

NATIONAL KPA's	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BASELINE	ANNUAL TARGET	BUDGET	1st QUARTER TARGET End Sept 2014	QUARTER 1 ACTUAL	COMMENTS/ REASON FOR VARIANCE	CORRECTIVE MEASURE	PMS COMMENTS	EVIDENCE REF NUMBER	EVIDENCE	PERFORMANCE SYMBOLS	WEIGHTINGS	RESPONSIBLE PERSON
FINANCIAL VIABILITY & MANAGEMENT	Compliance with MFMA and clean administration	a) Clean audit report by the AG for 2013/2014 b) % decrease in AGs findings c) No repeat findings	a) AG Report b) Percentage c) Number	a) Unqualified audit report b) 0% c) 0	a) Clean audit report by the AG for 2013/2014 b) 25% c) 0	Salaries	a) Submission of AFS by 31 August 2014 for IDM. Consolidated AFS by 30 Sept 2014 b) N/A c) N/A	a) AFS submitted to AG, Consolidated AFS submitted end of September b) N/A c) N/A				1	a) Y b) N/A c) N/A	a) b) N/A c) N/A	H	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) 6 b) 3 c) 3	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) 0 b) 0 c) 0	The finance team was busy with submission to AG and currently busy with audit	Each manager has prepared a presentation on how to do things differently in 2014/2015 so that year end submissions to AG doesn't affect normal monthly processes	Target not met	2	a) N b) N c) N	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 and submitting them to FPC and Audit Committee b) Monitoring year end action plan progress monitoring report c) Monitoring progress on audit queries resolving plan	a) Monthly AFS b) Percentage progress c) Percentage progress	a) 4 b) 75% c) 25%	a) 12 b) 100% c) 100%	Salaries	a) 3 (Including June 2014 AFS) b) 25% c) N/A	a) 0 b) 25% c) N/A - AG audit underway	The finance team was busy with submission to AG and currently busy with audit	Each manager has prepared a presentation on how to do things differently in 2014/2015 so that year end submissions to AG doesn't affect normal monthly processes		3	a) N b) Y c) N/A	a) b) c) N/A	M	Manager: Budget & Compliance
	Operational expenditure monitoring	Percentage of operational expenditure  (Actual operating expenditure/Budgeted operating expenditure x 100)	Percentage	New measure	100%	Salaries	25%	24%	Variance of 1% under target on expenditure is well accepted considering implementation of austerity measures.			4	Y		H	Manager Expenditure
	Compliance monitoring	Submission of monthly reports and quarterly reports by deadline <b>Monthly Reports</b> - CFA - RME - AC - AD - OSA - CAA - FMG - MIG - MSIG - RTSG - BSAC - WSOG - PWPG - MWIG  <b>Quarterly Reports</b> - BM - CE - ME - LTC - MFM1	MFMA compliance Dates	All reports submitted by deadline	Monthly reports by 14th each month and quarterly reports by 21st after end of each quarter	Salaries	Reports submitted by deadline	All report were submitted on time.				5	Y		M	Manager: Budget & Compliance
	Credible budgeting and compliance	Approved fully funded Operating & Capital Budget for 2015/2016 by deadline	MFMA compliance Dates	Done	30 June 2015	Salaries	Submit 2015/2016 budget programme to the Mayor	Budget Process Plan submitted to Council in August				6	Y		H	Manager: Budget & Compliance

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FINANCIAL VIABILITY & MANAGEMENT	Compliance monitoring	Compliance with MFMA Budget Regulations and circulars	Compliance reports from KZN Provincial Treasury	a) Full compliance b) Full Compliance	a) Full compliance 2014/2015 b) Full compliance 2015/2016	Salaries	a) Full compliance as evidenced by the KZN Provincial Treasury compliance checklist on 2014/2015 approved budget b) N/A	a) Full compliance. b) N/A.				7	a) Y b) N/A	a) b) N/A	M	Manager: Budget & Compliance
	Quality, reliable fixed asset register and property, plant and equipment	a) Frequency of asset verification on i) movable assets ii) immovable assets b) Frequency of recons conducted between the asset register & AFS	Frequency	a) i) 3 ii) New Measure b) New Measure	a) i) 4 ii) 1 b) 12	Salaries	a) i) 1 ii) 1 b) 3	a) i) 1 ii) 0 b) 3	ii) verification is only done at year end.	ii) to adjust target during amendments		8	a) i) Y ii) N/A b) Y	a) i) ii) N/A b)	M	Manager Assets & Logistics
	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) 8 b)14 c) New Measure	a) 12 b) 14 days c) 12	Salaries	a) 3 stock takes completed b) 14 days c) 3	a) 3 b) 0 c) 3	b) There were no variances to be resolved.	c) Recons at done manually at satellite offices since Munsoft has not been installed.		9	a) Y b) Y c) Y	a) b) c)	M	Manager Assets & Logistics
	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) New Measure b) New Measure	a) 100% b) 12	Salaries	a) 100% b) 3	a) 0 b) 3	a) There were no completed projects for the 1st quarter.			10	a) N/A b) Y	a) N/A b)	H	Manager Assets & Logistics
	Adequacy of investment in fixed assets	Capital Expenditure to Total Expenditure  Total Capital Expenditure/Total Expenditure (Total operating Expenditure + Capital Expenditure) x 100)	Percentage	New measure	20%	Salaries	5%	31%				11	Y		H	Manager Assets & Logistics
	Adequacy of maintenance of fixed assets for sustainable service delivery	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	New measure	0%	Salaries	0%	0%	There were no assets impaired for Q1, so no calculations could be done			12	Y		H	Manager Assets & Logistics
	Adequacy of maintenance of fixed assets for sustainable service delivery	Repairs and Maintenance as a % of Property, Plants and Equipment and investment Property (Carrying Value)  Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100	Percentage	New measure	8%	Salaries	2%	0%			Need RFV and CM	13	Y		H	Manager Assets & Logistics

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FINANCIAL VIABILITY & MANAGEMENT	Monitoring of revenue collection	a) Percentage collection rate b) Percentage increase in the proportion of consumers paying in full vs the number of consumers billed	Percentage	a) 74% b) 47%	a) 85% b) 47%	Salaries	a) 70% b) 31%	a) 43% b) 37%	# Due to the post office strike 2 of major customers received their statements late hence their payment was late i.e. They paid in the 1st week of October instead of end of September. # Furthermore there was a delay in Utility transferring the prepaid water sales money into the municipality's bank account, those amounts also appeared in the October bank statement instead of September statement. # There was an increase in tariffs with no corresponding increase in cash receipts from consumers	a) Post Office is working on the matter b) The matter was discussed with the service provider and their performance will be closely monitored for them to comply with the signed SLA c) A comprehensive indigent outreach programme will be conducted to ensure that consumers who do not afford are treated as indigent, continued monitoring on the implementation of the intelligent meter project and debt collection strategy		14	a) Y b) Y	a) b)	H	Manager Revenue	
	Credit control	% of overdue accounts to be restricted submitted to Technical Services per month	Percentage	92%	100%	Salaries	95%	96%				15	Y		H	Manager Revenue	
	Debtors management	Outstanding service debtors to revenue  (Total Outstanding Service Debtors/Annual Revenue Actually Received for Services)	Ratio	2.5:1	1.5:1	Salaries	2.5:1	11.62:1	This result is affected due to the low collection rate. Measures are being put in place in improving collection rate.	Enhancements of the credit control procedures will be implemented and the restriction via intelligent meters will also assist in improving collection rate		16	Y		M	Manager Revenue	
	Debtors management	a) Percentage of debtors over 90 days issued with notice letters b) Percentage of debtors over 120 days handed over to attorneys for collection	Percentage	a) New Measure b) New Measure	a) 100% b) 50%	Salaries	a) 100% b) 5%	a) 100% b) 69%	a) Consumers received notices via statements and sms due to cost saving measures.			17	a) N b) Y	a) b)	M	Manager Revenue	
	Revenue protection and enhancement	Revenue Growth (%)  (Period under Review's Total Revenue - Previous Period's Total Revenue) / Previous Period's Total Revenue) x 100	Percentage	New measure	27%		6%	-26%	This result is affected due to the low collection rate. Measures are being put in place in improving collection rate.	Enhancements of the credit control procedures will be implemented and the restriction via intelligent meters will also assist in improving collection rate		18	Y		M	Manager Revenue	
	Revenue protection and enhancement	Operating Revenue Budget Implementation  (Actual Operating Revenue/Budgeted Operating Revenue X 100)	Percentage	New measure	100%		25%	25%				19	Y		M	Manager Revenue	
	Revenue protection and enhancement	Service Charges Revenue Budget Implementation  (Actual Service Charges & Property Rates Revenue / Budgeted Service Charges & Property Rates Revenue x 100)	Percentage	New measure	95%		25%	25%				20	Y		M	Manager Revenue	
	Debtors Management	a) Turnaround time for approving indigent applications with no queries b) Percentage of indigent households with access to free basic services	Number & Percentage	a) 14 days b) New Measure	a) 14 days b) 100%		a) 14 days b) 90%	a) 14 days b) 100%			a) We could not locate proof of 14 days as no register with date of applications received and resolved/approved date which will assist in calculating turnaround time		21	a) Y- insufficient evidence b) Y	a) b)	M	Manager Revenue
	Bad Debts management	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	Percentage	New measure	100%	Salaries	25%	26,72%				22	Y		M	Manager Revenue	
	Debtors Management	Net Debtors Ratio  ((Gross Debtors - Bad Debt Provison) / Billed Revenue)) x 365	Number	New measure	30 days	Salaries	120 days	244 days			Need RFV and CM		23	Y		M	Manager Revenue

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FINANCIAL VIABILITY & MANAGEMENT	Efficiency	Net Surplus/Deficit Water and sanitation  Total Sanitation and Water Revenue less Total Sanitation and Water expenditure /Total Sanitation and Water Revenue x 100%	Percentage	New measure	0%	Salaries	0%	37%				24	Y		M	Manager Revenue
	Demand management	Percentage implementation of Annual procurement plan by deadline	Percentage	77%	100%	Salaries	25%	14%	Technical Services projects are awaiting EIA Environmental Impact Assessment issues. Therefore these projects cannot go for BSC and are being held up.	Once EIA assessment issues resolved and results received bid processes will continue		25	Y		M	Manager SCM
	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) 10,83 days b) 1,49 days	a) 10 days b) 5 days	Salaries	a) 10 days b) 5 days	a) 9.94 days b) 6.68 days	b) Due to the change of processes for approval of orders/reports, Directors are now requested to approve and not Managers only, this is impacting on turnaround time	b) SCM policy should be reviewed in terms of the delegation of signing powers		26	a) Y b) Y	a) b)	H	Manager SCM
	Acquisition management	Turnaround time for processing all the bids	Number	118 days	120 days	Salaries	120 days	140 days	No awards made in September, therefore calculation based on 2 months. It took 6 weeks from closing date to submit documents to the consultant to perform its technical evaluation report. These days taken are attributed to the risk assessment and the internal evaluation of bids in August.	Departments to ensure compliance with set timelines to avoid delays .		27	Y		H	Manager SCM
	Contract management	Number of quarterly reports on performance of service providers submitted to FPC	Number	3	4	Salaries	1	1				28	Y- insufficient evidence		H	Manager SCM
	Quality, reliable contracts register	Frequency of updating the contract register on awarded projects	Frequency	New measure	12	Salaries	3	3	Contract register updated with new projects awarded. Credible information relating to expenditure per project is being compiled for the past financial year			29	Y		M	Manager SCM
	Debt coverage	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)	Percentage	New measure	45%	Salaries	45%	57%	The target of 45% can only be achieved over a period of time as the loan commitments reduce. These loan commitments were made in 2005 and will be fully paid in 2025.			30	Y		M	Manager Expenditure
	Liquidity Management	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)	Number	30 days	90 days cash on hand (Range between 30 and 90 days with 90 days being ideal)	Salaries	60 days	6 days	Number of days cash on hand is directly related to cash collected from consumers. Refer revenue collection for reasons for variances - # Due to the post office strike 2 of major customers received their statements late hence their payment was late i.e. They paid in the 1st week of October instead of end of September. # Furthermore there was a delay in Utility transferring the prepaid water sales money into the municipality's bank account, those amounts also appeared in the October bank statement instead of September statement. # There was an increase in tariffs with no corresponding increase in cash receipts from consumers	Refer revenue collection for corrective measures - a) Post Office is working on the matter b) The matter was discussed with the service provider and their performance will be closely monitored for them to comply with the signed SLA c) A comprehensive indigent outreach programme will be conducted to ensure that consumers who do not afford are treated as indigent, continued monitoring on the implementation of the intelligent meter project and debt collection strategy		31	Y		M	Manager Expenditure

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FINANCIAL VIABILITY & MANAGEMENT		Cost coverage	Ratio	New measure	2:1 (Range between 1:1 and 3:1 with 3:1 being ideal)	Salaries	2:1	0.2:1	Number of days cash on hand is directly related to cash collected from consumers. Refer revenue collection for reasons for variances - # Due to the post office strike 2 of major customers received their statements late hence their payment was late i.e. They paid in the 1st week of October instead of end of September. # Furthermore there was a delay in Utility transferring the prepaid water sales money into the municipality's bank account, those amounts also appeared in the October bank statement instead of September statement. # There was an increase in tariffs with no corresponding increase in cash receipts from consumers	Refer revenue collection for corrective measures - a) Post Office is working on the matter b) The matter was discussed with the service provider and their performance will be closely monitored for them to comply with the signed SLA c) A comprehensive indigent outreach programme will be conducted to ensure that consumers who do not afford are treated as indigent, continued monitoring on the implementation of the intelligent meter project and debt collection strategy		32	Y		M	Manager Expenditure
		Current Ratio Current Assets / Current Liabilities	Ratio	New measure	1.5:1	Salaries	1:1	1.1				33	Y		M	Manager Expenditure
		Payment of creditors 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	Number	New measure	30 days	Salaries	30 days	30 days				34	Y		H	Manager Expenditure
		Compliance monitoring Irregular, Fruitless, & Wasteful & Unauthorised Expenditure/Total Operating Expenditure  (Irregular,Fruitless & Wasteful & Unauthorised Expenditure) / Total Operating Expenditure x 100)	Percentage	New measure	0%	Salaries	0%	1%	The majority of irregular expenditure comprises of service providers that were engaged in prior years - when their services are terminated there should be no transactions, even though they are referred to as prior years we have to show in current FY as there are still transactions for these service providers.		Need CM	35	Y		H	CFO/Manager SCM/ Expenditure & Budget & Compliance
		Remuneration costs monitoring Remuneration (Employee Related Costs & Councillors Remuneration) as a % of Total Operating Expenditure  Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100	Percentage	New measure	30%	Salaries	30%	31%	Remuneration costs for the month of July 2014 included a once of back payments in respect of job evaluation and placement (R2,9mil). Both these categories of costs had a major bearing on the ratio of salaries expenses measured against total operating costs.			36	Y		H	Manager Expenditure
		Sustainability Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)  (Cash and Cash Equivalents - Bank Overdraft + Short term Investment + Long Term Investment - Unspent Conditional Grants) / (Net assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Percentage	New measure	100%		100%	3%			Need RFV, CM and evidence	37	N		M	Manager Expenditure
		Risk management a) Number of risk registers updated and completed mitigation tasks by deadline b) Number of risk monitoring reports submitted c) Number of risk management committee meetings attended	Number	a) New Measure b) New Measure c) New Measure	a) 12 b) 12 c) 4	Salaries	a) 3 b) 3 c) 1	a) 3 b) 3 c) 1				38	a) Y b) Y c) Y	a) b) c)	H	CFO/Manager SCM/ Expenditure /Budget & Compliance/Assets & Logistics

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<b>FINANCIAL VIABILITY &amp; MANAGEMENT</b>	Clean administration	Performance Report with accurate & complete POEs submitted by deadline monthly and quarterly	Date	10th & 14th of each month	14th day of each month	Salaries	14th day of each month	07-Nov-14	The finance team was busy with submission to AG and currently busy with audit	Each manager has prepared a presentation on how to do things differently in 2014/2015 so that year end submissions to AG doesn't affect normal monthly processes	<b>No reports received for July and August</b>	39	Y		M	CFO
	Coaching sessions	Number of coaching sessions of employees' performance conducted quarterly	Number	10 meetings held	4	Salaries	1	1			As indicated before registers not sufficient a coaching session template was circulated which is still not being used by your department	40	Y - insufficient evidence		L	CFO
<b>GOOD GOVERNANCE &amp; DEMOCRACY</b>	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)New Measure b)New Measure c) New Measure	a) 4 b) 4 c) 10 days before TSF	Salaries	a) 1 b) 1 c) 10 days	a) 1 b) 1 c) 4			Need evidence for the reported actuals	41	a) N b) N c) N	a) b) c)	H	CFO

PERFORMANCE SYMBOLS				
TARGET MET	IN PROGRESS	NOT MET	N/A	TOTAL
30	4	21	6	61

HIGH	MEDIUM	LOW	TOTAL
H	M	L	
29	31	1	61