

MID YEAR PERFORMANCE REPORT

FY 2018/2019

UTHUKELA WATER (PTY) LTD



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Introduction

In terms of Section 88 (1) (a) (b) and 88 (2) of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003. The accounting officer of a municipal entity must by 20 January of each year- assess the performance of the entity during the first half of the financial year, submit a report on such assessment to the board of directors and parent municipalities of the entity and such a report must be made public.

This report serves to table only the mid-year performance of the company as at 31/12/2018 against its pre- determined objectives planned out in April 2018. (Measurement of performance against the SDBIP of FY2018/2019)

The financial performance of the entity will be reported on separately

Service Delivery Performance Analysis

uThukela Water (Pty) Ltd uphold its mission statement by ensuring excellent and consistent performance across all areas of expertise within the entity.

In April 2018 a pre-determined strategic plan/SDBIP that converts into measurable criteria on how, where and when the strategic objectives and normal business processes of the entity will be achieved and implemented was tabled for the FY 2018/2019.

This plan has since been approved by both the Board of directors as well as the respective parent municipalities of the entity.

a) PERFORMANCE SETTING

The SDBIP of uThukela Water (Pty) Ltd for the FY 2018/2019 comprised of 7 key strategic objectives. Which were filtered into key performance areas and key performance indicators. The key performance indicators were assigned annual targets and performance is measured against these targets quarterly.

uThukela Water (Pty) Ltd Key Strategic Objectives



b) MONITORING PERFORMANCE

The entity's performance is measured as per the performance management policy of uThukela Water (Pty) Ltd. The performance of the entity is measured at the end of every quarter and is carried out by the Chairperson of the Board of Directors Mr. P.S Naidoo

uThukela Water (Pty) Ltd make use of a 4 Point rating scale to measure performance, it is the same rating scale used to measure targets within the SDBIP of the entity.

Rating	Level	Description
1	Unacceptable Performance / Needs Development	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half of the performance criteria and indicators as specified in the Performance Agreement. The member 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.
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 less than half of the key performance criteria and indicators as specified in the Performance Agreement.
3	Fully Effective	Performance fully meets the standard expected in all areas of the job. The review / assessment indicate that the member has achieved fully effective results against all the performance criteria and indicators as specified in the Performance Agreement.
4	Performance Above Expectations	Performance is significantly higher than the standard expected in the job or far exceeds the standard expected of a member at this level. The appraisal indicates that the member has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.

c) PERFORMANCE OUTCOMES

The below chart (**Figure 1**) serves to represent the performance outcomes as at Mid- Year (31/12/2018) of uThukela Water (Pty) Ltd. A detailed scoresheet can be found at the end of this report.

The entity managed to meet all its agreed targets as per the SDBIP FY 2018/2019 in the key performance areas of the following strategic objectives:

- Communicate company performance to stakeholders and public
- Manage stakeholder relationships
- Ensure good corporate governance
- Increase financial sustainability
- Improve Service Delivery
- Maintain, Improve and Increase Water Infrastructure

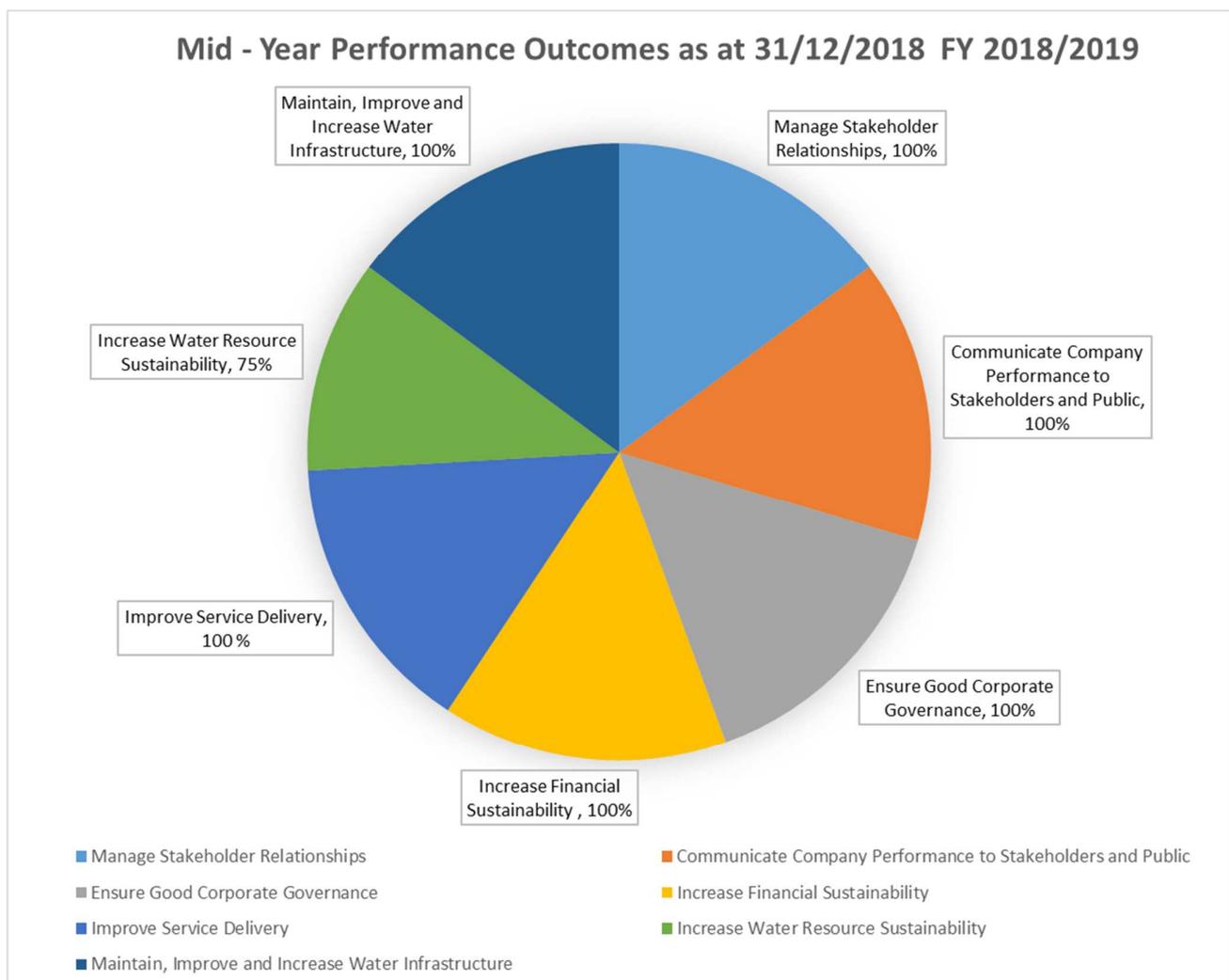


FIGURE 1



uThukela Water (Pty) Ltd.

MID-YEAR PERFORMANCE REPORTING SCORECARD F18/19

Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Manage Stakeholder Relationships	Align Business Plans & Budgets with Municipal IDPs, Budgets & Plans, and National / Provincial Development Objectives	Submission of Business Plan, Budgets and Mid-Year Performance Assessments in terms of the provisions of the MFMA. One Meeting per annum with each Shareholder and Provincial Representative Committee to align budgets to Municipal IDPs, National and Provincial Plans		<ul style="list-style-type: none"> Submit an annual business plan to WSA's Submit a Mid-Year Performance Assessment Report and, a final annual performance report One meeting per WSA to align budgets and plans 	<ul style="list-style-type: none"> Due in Q3 Mid-Year Performance report due in Q3, Final Annual Performance Report submitted One meeting held with Amajuba DM and one Meeting held with Newcastle LM 	<ul style="list-style-type: none"> Target Met Target Met 	<p><i>Failed to meet with uMzinyathi DM after numerous attempts to schedule a meeting</i></p>	<ul style="list-style-type: none"> 3

	Schedule and attend regular Operational Admin and Financial meetings with Parent Municipalities	To schedule monthly meetings with all WSAs		<ul style="list-style-type: none"> 12 Monthly meetings scheduled with all WSA's 	<ul style="list-style-type: none"> 6 Monthly Meetings scheduled with all WSA's 	<ul style="list-style-type: none"> Target Met 		<ul style="list-style-type: none"> 3
	Board, Shareholder and Audit Committee Meetings	Quarterly meetings to be scheduled		<ul style="list-style-type: none"> 4 Board meetings scheduled 1 Shareholders meetings scheduled 4 Audit Committee meetings scheduled 	<ul style="list-style-type: none"> 2 Board Meetings Scheduled Shareholders Meeting Due in Q4 2 Audit Committee Meetings scheduled 	<ul style="list-style-type: none"> Target Met Target Met Target Met 	Only 1 board meeting had a quorum	<ul style="list-style-type: none"> 3
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Communicate Company Performance to Stakeholders and Public	Submission of Monthly Section 71 Oversight Reports and Quarterly Performance Reports to Shareholders	Compile and submit Monthly Oversight Reports and Quarterly Performance Reports to Shareholders		<ul style="list-style-type: none"> 12 Monthly Section 71 oversight reports 4 Performance Reports 	<ul style="list-style-type: none"> 12 Monthly Section 71 Reports 2 Performance Reports Completed 	<ul style="list-style-type: none"> Target Met Target Met 		<ul style="list-style-type: none"> 3
	Compile Annual Report with Input from Stakeholders	Compile and submit Final Annual Report to Stakeholders and Public by 31 st of August each year		<ul style="list-style-type: none"> Compile and submit 1 annual report by the 31st August 	<ul style="list-style-type: none"> Annual report submitted on the 31st of August 2018 via Dropbox to the WSA's 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3

Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Ensure Good Corporate Governance	Compliance with Statutory Company and Local Government Legislation	To ensure compliance with Company, National, Provincial and Local Government legislative guidelines by updating and signing off control sheets on a quarterly basis		<ul style="list-style-type: none"> 4 Quarterly Compliance Control Sheets 	<ul style="list-style-type: none"> 2 quarterly compliance control sheets signed 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3
	Manage and Reduce Risks	Carry out an annual institutional risk assessment and perform quarterly monitoring exercises thereof		<ul style="list-style-type: none"> 1 Annual risk assessment 4 Quarterly Risk Monitoring Reports 	<ul style="list-style-type: none"> Annual risk assessment due in Q4 2 quarterly monitoring risk report submitted 	<ul style="list-style-type: none"> Target met & exceeded 		<ul style="list-style-type: none"> 4
	Attract, Retain and increase organisational skills and capacity	Training and development of Staff in line with the institutions succession plan, career pathing, talent management, performance		<ul style="list-style-type: none"> Capacitating staff and developing staff in line with the succession plan. With a total of 80% 	<ul style="list-style-type: none"> Due in Q4 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3

		intervention, WSP		of all staff in training and development programmes been from the staff highlighted to be developed in terms of the WSP				
	Information Technology Systems	Functional modern-day and live IT systems that generate management and stakeholder information.		<ul style="list-style-type: none"> 12 Monthly IT Reports 	<ul style="list-style-type: none"> 6 Monthly reports submitted 			
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Increase Financial Sustainability	Good Financial Management based on Sound Accounting, Supply Chain Management and Economic Principles with good internal controls	Number of material external audit findings in the Annual Audit Report to be less than 3 findings.		<ul style="list-style-type: none"> < 3 Material External Findings 	<ul style="list-style-type: none"> Zero material Audit findings 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3
	Revenue Management	To invoice debtors within 10 days of each new month for services rendered.		<ul style="list-style-type: none"> 12 Monthly Invoices per WSA 	<ul style="list-style-type: none"> 12 Monthly invoices per WSA Submitted within 10 days of 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3

					each new month			
	Financial Performance	To produce Annual Financial Statements by the 31 August each year		<ul style="list-style-type: none"> Annual Financial Statements by the 31st August 	<ul style="list-style-type: none"> Annual Financial Statements produced by the 31st August 2018. 	<ul style="list-style-type: none"> Target Met 		<ul style="list-style-type: none"> 3
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Improve Service Delivery	To supply agreed bulk water volumes to WSAs	To supply uninterrupted bulk water volumes in terms of WSP / WSA Agreements and budgeted volumes.		<ul style="list-style-type: none"> Newcastle 34675000KL uMzinyathi 560000 KL Amajuba 5660000 KL 	<ul style="list-style-type: none"> Newcastle 15371380KL uMzinyathi 2741226KL Amajuba 2790960 	<ul style="list-style-type: none"> Target met and exceeded 		<ul style="list-style-type: none"> 4
	To supply quality bulk water in terms of SANS 241:2015	95% compliance of; Acute health, chemical and microbiological, Aesthetic and operational, and Chronic health chemical standards.		<ul style="list-style-type: none"> 95% Water Quality Across all determinants in terms of SANS 241:2015 To develop a laboratory accreditation plan as per the SANS 17025 	<ul style="list-style-type: none"> > 95% Water Quality Across all determinants in terms of SANS 241:2015 Due in Q4 	<ul style="list-style-type: none"> Target met and exceeded 		<ul style="list-style-type: none"> 4
	Reliability of Bulk Water Supply	To minimise unavoidable or planned		<ul style="list-style-type: none"> All planned and unplanned 	<ul style="list-style-type: none"> All planned and unplanned 	<ul style="list-style-type: none"> Target met and exceeded 		<ul style="list-style-type: none"> 4

		maintenance interruptions of bulk water supply to less than 24 hours in any one instance.		maintenance disruptions of bulk water should be less than 24 hours per disruption.	maintenance disruptions of bulk water < 24 hours per disruption			
	Water Conservation Management	To restrict bulk water losses on raw and potable bulk pipelines to less than 15% per annum		<ul style="list-style-type: none"> To restrict water loss on total bulk water system raw and potable pipelines to an average of less than 15% per annum. To develop a WCDM plan 	<ul style="list-style-type: none"> Total water loss for Quarter 1 8.76% Total water loss for Quarter 2 6.35% Due in Q4 	<ul style="list-style-type: none"> Target met and exceeded 		<ul style="list-style-type: none"> 4
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Increase Water Resource Sustainability	To coordinate the regional bulk water master plan	To coordinate quarterly meetings of the regional bulk water master plan		<ul style="list-style-type: none"> 4 Meetings 	<ul style="list-style-type: none"> 2 Meetings Scheduled 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3
	Increasing the resiliency of the institution	Disaster recovery planning		<ul style="list-style-type: none"> 4 Disaster Recovery Planning Meetings to develop an Institutional Disaster Recovery Plan 	<ul style="list-style-type: none"> 0 Meetings held 	<ul style="list-style-type: none"> Target Not Met 	4 Meetings will be held in Quarter 3 and Quarter 4	<ul style="list-style-type: none"> 3

	Regular asset conditional assessments	To annually assess the overall condition of all assets		<ul style="list-style-type: none"> 1 Annual asset conditional assessment 	<ul style="list-style-type: none"> Due in Q4 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3
	Maintenance Planning	To highlight the operational and capital requirements in the Annual Maintenance Plan.		<ul style="list-style-type: none"> 1 Annual Maintenance Plan highlighting operational and capital requirements 	<ul style="list-style-type: none"> Annual Maintenance Plan Completed and submitted 	<ul style="list-style-type: none"> Target Met 		<ul style="list-style-type: none"> 3
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 31/12/2018	Target Met/ Target Not Met	Comments	Performance Score
Maintain, Improve and Increase Water Infrastructure	Sourcing of Funds	To produce 2 Business Plans that feed into the Multi-Year Budget to address the maintenance and capital needs.		<ul style="list-style-type: none"> Complete 2 Business Plans per Annum 	<ul style="list-style-type: none"> 1 Business Plan for the Ntshingwayo Bulk Water Scheme Completed 	<ul style="list-style-type: none"> Target met 		<ul style="list-style-type: none"> 3