

NATIONAL KPA's	IDP REF NUMBER	IDP OBJECTIVE	DEPARTMENTAL OBJECTIVE	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BASELINE	ANNUAL TARGET	BUDGET	1st QUARTER TARGET End Sept 2017	1st QUARTER ACTUAL End Sept 2017	REASON FOR VARIANCE / COMMENTS	MEASURES TAKEN TO IMPROVE PERFORMANCE/CORRECTIVE MEASURE	PMS COMMENTS	EVIDENCE REF NUMBER	EVIDENCE	PERFORMANCE SYMBOLS	WEIGHTING S	RESPONSIBLE PERSON			
FINANCIAL VIABILITY & MANAGEMENT	FV01	To ensure sound revenue management principles	Revenue management	Monitoring of revenue collection & Installation of smart meters	a) % collection rate b) % conversion to smart meters c) % Reduction of unmetered households	Percentage	a) 59% b) New Measure c) New Measure	a) 75% b) 55% c) 25%	Salaries	a) 70% b) N/A c) Report on assessment conducted	a) 70% b) N/A c) Assessment conducted	b) Cost Cutting Measures. No new conversions		c) Need Evidence	1	a) Y b) N/A c) N	a) 😊 b) N/A c) 😊	H	Manager Revenue			
			Revenue management	Maintain clean data by enforcing strict controls over DRS masterfile (Consumer Database) amendments	% accuracy in billing	Percentage	New Measure	80%	Salaries	65%	19%			Manager Revenue to update and provide reason for target not met and corrective measure	2	Y	😞	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Credit control	% of overdue accounts restricted	Percentage	73%	100%	Salaries	100%	100%				3	Y	😊	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Debtors management	a) Percentage of debtors over 90 days issued with notice via statements of accounts/SMS b) Percentage of debtors over 120 days handed over to attorneys for collection	Percentage	a) 100% b) 25%	a) 100% b) 50%	Salaries	a) 100% b) 25%	a) 100% b) 24%				4	a) Y b) Y	a) 😊 b) 😊	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Revenue protection and enhancement (Pg 15 of MFMA circular 71)	Revenue Growth (%) (Period under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100 (Norm is rate of CPI) (Service charges)	Percentage	-7%	10%		10%	-18%	Sanitation tariffs were changed as businesses negotiated rates as they did not accept IDM evaluated rates which impacted on revenue growth	The expected revenue growth will be amended during the adjustment period		5	Y	😞	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Revenue protection and enhancement (Pg 21 of MFMA circular 71)	Service Charges Revenue Budget Implementation (Actual Service Charges & Property Rates Revenue / Budgeted Service Charges & Property Rates Revenue x 100) (Norm is 95%)	Percentage	Not reported	70%		65%	Not Reported	Figures will be given once financials are complete	please report and submit evidence		6	N	😞	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Debtors Management	a) Percentage of indigent households with access to free basic services b) Number of indigent with access to free basic water services on the indigent register	Number & Percentage	a) 100% b) 3760	a) 100% b) 5191		a) 90% b) 3691	a) 69% b) 2502	Indigent status is not automatic. Customer applies and qualifies to a set criteria. The status is renewed on application after two years.	During Izimbizos and Public meetings, Customer Service desks are manned to assist customers in applying. The outreach service is available on requests via Ward Councillors		7	a) Y b) Y	a) 😊 b) 😊	H	Manager Revenue			
		To ensure sound revenue management principles	Revenue management	Bad Debts management (Pg 6 of MFMA circular 71)	Bad Debts Written-off as % of the Bad Debt Provision Bad Debts Written-off (Period under review) / Provision for Bad Debt (Period under review) x100 (Norm is 100%)	Percentage	27%	100% (2016/17 financial year)	Salaries	100%	100%	NOT ENOUGH INFORMATION ON SYSTEM TO MAKE THE CALCULATION. AMOUNT FOR PROVISION FOR BAD DEBTS NOT AVAILABLE ON MSCOA	Provide evidence		8	N	😊	H	Manager Revenue			
	FV02	To ensure sound budgeting and compliance principles	Budget and compliance monitoring	Compliance with MFMA regulations	Submission of monthly reports and quarterly reports by deadline Monthly Reports - CFA - RME - AC - AD - OSA - CAA - FMG - MIG - MSIG - RTSG - BSAC - WSOG - PWPG - MWIG - RHIG Quarterly Reports - BM - ME - LTC - MFM1	MFMA compliance Dates	All reports were submitted on time.	Monthly reports not submitted later than 10 working days after the end of each month and quarterly reports not submitted later than 24 working days after end of each quarter	Salaries	Reports submitted by deadline	All Reports submitted by deadline					9	Y	😊	H	Manager: Budget & Compliance		
						Credible budgeting and compliance	Approved fully funded Operating & Capital Budget for 2018/2019 by deadline	MFMA compliance Dates	31 May 2016.	31 May 2018	Salaries	Submit 2018/2019 budget programme to the Mayor	Submitted on 12 July 2017 for discussion at EXCO					10	Y	😊	H	Manager: Budget & Compliance
						Compliance with MFMA regulations & Treasury	Compliance with MFMA Budget Regulations, circulars and Treasury	Compliance checklist from KZN Provincial Treasury	a) Full compliance on Mid Year Assessment achieved. b) Compliance achieved on the tabled 2016/17 1st draft budget.	Salaries	a) Compliance as evidenced by the KZN Provincial Treasury compliance checklist on 2017/2018 approved budget b) N/A	a) Compliance on KZN Provincial Treasury on 2017/18 approved budget checklist achieved. b) N/A						11	a) Y b) N/A	a) 😊 b) N/A	M	Manager: Budget & Compliance
						Clean administration	a) Implementing and monitoring SOPs on a monthly basis b) Implementing and monitoring AG key controls on a quarterly basis c) Implementing and monitoring AG dashboard on a quarterly basis	a) Number of SOPs monitoring reports b) Number of AG Key controls monitoring reports c) Number of AG Dashboard monitoring report	a) 12 SOP reports achieved to date. b) 4 AG key control reports achieved to date. c) 4 AG dashboard reports achieved to date.	Salaries	a) 3 SOP monitoring reports b) 1 AG key controls monitoring reports c) 1 AG Dashboard monitoring reports	a) 3 SOP achieved b) 1 AG Key controls report achieved c) 1 AG Dashboard report achieved						12	a) Y b) Y c) Y	a) 😊 b) 😊 c) 😊	H	Manager: Budget & Compliance
						Quality, reliable financial statements and management information	a) Preparing monthly AFS that complies with the year end action plan b) Monitoring progress on audit queries resolving plan	a) Monthly AFS including June 2017 b) Percentage progress	a) 12 AFS achieved to date including the June 2015 AFS. b) 80% achieved to date.	Salaries	a) 3 b) N/A	a) 1 b) N/A	a) Not achieved due to mSCOA progress on the opening balances in the Trial Balance. The challenge is beyond department's control as monthly financials are always prepared.					13	a) Y b) N/A	a) 😊 b) N/A	H	Manager: Budget & Compliance

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FINANCIAL VIABILITY & MANAGEMENT	FV03	To ensure sound expenditure management	Debt management	Debt coverage (Pg 9 of MFMA circular 71)	Debt Total Borrowings & Revenue (Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) (Norm: in AFS/ 8 below)	Percentage	19%	45%	Salaries	45%	46%	The reason why this percentage is high is due to less total actual expenditure incurred recorded, i.e. R120mil versus a budgeted year to date expenditure of R157mil.	This measure should normalize as the financial year progresses and expenditure programmes gaining momentum.		14	Y	😊	H	Manager Expenditure	
			Cash flow management	Liquidity Management (Pg 7 & 8 of MFMA circular 71)	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) (Norm: Range between 30 and 90 days with 90 days being ideal)	Number	30 days	15 days cash on hand	Salaries	15 days	9 days	The low cash liquidity is linked to historical debt collection challenges coupled which have resulted into the municipality unable to sufficiently honor its commitments during the respective financial years. The municipality has therefore been carrying over huge amount of unpaid creditor invoices year on year. This effectively reduces cash flows during the current financial year and plunges the municipality into a cash flow crisis situation.	Council adopted a financial turnaround implementation plan in December 2016 which is currently being implemented. It is envisaged that the municipality will be able to turn the current undesirable financial situation in a period of three years. Once the financial viability challenge is fully addressed, the municipality will be able to have sufficient cash resources and thereby improve in its liquidity position.		15	Y	😞	H	Manager Expenditure	
			Working capital management		Current Ratio Current Assets / Current Liabilities (Norm: 1.5 to 2.1)	Ratio	1.20:1	1:1	Salaries	1:1	1.64:1					16	Y	😊	H	Manager Expenditure
			Debt management	Payment of creditors (Pg 16 of MFMA circular 71)	Average number of days taken for trade creditors to be paid: Creditors Payment Period (Trade Creditors) Trade Creditors Outstanding/Credit Purchases (Operating & Capital) x 365 (Norm is 30 days)	Number	27 days	30 days	Salaries	30 days	135 days	The inability to pay creditors on time is a direct result of the cash flow challenges currently being faced by the municipality and this is linked to the broader financial viability challenge	Council adopted a financial turnaround implementation plan in December 2016 which is currently being implemented. It is envisaged that the municipality will be able to turn the current undesirable financial situation in a period of three years. Once the financial viability challenge is fully addressed, the municipality will be able to have sufficient cash resources and thereby able to pay creditors on time.		17	Y	😞	H	Manager Expenditure	
			Expenditure management	Remuneration costs monitoring (Pg 17 of MFMA circular 71)	Remuneration (Employee Related Costs & Councillors Remuneration) as a % of Total Operating Expenditure Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100 (Norm: 25% to 40%)	Percentage	32%	35%	Salaries	30%	41%	The reason why this percentage is high is due to less total actual expenditure incurred recorded, i.e. R120mil versus a budgeted year to date expenditure of R157mil.	This measure should normalize as the financial year progresses and expenditure programmes gaining momentum.		18	Y	😊	H	Manager Expenditure	
	FV04	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Supply chain management	Implementation of demand management	% progress in implementing procurement plan	Percentage	83%	100%	Salaries	25%	20,16%	Most projects are due to start in the second quarter.			19	Y	😊	H	Manager SCM	
			Supply chain management	Acquisition management	a) Turnaround time for the SCM processes in recommending preferred bidders to Departments (quotations, adverts etc) (Between R30 000 & R200 000) b) Turnaround time for the SCM processes in recommending preferred bidders to Departments (quotations, adverts etc) (Between R2000 and R20 000)	Number of days	a) 10.34 days b) 5.54 days	a) 10 days b) 5 days	Salaries	a) 10 days b) 5 days	a) 9,66 days b) 3,27 days			20	a) Y b) Y	a) 😊 b) 😊	H	Manager SCM		
			Supply chain management	Implementation of acquisition management	Turn around for finalization of scm processes (Working days - 1st advert to the date of award)	Number	152.06 days	120 days	Salaries	120 days	0 days	There were no projects that were due for award by the Bid Adjudication Committee during the first quarter.			21	N	😞	H	Manager SCM	
			Supply chain management	Contract management	Number of consolidated quarterly reports on performance of service providers prepared	Number	4	4	Salaries	1	1					22	Y	😊	H	Manager SCM
			Logistics management	Inventory management	a) Frequency of stock take b) Turnaround time to resolve variances c) Frequency of recons conducted between the stock report as per Munsoft and AFS	Frequency & Time	a) 12 stock take completed b) 14 days c) 12	a) 12 b) 14 days c) 12	Salaries	a) 3 stock takes completed b) 2 days c) 3	a) 3 stock takes completed b) 2 days c) 3	b) There is currently a backlog of requisitions that need to be captured in Kwadukuza in order to finalise the stock that needs to be written off, therefore turnaround time to resolve variances is currently in progress. There had been no budget provision in order to capture the stock issue requests.	a) Need evidence for July - Kwadukuza b) Need evidence for turnaround time to resolve variances		23	a) Y - insufficient evidence b) N c) Y	a) 😊 b) 😞 c) 😊	H	Manager SCM/	
	FV05	To maintain a clean audit opinion	Budget and compliance monitoring	Maintain Clean Audit	Maintain Clean Audit opinion	AG Report	Submission of AFS by 31 August 2015 and Clean audit report achieved.	Clean audit report by the AG for 2016/2017	Salaries	Submission of AFS by 31 August 2017 for IDM. Consolidated AFS by 30 Sept 2017	Achieved, AFS for IDM were submitted to AG on the 31st of August, and Consolidated AFS were submitted to AG on the 29th of September				24	Y	😊	H	Manager: Budget & Compliance	
	FV06	To ensure sound and effective asset management	Assets and logistics management	Conduct Asset Verification for Quality and a reliable fixed asset register	a) Frequency of asset verification on i) movable assets including 2016/17 4th quarter ii) immovable assets - for 2016/2017 FY b) Frequency of recons conducted between the asset register & AFS	Frequency	a) i) 4 ii) 1 b) 12	a) i) 4 ii) 1 b) 12	Salaries	a) i) 1 ii) 1 b) 3	a) i) 1 ii) 1 b) 3				25	a) i) Y ii) Y b) Y	a) i) 😊 ii) 😊 b) 😊	H	Manager Assets & Logistics	
			Assets and logistics management	Adequacy of maintenance of fixed assets for sustainable service delivery (Pg 3 of MFMA Circular 71)	Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value) (Property, Plant and Equipment + Investment Property + Intangible assets Impairment / (Total Property, Plant and Equipment + Investment property + Intangible Assets) x 100)	Percentage	0%	0%	Salaries	0%	0.30%					26	Y	😊	H	Manager Assets & Logistics
			Assets and logistics management	Assets Under Construction monitoring	Frequency of recons conducted between assets under construction & project register	Frequency	12	12	Salaries	3	3					27	Y	😊	H	Manager Assets & Logistics

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FINANCIAL VIABILITY & MANAGEMENT			Assets and logistics management	Adequacy of investment in fixed assets (Pg 2 of MFMA Circular 71)	Capital Expenditure to Total Expenditure Total Capital Expenditure/Total Expenditure (Total operating Expenditure + Capital Expenditure) x 100 (Norm 10-20%)	Percentage	47%	20%	Salaries	5%	38.84%	Capital expenditure is dependant on grant allocation. The high capital expenditure is attributable to current projects under construction and being paid for.			28	Y-insufficient evidence	☹️	H	Manager Assets & Logistics
GOOD GOVERNANCE & DEMOCRACY	GP06	Compliance and good Governance	Implementation of OS	Operation Sukuma Sakhe	Number of District Task Team meetings attended	Percentage	New Measure	10	Salaries	3	0				29	N	☹️	H	CFO
			To ensure effectiveness of Intergovernmental Relations	Promote Intergovernmental Relations	Number of CFO Forum meetings scheduled	Number	0	4	Salaries	1	1					30	Y	😊	H
	GP08	To implement and maintain compliant, effective and efficient enterprise risk management systems & processes	To ensure effective Risk management	Risk management	a) Number of updated risk monitoring tool submitted b) Number of risk management committee meetings attended	Number	a) 12 b) 3	a) 12 b) 4	Salaries	a) 3 b) 1	a) 3 b) 1				31	a) Y b) Y	a) 😊 b) 😊	H	CFO/Manager SCM/ Expenditure /Budget & Compliance/Assets & Logistics
			To ensure effective Organisational Performance Management	Budget and monitoring of performance against predetermined objectives	Clean administration	Performance Report with accurate & complete POEs submitted by deadline monthly and quarterly	Date	10th day of each month	10th day of each month	Salaries	10th day of each month	20-10-2017				32	Y	☹️	H
	GP010	To ensure effective Organisational Performance Management	People management	Performance Reviews	Number of performance reviews of employees' performance conducted quarterly	Number	Not reported	4	Salaries	1	Not Reported				33		☹️	L	CFO

PERFORMANCE SYMBOLS				
TARGET MET	IN PROGRESS	NOT MET	N/A	TOTAL
😊	☹️	☹️	N/A	
26	8	10	3	47

WEIGHTINGS			
HIGH	MEDIUM	LOW	TOTAL
H	M	L	
44	2	1	47