on sound Human Capital (HC) practices, such as the (strategic) HC Plan, job descriptions, the result of a regular performamnce appraisals and career pathing.

2.3. To ensure the necessary linkage with performance management, the Performance Management and Development Sysytem 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 appraisal.

2.4. 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 compentencies to prepare them for future positions.

2.5. Personal Development Plans are compiled for individual employees and the data collated from all 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 aim of the compilation of Personal Development Plan is to identify, prioritise and implement training needs.

4. Compiling the Personal Development Plan should be as follows:

4.1. Competency assessment instruments should be established to assist with the objective assessment of employees' actual competencies against their job specific competency profiles and managerial competencies at a given period in time with the purpose of identifying training needs or skills gaps.

4.2. The competency framework and profiles and relevant competency assessment results will enable a manager, in consultation with his/her employer, to compile a Personal Development Plan. The identified training needs should be entered into column 1 of the plan, entitled Skills / Performance Gap. The following should be carefully determined during such a process:

4.2.1. 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) 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.

4.2.2. Individual training needs that are job / career related.

4.3. Next, the proiritisation of the training needs should be listed since it may not be possible to address all identfied 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 accomodating critical/strategic training and development needs in the Personal Development Plans and the Workplace Skills Plan.

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

4.5. An appropriate intervention should be identified to address training needs/skills gaps and the outcome to be achieved but with due regard to cost effectiveness. These should be listed in column 3 of the plan entitled: Suggested training and/or development activity in line with the National Qualifications Framework, which could enable the trainee to obtain recognition towards a qualification for training undertaken. It is important to determine through the Training/Human Resource Development/Skills Development Unit within the municipality whether unit standards have been developed and registered with the South African Qualifications Authority that are in line with the skills gap and expected outcomes identified. Unit standards usually have measurable assessment criteria to determine achieved competency

4.6. Guidelines regarding the number of training days per employee and the nominations of employees should be considered.

4.7. Column 4 of the plan: The suggested mode of delivery refers to the chosen methodology that is deemed most relevant to ensure transfer of skills. The training/development activity should impact on delivery back in the workplace. Mode of delivery consists of, amongst others, self-study [The official takes it upon him/her to read e.g. legislation]; internal or external training provision; coaching and/or mentoring and exchange programmes, etc.

4.8. The suggested time frames (column 5 of the plan) 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.

4.9. Work opportunity created to practice skill/development areas, in column 6 of the plan, further ensures internationalisation of information gained as well as return on investment (not just a nice to have skills but a necessary to have skills that is used in the workpace).

4. 10 The final column, column7 of the plan, provides the employee with a support person that could act as coach or mentor with regard to the area of learning.

APPENDIX B
(TO THE PERFORMANCE AGREEMENT)
2025-2026

Personal Development Plan of: Dr. Sandile Mnguni

Compiled on (Date): .....

PERSONAL DEVELOPMENT PLAN

No.	Skills/competency gap/needs	Actions/Training interventions	Expected Outcomes/Impacts	Time Frames	Mode of Development Delivery	Remarks/Status
1	None					
2						
3						
4						
5						