

FINANCIAL VIABILITY & MANAGEMENT

NATIONAL KPA's	IDP OBJECTIVE	DEPARTMENTAL OBJECTIVE	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BASELINE	ANNUAL TARGET	BUDGET	1st QUARTER TARGET End Sept 2016	2nd QUARTER TARGET End Dec 2016	3RD QUARTER TARGET End March 2017	4TH QUARTER TARGET End June 2017	WEIGHTINGS	EVIDENCE REF NUMBER	RESPONSIBLE PERSON
FINANCIAL VIABILITY & MANAGEMENT	To achieve a clean audit opinion	Budget and compliance monitoring	Compliance with MFMA and clean administration	a) Clean audit report by the AG for 2015/2016 b) % decrease in AGs findings c) No repeat findings	a) AG Report b) Percentage c) Number	a) Clean audit report achieved. b) AG findings Decreased by 75% c) 1 Repeat findings	a) Clean audit report by the AG for 2015/2016 b) 65% c) 0	Salaries	a) Submission of AFS by 31 August 2016 for IDM. Consolidated AFS by 30 Sept 2016 b) N/A c) N/A	a) Clean audit report b) 65% c) 0	a) N/A b) N/A c) N/A	a) N/A b) N/A c) N/A	H	1	Manager: Budget & Compliance
	To achieve a clean audit opinion	Budget and compliance monitoring	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) 9 SOP reports achieved to date. b) 3 AG key control reports achieved to date. c) 3 AG dashboard reports achieved to date.	a) 12 SOPs monitoring reports b) 4 AG key controls monitoring reports c) 4 AG Dashboard monitoring reports	Salaries	a) 3 SOP monitoring reports b) 1 AG key controls monitoring reports c) 1 AG Dashboard monitoring reports	a) 6 SOPs monitoring reports b) 2 AG key controls monitoring reports c) 2 AG Dashboard monitoring reports	a) 9 SOPs monitoring reports b) 3 AG key controls monitoring reports c) 3 AG Dashboard monitoring reports	a) 12 SOPs monitoring reports b) 4 AG key controls monitoring reports c) 4 AG Dashboard monitoring reports	H	2	Manager: Budget & Compliance
	To achieve a clean audit opinion	Budget and compliance monitoring	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 2015 b) Percentage progress	a) 9 AFS achieved to date including the June 2015 AFS. b) 90% achieved to date.	a) 12 (Including June 2016 AFS) b) 90%	Salaries	a) 3 b) N/A	a) 6 b) N/A	a) 9 b) 50%	a) 12 b) 90%	M	3	Manager: Budget & Compliance
	To ensure sound expenditure management principles	Expenditure management	Operational expenditure monitoring	Percentage of operational expenditure (Actual operating expenditure/Budgeted operating expenditure x 100)	Percentage	63%	100%	Salaries	25%	50%	75%	100%	H	4	Manager Expenditure
	To ensure sound expenditure management principles	Expenditure management	Effectiveness of Expenditure Management Committee	a) Number of reports submitted to Expenditure Management Committed b) Number of EMC meetings held	Number	a) 7 reports b) 6 meetings	a) 12 b) 12 Meetings per annum	Salaries	a) 3 reports b) 3 meetings	a) 6 reports b) 6 meetings	a) 9 reports b) 9 meetings	a) 12 reports b) 12 meetings	H	5	CFO/Manager Expenditure
	To ensure sound budgeting and compliance principles	Budget and compliance monitoring	Compliance monitoring	Submission of monthly reports and quarterly reports by deadline Monthly Reports - CFA - RME - AC - AD - OSA - CAA - FMG - MIG - MSIG - RTSG - BSAC - WSOG - PWPG - RHIG Quarterly Reports - BM - ME - LTC - MFM1 - IM -MWIG	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	Reports submitted by deadline	Reports submitted by deadline	Reports submitted by deadline	M	6	Manager: Budget & Compliance
	To ensure sound budgeting and compliance principles	Budget and compliance monitoring	Credible budgeting and compliance	Approved fully funded Operating & Capital Budget for 2017/2018 by deadline	MFMA compliance Dates	a) Achieved - Mid term assessment submitted 25/01/2016, tabled on 29/01/2015 and Adjustments budget tabled 25/02/2016 . b) Achieved, the 2016/17 Draft Budget was tabled at council on 30/03/2016	31 May 2017	Salaries	Submit 2017/2018 budget programme to the Mayor	N/A	a) Prepare 2016/2017 mid term assessment and adjustment budget b) Prepare 2017/2018 draft budget and submit to Council for approval	Prepare 2017/2018 final budget & submit to Council for approval	H	7	Manager: Budget & Compliance
	To ensure sound budgeting and compliance principles	Budget and compliance monitoring	Compliance monitoring	Compliance with MFMA Budget Regulations and circulars	Compliance checklist from KZN Provincial Treasury	a) Full compliance on Mid-Year Assessment achieved. b) Full compliance on draft budget	a) Full compliance 2016/2017 b) Full compliance 2017/2018	Salaries	a) Full compliance as evidenced by the KZN Provincial Treasury compliance checklist on 2016/2017 approved budget b) N/A	a) N/A b) N/A	a) Full compliance as evidenced by the following: KZN Provincial Treasury compliance checklist on 2016/2017 Mid-term assessment b) N/A	a) Full compliance as evidenced by the KZN Provincial Treasury compliance checklist on 2016/2017 approved adjustment budget b) KZN Provincial Treasury compliance checklist on 2017/2018 approved 1st draft budget	M	8	Manager: Budget & Compliance

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FINANCIAL VIABILITY & MANAGEMENT	To ensure sound and effective asset and inventory principles	Assets and logistics management	Quality, reliable fixed asset register and property, plant and equipment	a) Frequency of asset verification on i) movable assets including 2015/16 4th quarter ii) immovable assets - for 2015/2016 FY b) Frequency of recons conducted between the asset register & AFS	Frequency	a) i) 3 ii) 9 b) 9	a) i) 4 ii) 1 b) 12	Salaries	a) i) 1 ii) 1 b) 3	a) i) 2 ii) N/A b) 6	a) i) 3 ii) N/A b) 9	a) i) 4 ii) N/A b) 12	M	9	Manager Assets & Logistics
	To ensure sound and effective asset and inventory principles	Assets and logistics management	Assets Under Construction monitoring	a) Percentage of completed projects transferred to the asset register b) frequency of recons conducted between assets under construction & project register	Percentage & Frequency	a) 0% b) 9	a) 100% b) 12	Salaries	a) 100% b) 3	a) 100% b) 6	a) 100% b) 9	a) 100% b) 12	H	10	Manager Assets & Logistics
	To ensure sound and effective asset and inventory principles	Assets and logistics management	Adequacy of investment in fixed assets (Pg 2 of MFMA Circular 71)	Capitla Expenditure to Total Expenditure Total Capital Expenditure/Total Expenditure (Total operating Expenditure + Capital Expenditure) x 100) (Norm 10-20%)	Percentage	40%	20%	Salaries	5%	10%	15%	20%	H	11	Manager Assets & Logistics
	To ensure sound revenue management principles	Revenue management	Monitoring of revenue collection	Percentage collection rate	Percentage	57%	65%	Salaries	61%	62%	63%	65%	H	12	Manager Revenue
	To ensure sound revenue management principles	Revenue management	Credit control	% of overdue accounts restricted	Percentage	94%	100%	Salaries	100%	100%	100%	100%	H	13	Manager Revenue

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	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) 27%	a) 100% b) 32%	Salaries	a) 100% b) 5%	a) 100% b) 10%	a) 100% b) 15%	a) 100% b) 32%	M	14	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	3%	10%		4%	6%	8%	10%	M	15	Manager Revenue
	To ensure sound revenue management principles	Revenue management	Revenue protection and enhancement (Pg 20 of MFMA circular 71)	Operating Revenue Budget Implementation (Actual Operating Revenue/Budgeted Operating Revenue X 100) (Norm is 95%)	Percentage	80%	100%		25%	50%	75%	100%	M	16	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	49%	95%		25%	50%	75%	95%	M	17	Manager Revenue
	To ensure sound revenue management principles	Revenue management	Debtors Management	a) Turnaround time for approving indigent applications with no queries b) Percentage of indigent households with access to free basic services c) Increase in the number of indigent with access to free basic water services on the indigent register	Number & Percentage	a) 14 days b) 100% c) 3451	a) 14 days b) 100% c) 4000		a) 14 days b) 90% c) 1000	a) 14 days b) 100% c) 2000	a) 14 days b) 100% c) 3000	a) 14 days b) 100% c) 4000	M	18	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% (2015/16 financial year)	Salaries	100%	N/A	N/A	N/A	M	19	Manager Revenue
	To ensure sound revenue management principles	Revenue management	Debtors Management (Pg 6 of MFMA circular 71)	Net Debtors Days (((Gross Debtors - Bad Debt Provision) / Billed Revenue)) x 365 (Norm is 30 days)	Number	439 Days	250 days	Salaries	180 days	200 days	220 days	250 days	M	20	Manager Revenue
	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Supply chain management	Demand management	Percentage implementation of Annual procurement plan by deadline (projects with no issues)	Percentage	84,21%	100%	Salaries	25%	50%	75%	100%	M	21	Manager SCM
	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	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 R29 999)	Number of days	a) 8.78 days b) 4.36 days	a) 10 days b) 5 days	Salaries	a) 10 days b) 5 days	a) 10 days b) 5 days	a) 10 days b) 5 days	a) 10 days b) 5 days	H	22	Manager SCM

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	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Supply chain management	Acquisition management	Turnaround time for awarding all the bids (Calendar days - 1st advert to letter of appointment with no objections)	Number	181 days	120 days	Salaries	120 days	120 days	120 days	120 days	H	23	Manager SCM
	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Supply chain management	Contract management	Number of consolidated quarterly reports on performance of service providers prepared	Number	3	4	Salaries	1	2	3	4	H	24	Manager SCM
	To ensure sound and effective asset and inventory principles	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) 9 stock take completed b) 14 days c) 9	a) 12 b) 14 days c) 12	Salaries	a) 3 stock takes completed b) 14 days c) 3	a) 6 stock take completed b) 14 days c) 6	a) 9 stock take completed b) 14 days c) 9	a) 12 stock take completed b) 14 days c) 12	M	25	Manager SCM/ Manager Assets & Logistics
	To procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework	Supply chain management	Quality, reliable contracts register	Frequency of updating the contract register on awarded projects	Frequency	9	12	Salaries	3	6	9	12	M	26	Manager SCM
	To ensure sound and credible general financial management principles	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 is 45% & below)	Percentage	29%	45%	Salaries	45%	45%	45%	45%	M	27	Manager Expenditure
	To ensure sound and credible general financial management principles	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	64 days	30 days cash on hand	Salaries	60 days	60 days	30 days	30 days	M	28	Manager Expenditure
	To ensure sound and credible general financial management principles	Working capital management		Current Ratio Current Assets / Current Liabilities (Norm: 1.5 to 2.1)	Ratio	1.2:1	1:1	Salaries	1:1	1:1	1:1	1:1	M	29	Manager Expenditure
	To ensure sound and credible general financial management principles	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	32 days	30 days	Salaries	30 days	30 days	30 days	30 days	H	30	Manager Expenditure
	To ensure sound and credible general financial management principles	Expenditure management	Compliance monitoring - Finance Department (Pg 16 of MFMA Circular 71)	Irregular, Fruitless, & Wasteful & Unauthorised Expenditure/Total Operating Expenditure (Irregular, Fruitless & Wasteful & Unauthorised Expenditure) / Total Operating Expenditure x 100 (Norm is 0%)	Percentage	0%	0%	Salaries	0%	0%	0%	0%	H	31	CFO/Manager SCM/ Expenditure & Budget & Compliance

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FINANCIAL VIABILITY & MANAGEMENT	To ensure sound expenditure management principles	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	33%	35%	Salaries	30%	33%	34%	35%	H	32	Manager Expenditure	
	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) 9 b) 3	a) 12 b) 4	Salaries	a) 3 b) 1	a) 6 b) 2	a) 9 b) 3	a) 12 b) 4	H	33	CFO/Manager SCM/ Expenditure /Budget & Compliance/Assets & Logistics	
	To ensure sound and credible general financial management principles	Budget and monitoring of performance against predetermined objectives	Clean administration	Performance Report with accurate & complete POEs submitted by deadline monthly and quarterly	Date	14th day of each month	14th day of each month	Salaries	14th day of each month	14th day of each month	14th day of each month	14th day of each month	14th day of each month	M	34	CFO
		People management	Performance Reviews	Number of performance reviews of employees' performance conducted quarterly	Number	4	4	Salaries	1	2	3	4	L	35	CFO	
GOOD GOVERNANCE & DEMOCRACY	To ensure that the municipality's administration is governed by sound and effective values and principles as outlined in the Constitution of South Africa	To ensure effectiveness of Intergovernmental Relations	Promote Intergovernmental Relations	a) Number of IGR meetings attended b) Number of quarterly report submitted to the Technical Sub Forum c) Turnaround time for submission of quarterly reports to TSF	a)Number b)Number c) Number	a) 2 b) 2 c) 10 days	a) 4 b) 4 c) 10 days before TSF	Salaries	a) 1 b) 1 c) 10 days	a) 2 b) 2 c) 10 days	a) 3 b) 3 c) 10 days	a) 4 b) 4 c) 10 days	H	36	CFO	