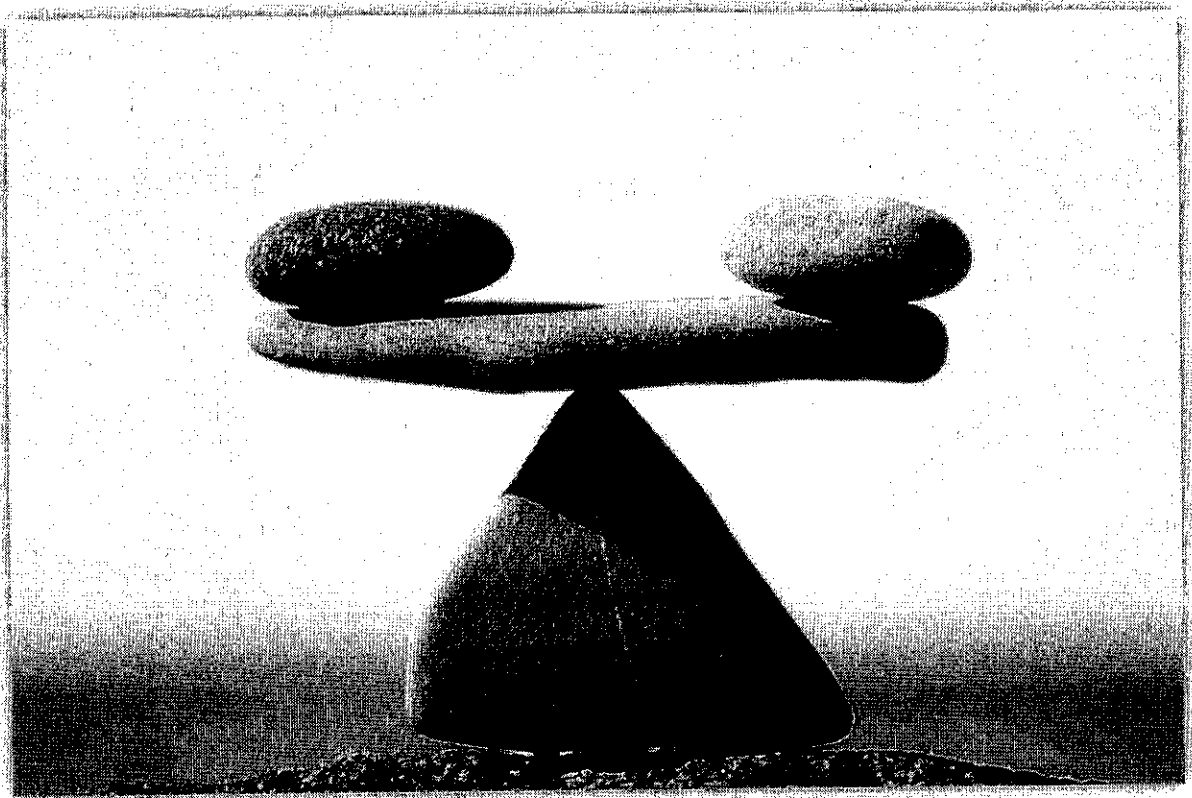


ANNEXURE C



MIDYEAR PERFORMANCE REPORT FY 2016/2017
UTHUKELA WATER (PTY) LTD



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Introduction

In terms of Section 88 (1) (a) (b) and 88 (2) of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003. The accounting officer of a municipal entity must by 20 January of each year assess the performance of the entity during the first half of the financial year, submit a report on such assessment to the board of directors and parent municipalities of the entity and such a report must be made public.

This report serves to table only the mid-year performance of the company as at 31/12/2016 against its pre-determined objectives planned out in July 2016. (Measurement of performance against the SDBIP of FY2016/2017)

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 2016 a pre-determined strategic plan/SDBIP 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 was tabled for the FY 2016/2017.

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 2016/2017 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

Manage Stakeholder Relations	Communicate Company Performance to Stakeholders and Public	Institutional Arrangements	Ensure Good Corporate Governance	Sustainable Financial Management	Planning, Development, Management and Control of Sustainable Bulk Water Volumes and Quality Assurance	Asset Management
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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 make 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 below chart (*Figure 1*) serves to represent the performance outcomes as at Mid-Year (31/12/2016) of uThukela Water (Pty) Ltd. 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 2016/2017 in the key performance areas of the following strategic objectives:

- Communicate company performance to stakeholders and public
- Institutional arrangements
- Sustainable financial management

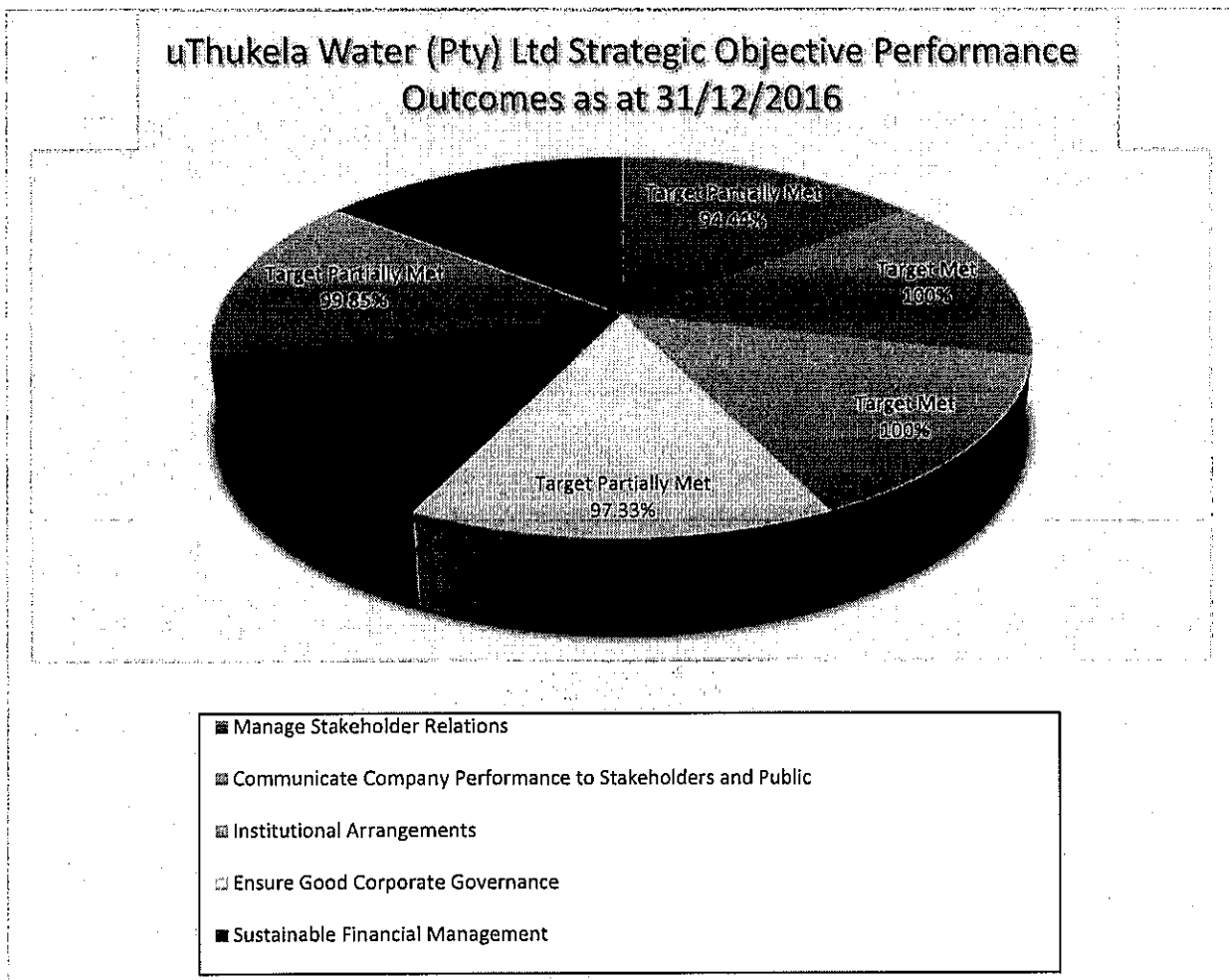
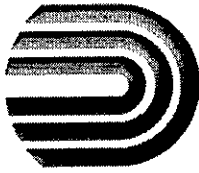


FIGURE 1



UTHUKELA WATER (PTY) LTD

MID YEAR PERFORMANCE SCORECARD AGAINST SDBIP FY 2016/17

Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output at 31/12/2016	Target Met / Partially Met / Not Met	Comments on Output Achieved/ Comments for Corrective Measure	Performance Score
Manage Stakeholder Relations	Align Bulk Water Master Plan, Business Plans & Budgets with Municipal IDPs, Budgets & Plans, and National / Provincial Development Objectives	Submission of Master Plan, 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	All votes	<ul style="list-style-type: none"> • Submit 1 Master Plan per WSA • 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"> • 1 Master Plan per WSA submitted • 1 Business plan submitted • 1 Meeting held with each WSA 	Target Met	Mid- Year Performance Assessment Report Due in Q3	3

Schedule and attend regular Operational Admin and Financial meetings with Parent Municipalities	IPDs, National and Provincial Plans	All votes	<ul style="list-style-type: none"> 12 Monthly meetings scheduled with all WSA's 	<ul style="list-style-type: none"> 5 Scheduled Meetings 	Target Met	Meetings scheduled are subject to WSA availability. In some cases meetings are scheduled but there is no quorum to continue.	3
	Scheduled meetings with the Local Labour Forum. To conduct regular Staff Information Meetings.	To have a minimum of four Local Labour Forum meetings per annum. To have a minimum of two staff information meetings per annum.	3102	<ul style="list-style-type: none"> 4 Local Labour Forum Meetings 2 staff Information meetings 	<ul style="list-style-type: none"> 2 Local Labour Forum Meetings 1 Staff Information Meeting 	Target Met	
Communicate Company Performance to Stakeholders and Public	Submission of Monthly Section 71 Oversight Reports and Quarterly Performance Reports to Shareholders	3102	<ul style="list-style-type: none"> 12 Monthly Section 71 oversight reports 4 Financial Performance Reports 	<ul style="list-style-type: none"> 7 Monthly Section 71 Reports 2 Quarterly Financial Performance Report 	Target Met		3
	Compile Annual Report with Input from Stakeholders	Compile and submit Final Annual Report to Stakeholders and Public by	3138	<ul style="list-style-type: none"> Compile and submit 1 annual report by the 31st August 	<ul style="list-style-type: none"> 1 Annual Report Submitted 	Target Met and Exceeded	

Institutional Arrangements	Board, Shareholder and Audit Committee Meetings	31 st of August each year	3102	<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"> 2 Board Meetings Scheduled 1 Shareholders meeting scheduled 2 Audit Committee meetings scheduled 	Target Met	3	
Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output at 31/12/2016	Target Met / Partially Met / Not Met	Comments on Output Achieved	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 Signed Compliance Control Sheets 	<ul style="list-style-type: none"> 2 Signed Compliance Sheets 	Target Met		3
	To Comply with WSP / WSA Agreements	To monitor compliance with WSP / WSA Agreement Scorecards by signing off control sheets	All votes	<ul style="list-style-type: none"> 2 Signed WSA/WSP Monitoring Control Sheets 			Due in Q3	

Strategic Objectives	Key Performance Area	Key Performance Indicator	Budget Reference	Annual Target	Actual Output at 31/12/2016	Target Met / Partially Met / Not Met	Comments on Output Achieved	Performance Score
	Information Technology Systems	safety regulations, with reports issued quarterly. Functional modern-day and live IT systems that generate management and stakeholder information reviewed on a bi-annual basis	3145 3148	<ul style="list-style-type: none"> 2 IT Reports 	<ul style="list-style-type: none"> 6 Monthly IT Reports 	Target Met		3
Sustainable Financial Management	Sustainable Bulk Tariff	To annually align an affordable bulk water tariff within the industry norm	All votes	<ul style="list-style-type: none"> Annual revision of tariff to indicate the real cost of bulk water service 	<ul style="list-style-type: none"> Newcastle: R2.92 uMzinyathi & Amajuba: R2.90 	Target Met and Exceeded	Newcastle Municipality bulk water rate of R2.92 includes laboratory service fees.	4
	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. To maintain the fixed staff establishment below 30% of		<ul style="list-style-type: none"> < 3 Audit Findings <30% staff establishment costs of total operational budget cost Control budgets within board limits 	<ul style="list-style-type: none"> 0 Audit Findings 26% Budget YTD Expenditure 49.47% 	Target Met and Exceeded		4

Quality Assurance	To supply approved bulk water volumes to WSAs	approval and funding. To supply uninterrupted bulk water volumes in terms of WSP / WSA Agreements and budgeted and budgeted volumes.	All votes	<ul style="list-style-type: none"> Newcastle 33000000 KI uMzinyathi 6035000 KI Amajuba 6491000 KI 	<ul style="list-style-type: none"> Newcastle 13096811KI uMzinyathi 2284996KI Amajuba 2653404 KI 	Target Met and Exceeded	A Government Gazette issued to impose restrictions of 30%. uThukela Water has since imposed the restriction and thus budgeted volumes were reduced by 30%	4
	To supply quality bulk water in terms of SANS 241:2015	95% compliance of; Acute health, chemical and microbiological, Aesthetic and operational, and Chronic health chemical standards.	3158	<ul style="list-style-type: none"> 95 % Water Quality Compliance across determinants: Acute health, chemical and microbiological, aesthetic and operational, and chronic health chemical as per SANS 241:2015 	<ul style="list-style-type: none"> Newcastle: Acute Health Chemical and Microbiological – 100% Aesthetic -100% Chronic Health Chemical- 100% Operational- 99.56% Biggarsberg: Acute Health Chemical and Microbiological – 100% Aesthetic -100% Chronic Health Chemical-100% 	Target Met and Exceeded		4

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