

**DRAFT**

**ANNUAL PERFORMANCE REPORT**

**2012 / 2013  
Municipal Year**



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## ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

### 1. Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

#### *"Annual performance reports*

46. (1) A municipality must prepare for each financial year a performance report *reflecting -*
- (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) *measures taken to improve performance.*
- (2) ***An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."***

### 2. Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of uMhlathuze Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit was capacitated during the 2010/2011 financial year as from 1 October 2010 by the appointment of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist. During the 2010/2011 Financial year, the Performance Management Unit prepared a new Performance Management Framework and Policy which was adopted for 2011/2012 financial year by Council item RPT 150202 and policy on DMS 692062.

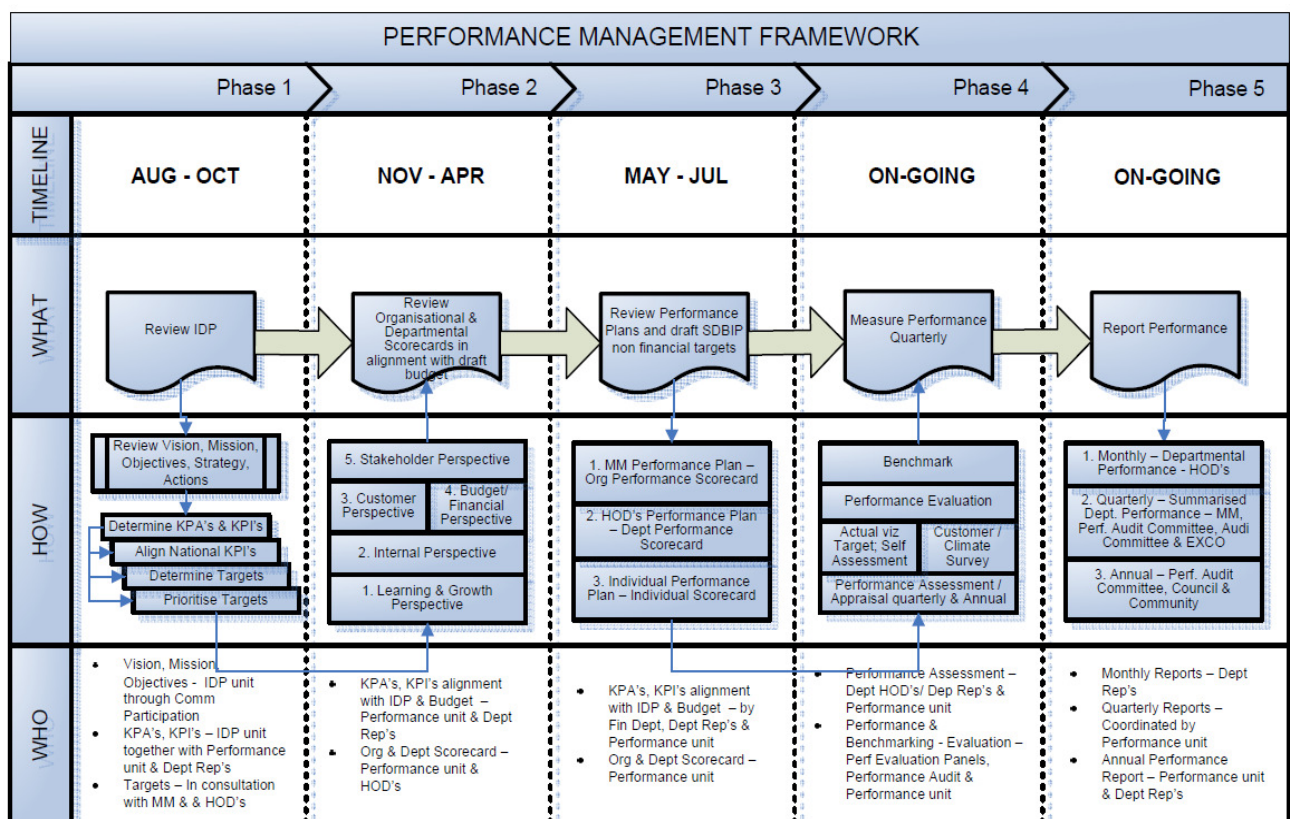
The Performance Management Framework and Policy review for the 2012/2013 financial year was adopted by Council per item RPT 152031 and Council resolution 8593 and is available on Councils official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the “Performance Management” quick link).

### 3. Organisational Performance Management Process

Key performance indicators have been refined in support of the municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council’s priorities) for the new five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2012/2013 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

The following diagram illustrates a summary of the newly developed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



uMhlathuze Performance Management Framework diagram

#### **4. Performance Audit Committee**

The Performance Audit Committee for the 2012/2013 financial year was re-affirmed in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 per Council item RPT 152029, Resolution 8010 dated 07 August 2012 and the members are as follow:

Mr S W Kunene – Chairperson (external member)  
Dr E M S Ntombela (external member)  
Ms J J Sithole (external member)  
Cllr E F Mbatha (Mayor)  
Cllr N V Gumbi (Deputy Mayor)  
Mr D Govender (PWC Observer)

The chairperson Mr S W Kunene sadly passed away in December 2012 and was subsequently replaced by Mr P C Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

The Performance Audit Committee has met quarterly on 16 August 2012, 15 November 2012, 28 March 2013 and 27 June 2013 and finally on 29 August 2013 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2012/2013 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

#### **5. Performance Evaluation Panels**

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were again confirmed during 2011/2012 financial year by Council per item RPT 150133, Resolution 7331 on 14 June 2011 and subsequently to the passing of Mr S W Kunene, the appointment of Mr P C Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons was established -

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Clr E F Mbatha	Mayor/Chairperson
Clr N V Gumbi	Deputy Mayor
Mr S W Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Clr T Mchunu	A Mayor from another Municipality (uThungulu)
Mr V N Khuzwayo	Ward Committee member (nominated by the Mayor)

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality."

Dr N J Sibeko	Chairperson
Clr E F Mbatha	Mayor
Clr N V Gumbi	Deputy Mayor
Mr S W Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Mr M Nkosi	A Municipal Manager from another Municipality (uThungulu)

Performance Evaluation sessions were performed on 01 and 02 November 2012 covering the first quarter of the 2012/2012 financial year on progress over the first three months from 1 July 2012 to 30 September 2012. Formal Evaluation sessions covering the first six month period of the covering the period 01 October 2012 to 31 December 2012 were held on 24 and 25 April 2013. An informal performance evaluation was again performed on 6 June 2013 on progress on performance over the third quarter covering the period 1 January 2013 to 31 March 2013 of the 2012/2013 financial year. The final performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the completed 2012/2013 financial year are scheduled for 17 and 18 October 2013 to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores will be reported via the Performance Audit Committee to the Executive Committee and Council before submission of the 2012/2013 Annual Financial Statements and the 2012/2013 Annual Report.

## 6. Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

PriceWaterHouseCoopers previously performed the internal audit function to uMhlathuze municipality and their contract subsequently expired in August 2012. Council has during 2012 created an internal post of Internal Audit Executive within the office of the Municipal Manager to coordinate and manage the Internal Audit function within the municipality. Umnotho Business Consulting has been appointed by uMhlathuze municipality as the Internal Auditors commencing their services on 01 December 2012. As part of their scope, auditing of the Performance Management System and Audit of Performance Information was performed and reports received for each quarter in terms of the following:

Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"><li>• Consistency in reporting;</li><li>• Measurability and reliability;</li><li>• Performance reports reviews;</li><li>• Performance score verification (Municipal Manager and Deputy Municipal Managers);</li><li>• Compliance with relevant laws and regulations.</li></ul>
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"><li>• Consistency in reporting;</li><li>• Measurability and reliability;</li><li>• Performance reports reviews;</li><li>• Compliance with relevant laws and regulations</li></ul>
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"><li>• Consistency in reporting;</li><li>• Measurability and reliability;</li><li>• Performance reports reviews;</li><li>• Compliance with relevant laws and regulations</li></ul>
Review of Performance Information - Quarter 4 (Annual Report)	<ul style="list-style-type: none"><li>• Consistency in reporting;</li><li>• Measurability and reliability;</li><li>• Performance reports reviews;</li><li>• Compliance with relevant laws and regulations</li></ul>

The Auditor General is performing a complete auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard attached.



## 7. Customer Satisfaction

The last Customer Satisfaction Survey was conducted during June/July 2009 and the results were communicated to Council via the Performance Audit Committee on 26 August 2009. The comprehensive analysis feedback report is available on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the "Performance Management" quick link). Council has appointed Urban Econ Development Economists to conduct the 2013 Customer Satisfaction Survey currently in process and the Comprehensive feedback and analysis is anticipated for completion by 30 August 2013. This report will also be published on Council's website once adopted by Council and will be included in the Annual Report for the 2012/2013 financial year.

## 8. Annual Organisational Performance Information

The annual performance reporting on the 2012/2013 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 30 August 2012.

This Annual Performance Report (Tables) once finalized and approved should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information for 2012/2013.

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2013/2014 financial year in cases of under achievement:

The number of households served with basic services as reflected in the table below also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the uMhlathuze Water Board. Electricity is distributed to communities by uMhlathuze municipality through purchasing electricity from ESKOM. The remainder of basic services to communities, i.e. solid waste removal (refuse collection) and sanitation is delivered in-house by the uMhlathuze municipality. The uMhlathuze municipality is fortunate not to be reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The information reflected below has been subjected to the Internal Auditing process (in line with Umnotho Business Consulting and the Municipal Public Accounts Committee) (*as well as Audited by the Auditor General*) and reported via the Performance Audit Committee on 29 August 2013, the Executive Committee on 31 July 2013 and Council on 27 August 2013. Reports are available for inspection.



# ORGANISATIONAL PERFORMANCE SCORECARD 2012/2013 (Master table on DMS 804046)

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2012/2013										
IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Baseline 2011/2012 DMS 716929		2012/2013 ANNUAL 2012/2013		Planned Measures for improvement	2013/2014
										Annual
					Target	Actual	Adjustment Target	Actual		Target
1.1.4	Good Governance, Community Participation and Ward Committee Systems	Public Participation	Public meetings (IDP and Budget meetings)	Number of meetings	330	341	147	140	Target not fully achieved. Ward Committee system was not finalised within the first quarter but since quarter two the ward committee system is in place and Committee members are being capacitated.	147
1.1.4		Public Participation	Number of ward committee management meetings held	Number of meetings	New	New	330	362	Target achieved and exceeded Ward Committee system is in place and Committee members are being capacitated	330
1.1.4		Stakeholder Liaison	Stakeholder meetings	Number of meetings	3	4	17	17	Target achieved, will formalize the portfolio of evidence in 2013/2014	17
1.2.2		Policy Development	Compliance with all legal prescripts	Percentage of compliance	100%	100%	100%	100%	The target was achieved and all policies in place	100%
2.1	Basic Service Delivery and Infrastructure Development	Access to Water	Households with access to basic water	Number of Households (82972 revised in Jan 2013 to 86609)	72660	71660	72660	73613	Target achieved and exceeded as result of carry over project from previous financial year. Total of 82972 households amended to 86609 to align with 2011 Census figures. Most New connections contributed to upgrade of service and not additional households served	83342
2.1			% Households with access to basic water	% Households with access to basic water (82972 revised in Jan 2013 to 86609)	87.57%	86.37%	83.89%	84.99%	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	96.23%
2.1			Households without Basic Water services (BACKLOG)	Number of Households (82972 revised in Jan 2013 to 86609)	NEW	NEW 11312	13949	12996	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	3267
2.1			New Water Connections	Number of new connections	458	0	1000	1953	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	2000
2.1	Basic Service Delivery and Infrastructure Development	Access to Sanitation	Households with access to basic sanitation	Number of Households (82972 revised in Jan 2013 to 86609)	49013	48050	52050	53667	Target achieved and exceeded as result of carry over project from previous financial year. Total of 82972 households amended to 86609 to align with 2011 Census figures. Most New connections contributed to upgrade of service and not additional households served	71822
2.1			% Households with access to basic sanitation	% Households of with access to basic sanitation (82972 revised in Jan 2013 to 86609)	59.07%	57.91%	60.10%	61.96%	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	82.93%
2.1			Households without Basic Sanitation services (BACKLOG)	Number of Households (82972 revised in Jan 2013 to 86609)	NEW	NEW 34911	34559	32942	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	14787
2.1			New sanitation connections	Number of new connections	4500	3537	4000	5617	Target achieved and exceeded as result of carry over project from previous financial year. Most New connections contributed to upgrade of service and not additional households served	5000

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							ANNUAL 2012/2013			Annual
					Target	Actual	Adjustment Target	Actual		Target
2.2	Basic Service Delivery and Infrastructure Development	Access to Electricity	Households with access to electricity (uMhlatuze municipal supply)	Number of Households	32996	31483	31617	31667	Target achieved and exceeded	32367
2.2			New Electrical Connections	Number of new connections	120	599	134	247	Target achieved and exceeded	700
2.4.1		Access to Solid Waste	Households with access to waste disposal services	Number of Households (82972 revised in Jan 2013 to 86609)	56086	58894	60894	59494	Target not achieved as result of funds approved on the adjustments budget in January to provide skips. The SCM process resulted in late appointment of service provider to manufacture skips. The target will only be achieved in the 2013/2014 financial year and R 6.1m has been approved for additional skips over the next two financial years. In the 2013/2014 financial year the following are the plans to improve compliance, 1. Procured more skips and repair the damaged and place those in the Community. 2. Purchase a special skip vehicle that will assist to ease the load of the current fleet. 3. Get an extra driver for the truck. All three action above has been budgeted for the 2013/2014 financial year, unlike last year where there was absolutely no budget for skips and extra staff. All new applications for refuse service will get the service, but only the rural community will be provide with communal skips.	61826
2.4.1			% Households with access to waste disposal services	% Households (82972 revised in Jan 2013 to 86609)	68%	71.0%	70.3%	68.7%	Target not achieved as result of funds approved on the adjustments budget in January to provide skips. The SCM process resulted in late appointment of service provider to manufacture skips. The target will only be achieved in the 2013/2014 financial year and R 6.1m has been approved for additional skips over the next two financial years. In the 2013/2014 financial year the following are the plans to improve compliance, 1. Procured more skips and repair the damaged and place those in the Community. 2. Purchase a special skip vehicle that will assist to ease the load of the current fleet. 3. Get an extra driver for the truck. All three action above has been budgeted for the 2013/2014 financial year, unlike last year where there was absolutely no budget for skips and extra staff. All new applications for refuse service will get the service, but only the rural community will be provide with communal skips.	71.39%

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							ANNUAL 2012/2013			Annual
					Target	Actual	Adjustment Target	Actual		Target
2.4.1			Households without Solid Waste Removal services (BACKLOG)	Number of Households (82972 revised in Jan 2013 to 86609)					Target not achieved as result of funds approved on the adjustments budget in January to provide skips. The SCM process resulted in late appointment of service provider to manufacture skips. The target will only be achieved in the 2013/2014 financial year and R 6.1m has been approved for additional skips over the next two financial years. In the 2013/2014 financial year the following are the plans to improve compliance, 1. Procured more skips and repair the damaged and place those in the Community, 2. Purchase a special skip vehicle that will assist to ease the load of the current fleet. 3. Get an extra driver for the truck. All three action above has been budgeted for the 2013/2014 financial year, unlike last year where there was absolutely no budget for skips and extra staff. All new applications for refuse service will get the service, but only the rural community will be provide with communal skips.	24783
			New households with access to weekly waste disposal services	Number of new households					Target not achieved as result of funds approved on the adjustments budget in January to provide skips. The SCM process resulted in late appointment of service provider to manufacture skips. The target will only be achieved in the 2013/2014 financial year and R 6.1m has been approved for additional skips over the next two financial years. In the 2013/2014 financial year the following are the plans to improve compliance, 1. Procured more skips and repair the damaged and place those in the Community, 2. Purchase a special skip vehicle that will assist to ease the load of the current fleet. 3. Get an extra driver for the truck. All three action above has been budgeted for the 2013/2014 financial year, unlike last year where there was absolutely no budget for skips and extra staff. All new applications for refuse service will get the service, but only the rural community will be provide with communal skips.	2000
2.1		Free Basic Services	Households with access to free basic water	Number of Households					Target achieved and exceeded	83342
2.1			Households with access to free basic sanitation	Number of Households					Target achieved and exceeded	28754
			Households with access to free electricity	Number of Households (Municipal supply)					Target not achieved, however Dependent on indigent applications received	632
2.2				Number of Households (Eskom supply)					Target not achieved, however Dependent on indigent applications received	1523

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							ANNUAL 2012/2013			Annual
					Target	Actual	Adjustment Target	Actual		Target
2.3	Basic Service Delivery and Infrastructure Development	Access to roads	Kilometres of tarred roads established	Number of km	0	0	0	0	No new Tarred Roads planned A new target will be included in the 2013/2014 financial year for the Maintenance of 600 km of tarred roads	0
2.3			Kilometres of gravel roads established	Number of km	24	6.1	12	50	Target achieved and exceeded	36
2.3			Kilometres of roads maintained (grading)	Number of km	800	995	600	609	Target achieved and exceeded	600
2.5.5		Community and Public Facilities	New facilities provided	Number of facilities	3	1	0	0	No funds budgeted for new facilities	4
2.5.5			Upgraded facilities provided	Number of facilities	0	2 sports facilities in process	10	4 completed 5 in progress	Target not achieved. Four halls completed as per specifications and budget. Three sportsfields were upgraded by sponsored funds and the municipality has no control over such projects. In future sponsored projects (outside the control of the municipality) will not be included in the target.	3
3.2.4	Local Economic Development	Human Settlements	Number of Hostel units refurbished	Number of units	90	0	90	36	Target not achieved. Project not completed in time due to poor performance by contractor. One new contractor has been appointed (on site) for one block. One new contractor will be appointed through the SCM process to completed work not done by previous contractor and also include new block of hostel units. Completion of outstanding work as well as new refurbishment is expected by December 2013.	90
3.2.4			Number of new low-cost Houses build (uMhlathuze Village and Rural housing projects)	Number of units	New	New	720	2200	Target achieved and exceeded	1050
3.1.1		Development of Prioritised Groups	Capacity Building Initiatives undertaken	Number of Initiatives	4	9	2	2	Target achieved	1
3.1		Special Projects	Special projects planned	Number of projects	6	1	2	1	Target not achieved. Limited availability of funds resulted on only one special project conducted. The annual target in future will be only one special project.	1
3.1		Promotion of Local Economy	Jobs created through the municipality's LED initiatives	Number of jobs	265	119	120	0	Target not achieved. Target included and reported in jobs created through the EPWP programme.	Combined with EPWP programme
3.1	Jobs created through the municipality's Capital Projects		Number of jobs	750	238	520	1201	Target achieved and exceeded by far. Target for new financial year combined with LED initiatives	669	



## UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2012/2013

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							ANNUAL 2012/2013			Annual
					Target	Actual	Adjustment Target	Actual		Target
4.1	Municipal Transformation and Institutional Development	Human Resources Management	Number of black staff employed in management (level 15 >)	Number of black staff	79	77	85	87	Target achieved and exceeded	103
4.1			Women employed by the municipality	Number of women	881	656	659	703	Target achieved and exceeded	723
4.1			Youth employed by the municipality	Number of youth	TBA	558	598	655	Target achieved and exceeded	679
4.1			Disabled staff employed by the municipality	Number of staff	40	3	5	10	Target achieved and exceeded	12
4.1			Budget Spent on Workplace Skills Plan (cumulative)	Percentage Spent on budgeted amount	100%	59.33%	100%	698622.25/ 897500 = 78%	Target not achieved. Obtain quotations at the beginning of the financial year for all approved training as per the WSP to fast track the SCM process for appointment of training services providers	100%
4.1			% Operating Budget spent on implementing Workplace Skills Plan	Skills levy / Salaries budget x 100 = percentage (Target 1.00% p.a.)	1.00%	0.79%	3324100/ 448465000 =0.74%	3686647/ 448465000 = 0.82%	Target achieved and exceeded	3 704 400/ 50536380 = 0.73%
1.1.3.3		Batho Pele Principles	Community Surveys conducted	Number of surveys	0	0	1	0 In progress	Target not achieved. Will be concluded in August 2013 The SCM process will in future be initiated earlier in the financial year and additional motivation during the budget process not to cut on the provision of funds based on historical expenses for such surveys	0
1.1.3.2		Performance Management Systems	S57 Performance Agreements	Number of agreements	6	6	6	6	Target Achieved	6
1.1.3		Municipal Turnaround Strategy	Implementation of the National Municipal Turnaround Strategy	% Implemented	100%	100%	100%	100%	Target Achieved	100%

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										Annual
					Target	Actual	Adjustment Target	Actual		Target
5.2	Financial Viability and Financial Management	Revenue Enhancement	Cash collected from customers	R value of revenue collected	1,500,000,000	1,463,556,050	1,544,088,000	1,656,139,524	Target achieved and exceeded	1,669,068,380
5.2			Amount invoiced/billed to customers	R value of invoices raised	1,559,000,000	1,471,349,126	1,575,200,000	1,683,349,716	Target achieved and exceeded	1,703,131,000
5.1.2		Financial management	Debt service payments	R value (non-cumulative)	182,648,857	164,515,632	187,258,000	176,643,000	Target is achieved and Exceeded. This is a positive outcome as finance costs were less than budgeted	184,629,000
5.2			Total revenue received from grants and subsidies	R value	266,485,000	256,277,639	313,934,300	321,429,027	Target is fundamentally achieved as only a marginal shortfall. Grants are governed by the DORA allocations. No improvements can be made besides ensuring that Departments spend their respective allocations.	313,332,400
5.1.2			Total of grants and subsidies spent	Total grants and subsidies spent / Total grants and subsidies received x 100 = Percentage spent	100%	107%	100%	79%	Target not achieved. The Capital Grant component mainly made up of MIG funding is the reason for the target not been met. MM is overseeing the required improvement in performance by the ITS Dept in adhering to SDBIP. All project plans for 2013/2014 were initiated as from May and June 2013 and are in place in order for the SCM process to commence early in the 2013/2014 financial year.	100%
5.1.1.2		Debt Control	Debt coverage ratio (cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000)	9.26 revised to 9.40	(1773193000-167258000)/ 164515632 = 9.77%	1876526-204991 177232 = 9.44	1904060-195157000 177237 = 9.64	Target has been achieved. No future improvement required as Municipality's gearing ratio of Debt to Equity is less than 50% - sitting at 21% which implies there is room for greater gearing, hence a reduction in this ratio would be acceptable.	9.63
5.2.1.2			Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	130000000 / 1392000000 = 0.09	121700000 1414000000 = 0.09	0.09	154,843,895/ 1 647,668,296 = 0.094	This target has been fundamentally achieved. Although marginally below target, its current status is the best in South Africa for all Metros and the 17 Secondary Cities.	159,761,024/ 1,669,068,380 = 0.10
5.1.2.1			Cost coverage ratio (cumulative)	(Available cash at particular time + investments) / Monthly fixed operating expenditure	0.36 Full year revised to 0.23	188716000 / (1563993000/12) = 1.45	201247000 138861000 = 1.45	280396000/ 150278000 = 1.87	Target has been achieved. Target for the 2013/14 year is 2 times.	2.13

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2012/2013										
IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Baseline 2011/2012 DMS 716929		2012/2013		Planned Measures for improvement	2013/2014
							ANNUAL 2012/2013			Annual
					Target	Actual	Adjustment Target	Actual		Target
5.1.1.2	Financial Viability and Financial Management	Budgeting and reporting	Total operating budget (revenue)	R value QUARTERLY	1,861,269,600	1,773,193,429	1,876,525,999	2,040,074,844	Target Achieved & Exceeded	2,091,453,700
5.1.2.2			Total Salaries and Wages budget (including benefits)	R value QUARTERLY	407,860,500	391,065,574	449,751,000	437,125,880	Target Achieved & Exceeded	508,764,400
5			Compliance with MFMA requirements	Percentage compliance	100%	100%	100%	100%	Target Achieved	100%
5.1.2		Expenditure control	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	90%	41.00%	$\frac{175821000+50726000}{233547000}=97\%$	$\frac{115\,037\,000}{233\,547\,000}=49.26\%$	Target not achieved. The Municipality is seriously underperforming in this environment. The Municipal Manager will ensure an improvement in the planning , administration of the Bid Committees & adherence to the SDBIP for the 2013/14. All project plans for 2013/2014 were initiated as from May and June 2013 and are in place in order for the SCM process to commence early in the 2013/2014 financial	338,713,300 =100%
5.1.2			Total Operating expenditure	R value QUARTERLY	1,859,685,200	1,785,072,917	1,829,596,730	2,092,074,844	The target was fundamentally achieved. An element of expenditure beyond the Municipalities control is the inconsistent usage/purchase of electricity by large industries. Large industry purchased R36m more than expected. This amount includes the total depreciation cost.	1,989,414,100



**KEY FOR THE MEASURABLE OBJECTIVES:**

**Priority**

**Vuna**

**Additional /Departmental**

**Comments:**

**Access to electricity (New connections):** The Quarterly targets and achievements for this KPI are dependent on the number on applications received.

**Free basic Service (Households with access to free electricity):** The Quarterly targets and achievements for this KPI are dependent on the number on applications received.

**Basic Services Backlogs:** New KPI's were added for Households without access to basic water, sanitation and refuse removal services as from March 2013

**Total number of households:** The annual targets as reflected in the approved IDP have been revised to adjust the total number of households previously reported from 74269 to the total of 82972 in 2011/2012 aligned with KZN CoGTA statistics and revised in Feb 2013 to **86609** based on Stats SA (Sensus 2011) figures.

**ACHIEVEMENTS:** The annual achievements as reported in the Actual (June 2013) column were audited by the Internal Auditors (Umnotho Business Consulting) and the Auditor General and final adjustments made together with the Annual Financial Statements and AG Report to KPI's reflected in different shaded background in the Final Annual Report that will be submitted to Council