



DRAFT ANNUAL PERFORMANCE REPORT FY 2017/2018

UTHUKELA WATER (PTY) LTD



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Introduction

This report serves to table the annual performance of the company as at 30/06/2018 against its pre- determined objectives planned out in June 2017. (Measurement of performance against the SDBIP of FY2017/2018)

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 June 2017 a pre-determined strategic plan/SDBIP for the FY 2017/2018 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.

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 2017/2018 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 makes 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.

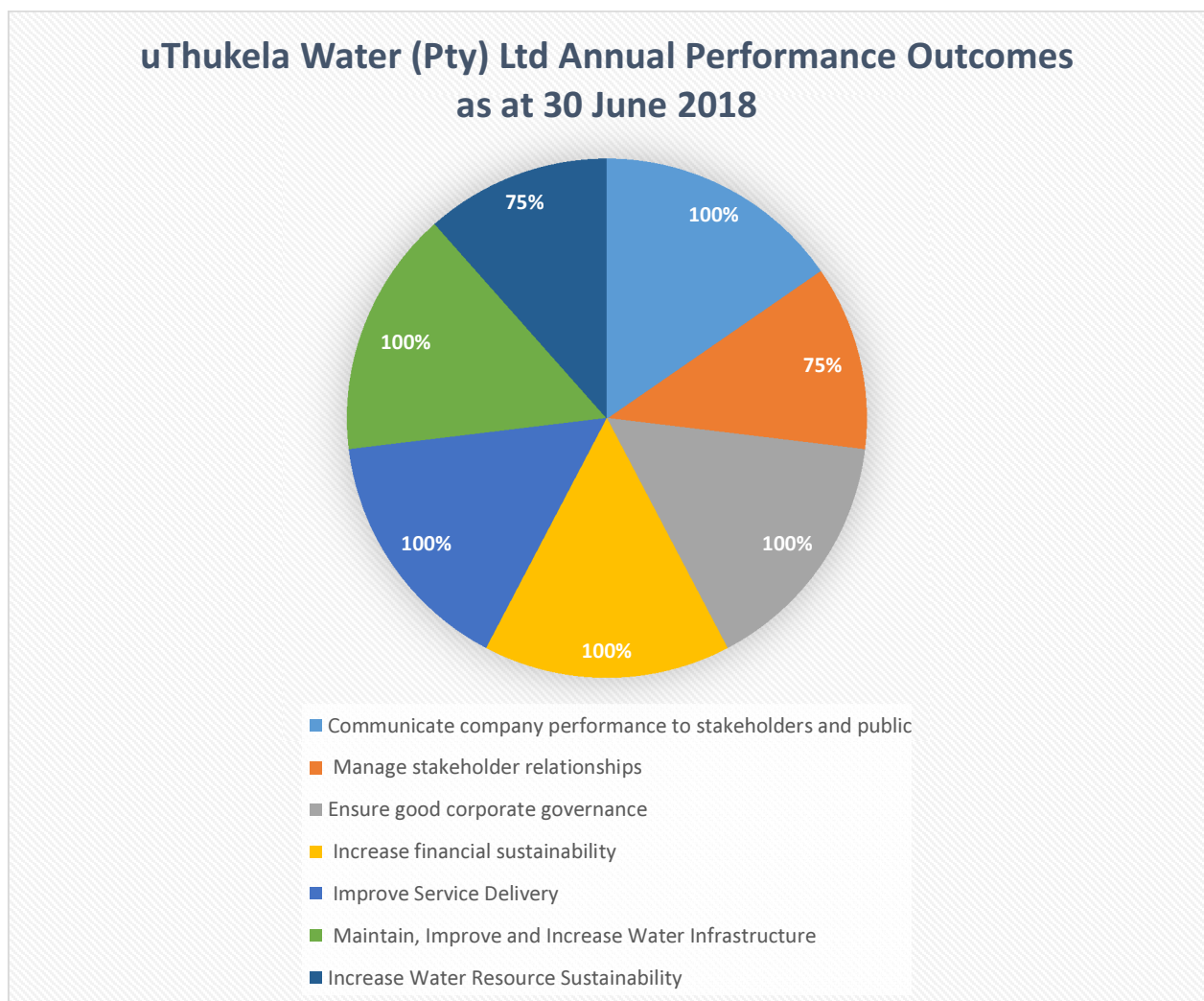
c) PERFORMANCE OUTCOMES

The chart below (**Figure 1**) serves to represent the performance outcomes of uThukela Water (Pty) Ltd as at year end (30/06/2018). 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 2017/2018 in the key performance areas of the following strategic objectives:

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

FIGURE 1





uThukela Water (Pty) Ltd

ANNUAL PERFORMANCE REPORTING SCORECARD FY 17/18

Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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	All votes	<ul style="list-style-type: none"> • Submit One Business Plan per WSA • Submit 1 Mid-Year Performance Assessment Report • One meeting per WSA to align budgets and plans 	<ul style="list-style-type: none"> • One business plan submitted to all 3 WSA's • Mid-Year Performance Assessment Report Submitted on the 19/01/2018 • One meeting per WSA to align budget. 1 Meeting with Amajuba DM and Newcastle LM to align SDBIP 	<ul style="list-style-type: none"> • Target Met • Target Met • Target Met 	<ul style="list-style-type: none"> • Requests were sent to uMzinyathi to align FY17/18 SDBIPS's however no meeting took place. 	4

	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"> 11 Monthly Meetings Scheduled with WSA's 	<ul style="list-style-type: none"> Target Not Met 	<ul style="list-style-type: none"> 9 Meetings of 11 had no quorum due to WSA officials not honouring meeting dates. 	3
	Board, Shareholder and Audit Committee Meetings	Quarterly meetings to be scheduled	<ul style="list-style-type: none"> O0001/IE00833/F0932/X051/R5236/001/HRM O0001/IE00782/F0932/X045/R5236/001/STR 	<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"> 4 Board Meetings Held 1 Shareholders meeting Held 4 Audit Committee Meetings Held 	<ul style="list-style-type: none"> Target Met Target Met Target Met 		3
Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ Not Met	Comments	Performance Score
Communicate Company Performance to Stakeholders and Public	Submission of Monthly Section 71 Oversight Reports and Quarterly Performance	Compile and submit Monthly Oversight Reports and Quarterly Performance		<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 4 Performance Reports 	<ul style="list-style-type: none"> Target Met Target Met 		3

	Reports to Shareholders	Reports to Shareholders						
	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"> 00001/IE00583/FO583/FO932/X045/RS236/001/STR 	<ul style="list-style-type: none"> Compile and submit 1 annual report by the 31st August 	<ul style="list-style-type: none"> Annual Report FY 2016/2017 Submitted on the 21st June 2018 	<ul style="list-style-type: none"> Target Met 		3
Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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	All votes	<ul style="list-style-type: none"> 4 Quarterly Compliance Control Sheets 	<ul style="list-style-type: none"> 4 Quarterly Compliance Control Sheets 	<ul style="list-style-type: none"> Target Met 		3
	Manage and Reduce Risks	Carry out an annual departmental risk assessment and perform quarterly monitoring exercises thereof	All votes	<ul style="list-style-type: none"> 1 Annual risk assessment 4 Quarterly Risk Monitoring Reports 	<ul style="list-style-type: none"> 1 Annual Risk Assessment 4 Quarterly Risk Monitoring Reports 	<ul style="list-style-type: none"> Target Met Target Met 		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 intervention, WSP	<ul style="list-style-type: none"> • O1232-1/IE01403/F0932/X051/R5236/001/HRM • O1232-1/IE01399/F0932/X051/R5236/001/HRM 	<ul style="list-style-type: none"> • Capacitating staff and developing staff in line with the succession plan. With a total of 80% of all staff in training and development programmes been from the staff highlighted to be developed for succession. 	<ul style="list-style-type: none"> • Progress Report on Succession Planning and WSP submitted. More than > 80% of staff in training and development programmes are staff highlighted to be developed for succession. 	<ul style="list-style-type: none"> • Target Met 		4
	Information Technology Systems	Functional modern-day and live IT systems that generate management and stakeholder information.	<ul style="list-style-type: none"> • O1555-1/IE00650/F0932/X052/R5236/001/ICT • O0001/IE00709/F0932/X052/R5236/001/ICT • O0001/IE00792/F0932/X052/R5236/001/ICT • O0001/IE00784/F0932/X052/R5236/001/ICT • O0001/IE00784/F0932/X052/R5236/001/ICT 	<ul style="list-style-type: none"> • 12 Monthly IT Reports 	<ul style="list-style-type: none"> • 12 Monthly IT Reports 	<ul style="list-style-type: none"> • Target Met 		3

Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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"> O0001/IE00567/F0932/X049/R5236/001/FIN 	<ul style="list-style-type: none"> < 3 Material External Findings 	<ul style="list-style-type: none"> 0 Material Findings for the FY 2016/2017 	<ul style="list-style-type: none"> Target Met and Exceeded 	<ul style="list-style-type: none"> Clean audit outcome 	4
	Revenue Management	To invoice debtors within 10 days of each new month for services rendered.		<ul style="list-style-type: none"> 12 Monthly Invoices 	<ul style="list-style-type: none"> 12 Monthly Invoices per WSA 	<ul style="list-style-type: none"> Target Met 		3
	Financial Performance	To produce Annual Financial Statements by the 31 st of August each year	<ul style="list-style-type: none"> O1336-1/IE00843/F0932/X045/R5236/001/STR 	<ul style="list-style-type: none"> Annual Financial Statements 	<ul style="list-style-type: none"> Annual Financial Statements produced and submitted before the 31st August 2017 	<ul style="list-style-type: none"> Target Met 		4

Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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.	All votes	<ul style="list-style-type: none"> Newcastle 30000000KL uMzinyathi 5200000KL Amajuba 5900000KL 	<ul style="list-style-type: none"> Newcastle 29459207KL uMzinyathi 5404628 KL Amajuba 5694760 KL 	<ul style="list-style-type: none"> Target Met and Exceeded 	<ul style="list-style-type: none"> Due to the Newcastle LM reducing their bulk water budget. The board and the municipality agreed to cut bulk water volumes by 20MGL per day to retrofit the budget. Refer to letter addressed to Newcastle LM Municipal Manager dated the 27/07/2017 	4
	To supply quality bulk water in terms of SANS 241:2015	95% compliance of; Acute health, chemical and microbiological , Aesthetic and operational, and	<ul style="list-style-type: none"> O0005-1/IE00005/F0 932/X148/R52 36/001/LAB 	<ul style="list-style-type: none"> 95% Water Quality Across all determinants in terms of SANS 241:2015 	<ul style="list-style-type: none"> Newcastle Acute Health Chemical and Microbiological 100% Aesthetic Compliance 100% 	<ul style="list-style-type: none"> Target Met 		4

		Chronic health chemical standards.			Chronic Health Compliance 100% Operational Compliance 99.7% • Biggarsberg Acute Health Chemical and Microbiological 99.04% Aesthetic Compliance 100% Chronic Health Compliance 100% Operational Compliance 99.9%			
	Reliability of Bulk Water Supply	To minimise unavoidable or planned maintenance interruptions of bulk water supply to less than 24 hours in any one instance.	<ul style="list-style-type: none"> • O2158-1/IE00651/F093 2/X148/R5236/0 01/NGAG • O2158-2/IE00651/F093 2/X148/R0399/0 01/BIGG 	<ul style="list-style-type: none"> • All planned and unplanned maintenance disruptions of bulk water should not be greater than 24 hours per disruption. 	<ul style="list-style-type: none"> • 28/08/2017 Ntshingwa yo Raw Water Steel Pipeline 9 Hours • 01/11/2017 GRP Pipeline to Braakfonte in 8 Hours • 06/12/2017 Ntshingwa yo Raw Water 	<ul style="list-style-type: none"> • Target Met 		4

					Steel Pipeline 9 Hours <ul style="list-style-type: none"> • 01/03/2018 Shutdown of the main Ntshingwa yo 700mm • 11 Hours • 19/03/2018 Isolation of the AC pipeline to Braakfontein • 8 Hours • 06/04/2018 Isolation of the AC pipeline to Hilldrop 8 Hours • 07/04/2018 Isolation of the AC pipeline to Hilldrop • 7 Hours • 23/04/2018 Isolation of breaker at Ngagane 			
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					sub-station 6 Hours • 14/05/2018 Isolation of the Kilbarchan / Alcockspruit pipeline 6 Hours • 21/05/2018 Total Power Outage at Ngagane WPP 7 Hours • 15/06/2018 Isolation of the steel line to Hilldrop 4 Hours • 18/06/2018 Isolation of the AC line to Braakfontein in 8 Hours			
	Water Conservation Management	To restrict bulk water losses on raw and potable bulk pipelines to less than 15% per annum	• O2158-1/IE00651/F0 932/X148/R52 36/001/NGAG • O2158-2/IE00651/F0	• To restrict water loss on total bulk water system raw and potable pipelines to an average	• Total Water Loss Bulk System 8.35%	• Target Met	• A meter replacement program is being out rolled to allow accurate and consistent	4

			932/X148/R03 99/001/BIGG <ul style="list-style-type: none"> O2209-1/IE00651/F0 932/X148/R03 99/001/BIGG O2563-2/IE00651/F0 932/X148/R52 36/001/NGAG 	of 15% per annum.			flow meter readings for accurate water loss calculations over the raw water supply lines.	
Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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 Quarterly Meetings 	<ul style="list-style-type: none"> 1 Meeting held 	<ul style="list-style-type: none"> Target Met 	<ul style="list-style-type: none"> Two WSAs have not endorsed the recommendations of the prefeasibility study concluded by RHDHV. Meetings are supposed to be scheduled once the WSAs have endorsed the recommendation. Going forward the uThukela Water bulk Water 	3

							<i>Masterplan that was approved by the board will be used.</i>	
	Increasing the resiliency of the institution	Disaster recovery planning		<ul style="list-style-type: none"> 12 Monthly Disaster Recovery Planning Meetings to develop an Institutional Disaster Recovery Plan 	<ul style="list-style-type: none"> 3 Meetings Held 1 Meeting held to appoint steering committee 	<ul style="list-style-type: none"> Target Not Met 	<ul style="list-style-type: none"> The steering committee was appointed and 3 meetings took place during the year. Emergency preparedness plans for sites have been completed and are currently been drafted into an Emergency response plan for the entity. 	3
	Regular asset conditional assessments	To annually assess the overall condition of all assets		<ul style="list-style-type: none"> Annual asset conditional assessment 	<ul style="list-style-type: none"> 1 Annual Asset Conditional Assessment FY 2017/2018 completed 			3

	Maintenance Planning	To highlight the operational and capital requirements in the Annual Maintenance Plan.	<ul style="list-style-type: none"> • O2158-1/IE00651/F0 932/X148/R52 36/001/NGAG • O2209-1/IE00651/F0 932/X148/R03 99/001/BIGG • O2523-1/IE00651/F0 932/X148/R52 36/001/NGAG • O2563-2/IE00651/F0 932/X148/R52 36/001/NGAG • O2574-2/IE00651/F0 932/X148/R52 36/001/NGAG • O2579-4/IE00651/F0 932/X148/R52 36/001/NGAG 	<ul style="list-style-type: none"> • Annual Maintenance Plan highlighting operational and capital requirements 	<ul style="list-style-type: none"> • 1 Annual Maintenance Plan Completed 	<ul style="list-style-type: none"> • Target Met 		4
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Strategic Objective	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output as at 30 June 2018	Target Met/ 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"> • O1416-1/IE00080/F0932/X101/R5236/001/ENG • O1416-1/IE00081/F0932/X101/R5236/001/ENG • O1416-1/IE00083/F0932/X101/R5236/001/ENG 	<ul style="list-style-type: none"> • Complete 2 Business Plans per Annum 	4 Business Plans Completed <ul style="list-style-type: none"> • Ntshingwa yo Bulk Water Supply Scheme • Biggarsberg Filters Refurbishment • Construction of the Ngagane to Hilldrop pumping main • - Construction of the Ngagane to Braakfontein pumping main 	<ul style="list-style-type: none"> • Target Met 		4