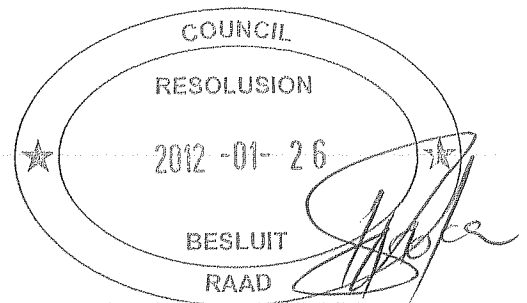


Lefadi Makibinyane (4245)  
COUNCIL: 26 January 2012



11. PUBLIC WORKS AND INFRASTRUCTURE DEVELOPMENT DEPARTMENT  
(WATER AND SANITATION)  
SANDSPRUIT WORKS ASSOCIATION – MID-YEAR BUDGET AND  
PERFORMANCE ASSESSMENT REPORT FOR THE 2011/2012 FINANCIAL  
YEAR  
(From the Mayoral Committee: 18 January 2012)

1. PURPOSE

The purpose of the report is to present the Mid-Year Budget and Performance Assessment report of Sandspruit Works Association (SWA) for the 2011/2012 financial year to Council.

2. STRATEGIC OBJECTIVES

The report focus of the following strategic objective:

Strategic Objective 1 - Provide quality basic services and infrastructure

The purpose of SWA is to provide, improve and assist the CoT with the rendering of the Water Services, including:

- Sanitation Services;
- Sludge Dewatering Services;
- Revenue Management Services to Consumers;
- Extending the existing Water Services in the Northern Tshwane;
- To develop, prepare, install and maintain water and sanitation services and related services to the benefit of the community.
- Provide Potable Water to Consumers for Commercial Use;
- Dispose of Potable Water used for Industrial Use.

3. BACKGROUND

The Performance Audit Committee of the CoT and its Municipal Entities is the Audit Committee of Sandspruit Works Association with effect of 29 October 2009.

The Committee must advise the board of directors, the accounting officer and the management staff of the said municipal entities on financial statements and performance reports and must inform the board of directors regarding important issues which must be addressed concerning the preparation and discussion of the financial statements and performance reports.

It should be noted that although the CoT assists with the logistic arrangement for the Performance Audit Committee of the CoT and its Municipal Entities Committee i.e. the drafting of this covering report. The correctness and contents of the information in the annexure to this report is the responsibility of the municipal entities.

#### 4. LEGISLATIVE PROVISIONS PERTAINING TO THE MID-YEAR PERFORMANCE ASSESSMENT OF MUNICIPAL ENTITIES

SWA, as a municipal entity of the CoT, and must comply with the following pertaining to the Mid-Year Budget & Performance Assessment of Municipal Entities:

##### 4.1 **Section 88(1) and 88(2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003 as amended) (“MFMA”)**

Section 88(1) and 88(2) of the MFMA stipulates that:

(1) The accounting officer of a municipal entity must by 20 January of each year-

- (a) assess the performance of the entity during the first half of the financial year, taking into account-
  - (i) the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
  - (ii) the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and
- (b) submit a report on such assessment to-
  - (i) the board of directors of the entity; and
  - (ii) the parent municipality of the entity.

(2) A report referred to in subsection (1) must be made public.

##### 4.2 **Section 72 of the MFMA**

Section 72 of the MFMA stipulates that:

(1) The accounting officer of a municipality must by 25 January of each year-

- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
  - (i) the monthly statements referred to in section 71 for the first half of the financial year;
  - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) submit a report on such assessment to-
  - (i) the mayor of the municipality;
  - (ii) the National Treasury; and
  - (iii) the relevant provincial treasury.

- (2) The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
- (4) The accounting officer must, as part of the review-
  - (a) make recommendations as to whether an adjustments budget is necessary; and
  - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

#### 4.3 Section 54 of the MFMA

Section 54 of the MFMA stipulates that:

- (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-
  - (a) consider the statement or report;
  - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
  - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
  - (d) issue any appropriate instructions to the accounting officer to ensure-
    - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
    - (ii) (that spending of funds and revenue collection proceed in accordance with the budget;
  - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

The Mid-Year Performance Assessment report of the municipal entity must thus be received by the CoT by no later than 20 January 2012 to be consolidated into the Mid-Year Performance Assessment report of the CoT of the financial year 2011/2012 which is presented to the Executive Mayor by 25 January 2012 and tabled at the Council meeting in January 2012. The report must also made public in terms of legislative requirements as referred to above.

#### 5. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT OF SWA

The Mid-Year Budget and Performance Assessment Report for SWA for the financial year 2011/2012 is attached hereto as Annexure "SWA 1".

## 6. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

### 6.1 COMMENTS OF THE STRATEGIC EXECUTIVE DIRECTOR: CORPORATE AND SHARED SERVICES

#### 6.1.1 LEGAL SERVICES

(Unaltered)

"The purpose of the report is to take cognisance of the abovementioned budget and performance assessment report.

The legal aspects have already been dealt with in the report.

The accounting officer of a municipal entity must submit all reports to the parent municipality. (Section 104 of the MFMA)

The recommendations in the report are supported."

### 6.2 COMMENTS OF THE CHIEF FINANCIAL OFFICER

(Unaltered)

"Cognisance is taken of the contents of the report as well as the Mid-Year Budget and Performance Assessment Report.

The purpose of the report is to present the Mid-Year Budget and Performance Assessment report of Sandspruit Works Association (SWA) for the 2011/2012 financial year to the Audit and Performance Committee of the City of Tshwane (CoT) and its Municipal Entities (ME).

There are no financial implications emanating as a result of this report."

## 7. IMPLICATIONS

### 7.1 HUMAN RESOURCES

The report does not have any Human Resource related impact for the CoT.

### 7.2 FINANCES

The report does not have any financial implications for the CoT.

### 7.3 CONSTITUTIONAL AND LEGAL FACTORS

The report is in accordance with Section 88 of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

### 7.4 COMMUNICATION

Communication will be done as and when required in terms of legislation.

### 7.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None

## 8. CONCLUSION

The Mid-Year Performance Assessment report of the municipal entity must thus be consolidated into the Mid-Year Performance Assessment report of the CoT of the financial year 2011/2012 which is presented to the Executive Mayor by 25 January 2012 and tabled at the Council meeting in January 2012. The report must also be made public in terms of legislative requirements as referred to above.

**The Mayoral Committee on 18 January 2012 resolved to recommend to Council as set out below:**

### **IT WAS RECOMMENDED (TO THE COUNCIL: 26 JANUARY 2012):**

1. That cognisance be taken of the Mid-Year Performance Assessment report of SWA for the financial year 2011/2012;
2. That the Mid-Year Budget & Performance Assessment report of SWA be consolidated into the Mid-Year Performance Assessment report of the CoT of the financial year 2011/2012 which is presented to the Executive Mayor by 25 January 2012 and tabled at the Council meeting in January 2012; and
3. That the Mid-Year Performance Assessment report of SWA of the financial year 2011/2012 be made public in terms of legislative requirements.

**After the Speaker has officially tabled the 2010/11 Annual Report inclusive of the reports of the Municipal Entities to Council on 26 January 2012, the Executive Mayor seconded by Cllr D Chauke proposed that the report be submitted to MPAC for oversight purposes and it be resubmitted to Council in March 2012 for deliberations and approval.**

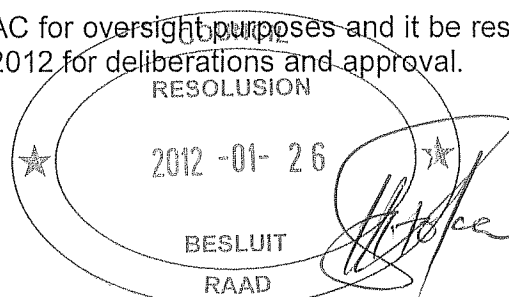
**The Council acceded to the Executive Mayor's proposal and thereafter resolved as set out below:**

### **ANNEXURE:**

Annexure "SWA 1": SWA – Mid-Year Performance Assessment report of the financial year 2011/2012

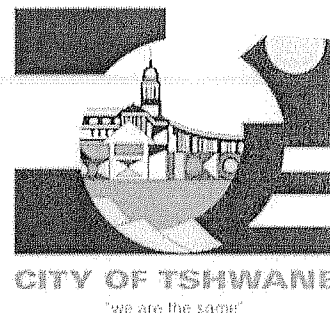
### **RESOLVED:**

1. That cognisance be taken of the Mid-Year Performance Assessment report of SWA for the financial year 2011/2012;
2. That the Mid-Year Budget & Performance Assessment report of SWA be consolidated into the Mid-Year Performance Assessment report of the CoT of the financial year 2011/2012 which is presented to the Executive Mayor by 25 January 2012 and tabled at the Council meeting in January 2012; and
3. That the Mid-Year Performance Assessment report of SWA of the financial year 2011/2012 be made public in terms of legislative requirements.
4. That this report be submitted to MPAC for oversight purposes and it be resubmitted to the Council meeting of 29 March 2012 for deliberations and approval.





Together we can keep water flowing



## PERFORMANCE ASSESSMENT OF SANDSPRUIT WORKS ASSOCIATION

### IN TERMS OF SECTION 88 (1)

Consolidated Performance Assessment Report for Sandspruit Works Association which includes:-

- **Quarter Two Performance Assessment Report (Oct 2011 to Dec 2011)**
- **Mid Year Performance Assessment Report (July 2011 to Dec 2011)**

This report is submitted pursuant to Section 88 (1) of the Municipal Finance Management Act (MFMA), which requires the Accounting Officer of the Municipal Entity to submit the performance assessment of the entity during the second quarter of the financial year, which includes (i) the monthly statement referred to in Section 87 for the second quarter of the financial year and the target set in the service delivery and business plan.

I hereby certify that all information presented in this report has been made available and declared openly to City of Tshwane (Parent Municipality) and the Board of Sandspruit Works Association in terms of Section 149 of the Municipal Finance Management Act.

**MJ TAETSANE**  
**MANAGING DIRECTOR**

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- 1.1 INTRODUCTION
- 1.2 EXECUTIVE SUMMARY
- 2. FINANCIAL PERFORMANCE
- 3. OPERATIONS AND MAINTENANCE PERFORMANCE
- 4. HUMAN RESOURCE PERFORMANCE
- 5. LEGAL DIVISION PERFORMANCE
- 6. MARKETING PERFORMANCE
- 7. RISK PERFORMANCE
- 8. SUPPLY CHAIN MANAGEMENT

## 1.1 INTRODUCTION

Sandspruit Works Association is a Section 21 Company with Independent Board of Directors appointed by the Executive Mayor of City of Tshwane. It operates as area-based water service provider, undertaking multi-functional initiatives, involving role-players like councillors and basing its effort on number of constructive effort, such as provision of potable water, Waste Treatment Plant, collection, the implementation of Capital projects and building a social responsibility with the community and other stakeholders

The services and projects implemented by Sandspruit Works Association are therefore complementary and in line with the Business plan, Service delivery Agreement and City of Tshwane Integrated Development Plan. (IDP) The key functions carried out by SWA include:

- Daily Operations
- Maintenance
- Customer Relations
- Health and Hygiene Promotion
- Contract Management
- Financial Management
- Planning
- Monitoring and Reporting
- Training and Development of Staff
- Human Resource Management
- Network System
- Legal

## 1.2 EXECUTIVE SUMMARY

This report highlights the performance achievement of Sandspruit Works Association during the second quarter of the financial year together with the mid year performance assessment for the first half of the 2011/2012 financial year, taking into account;

- (i) Targets set in the Business Plan 2011/2012
- (ii) Predetermined Objectives
- (iii) Achieving Clean Audit
- (iv) Financial Analysis
- (v) Unaccounted for Water
- (vi) Revenue Enhancement



## 2. FINANCIAL PERFORMANCE

KPA	Baseline	KPI per Quarter		Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
		Target	Actual							
1. Reduce municipal debtors over 90 days from 90% to 70% by 2015	90.40%	Target	85%	85%	85%	85%	85%	85%	Debtors age analysis	MicroMega ageing summary reports
		Actual	91.10%	91.50%						
2. All bills sent have correct customer information and address by 2015.	93%	Target	95%	95%	95%	95%	95%	95%	M&M verification report	SAPO activity report
		Actual	98%	100%						
3. Enhance revenue collection by 4%	61.80%	Target	66%	66%	66%	66%	66%	66%	Report to MD	MicroMega and pay-analysis report
		Actual	70.00%	63%						
4. Increase reconnection rate on restricted consumers.	28%	Target	30%	30%	30%	30%	30%	30%	Report to MD	MicroMega reconnection report/Madibeng Water Services reports
		Actual	26.00%	20.33%						
5. Increase % of total metres read by 1% per annum.	93%	Target	94.25%	94.50%	94.75%	95%	95%	95%	MicroMega report	Micromega exception reports
		Actual	94.40%	94.84%						
6. Compliance with MFMA in submitting MTREF report to CoT within 7 days.	100%	Target	100%	100%	100%	100%	100%	100%	MTREF report	Sent e-mail reports to CoT
		Actual	100%	100%						
7. Ensure that 99% of creditors are paid within 30 days.	98%	Target	99%	99%	99%	99%	99%	99%	Creditors age analysis	AccPac reports
		Actual	94.39%	100%						
8. Complete systems back up on daily basis.	100%	Target	100%	100%	100%	100%	100%	100%	Daily backup register	Backup reports from system
		Actual	100%	100%						
9. User response time.	90%	Target	98%	98%	98%	98%	98%	98%	User complaints register	Calculation-User reports register
		Actual	98%	94.47%						

## ANNEXURE A

## 2. FINANCES

## 2.1 Review of Operating results

Summary operating results

The operating results for the second quarter period ended 31 December 2011 are as follows:

*Table 1 Operating results*

Summary Statement of Financial Performance			
Description	December YTD Budget R'000	December YTD Actual R'000	Variance Favourable/ (Unfavourable) R'000
Total Revenue	160,424	148,006	(12,418)
Total Operating Expenditure	160,424	148,455	11,969
Surplus/(Deficit)	-	(449)	(449)

The financial result reflects the policy of recovering all operational losses from the City of Tshwane, except in the case of the Waste Water Treatment plants where a loss of R449, 000 was recorded.

## 2.2. Operating Revenue

The major revenue variances are explained as follows:

1. Decrease in water and sanitation revenue as result of reduced billing – R3,2m
2. Decrease in Waste Water subsidy as result of direct contracts – R2,1m
3. Decrease in City of Tshwane subsidy as result of reduced operational loss – R2,8m
4. Negative variance in interest as result of increased registration of indigents – R1.0m
5. Negative variance in other services – R3,0m

## 2.3. Operating Expenditure

The major expenditure variances are as follows:

1. Increase in bulk purchases rand value as result of the tariff increase from budget of 8% to 12,9% - R3.8m
2. Increase in electricity expenses WWTW – R1,5m
3. Saving in debt impairment – R1.3m
4. Saving in maintenance and materials and other expenses – R6,1.
5. Saving in capital expenditure – R3,0m
6. Saving WWTW Contractual arrangements – R2,7m

## 2.4. Capital expenditure

The capital expenditure report shown in Annexure A, table F3 has been prepared on the basis of the format required to be lodged electronically with National Treasury.

The summary report indicates the following:

<b>Summary Statement of Capital Expenditure</b>			
<b>Description</b>	<b>December YTD Budget R'000</b>	<b>December YTD Actual R'000</b>	<b>Variance Favourable/ (Unfavourable) R'000</b>
<b>Total Capital Expenditure</b>	1 602	152	1 450
<b>Total Capital Financing</b>	1 602	152	1 450
<b>Surplus/(Deficit)</b>	-	-	-

The above capital expenditure is only with regards to small assets and does not include the network, which is budgeted for by City of Tshwane.

## 2.5 In-year budget statement tables: December 2011 report

The financial results for the period ended 31 December 2011 (i.e. the second quarter of the 2011/12 financial year) are attached consisting of the following tables, in Annexure A:

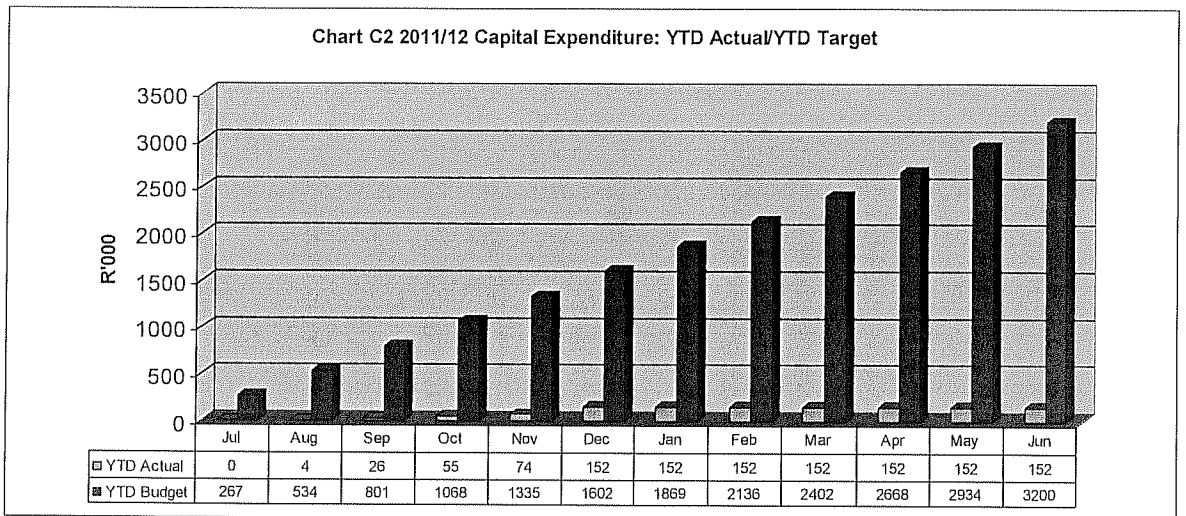
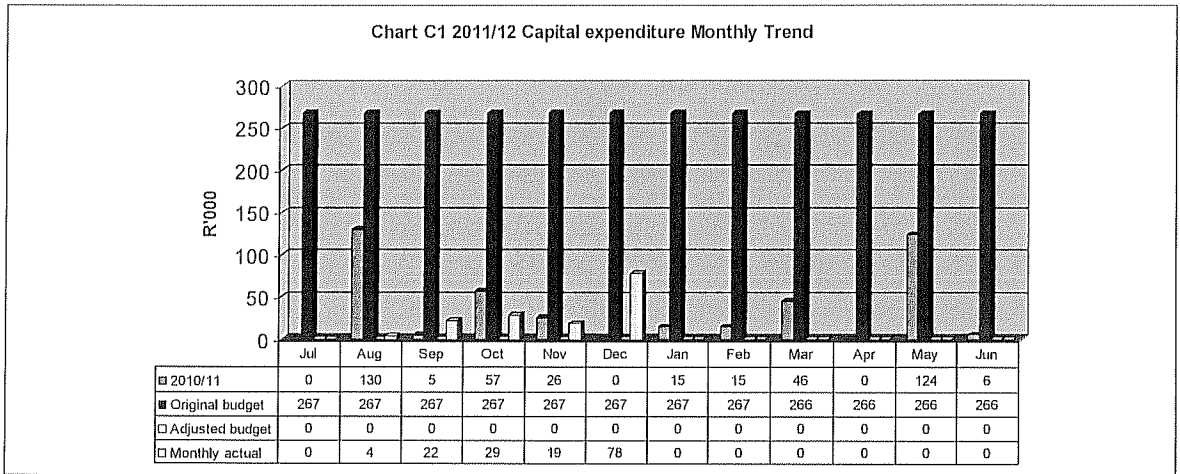
### Part 1

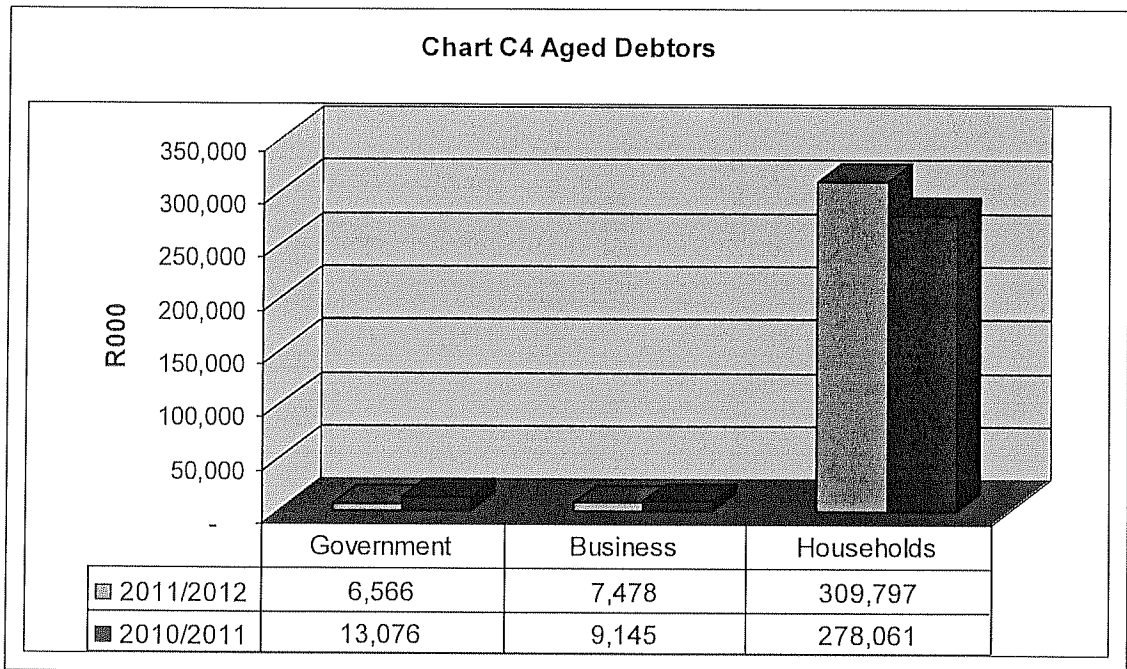
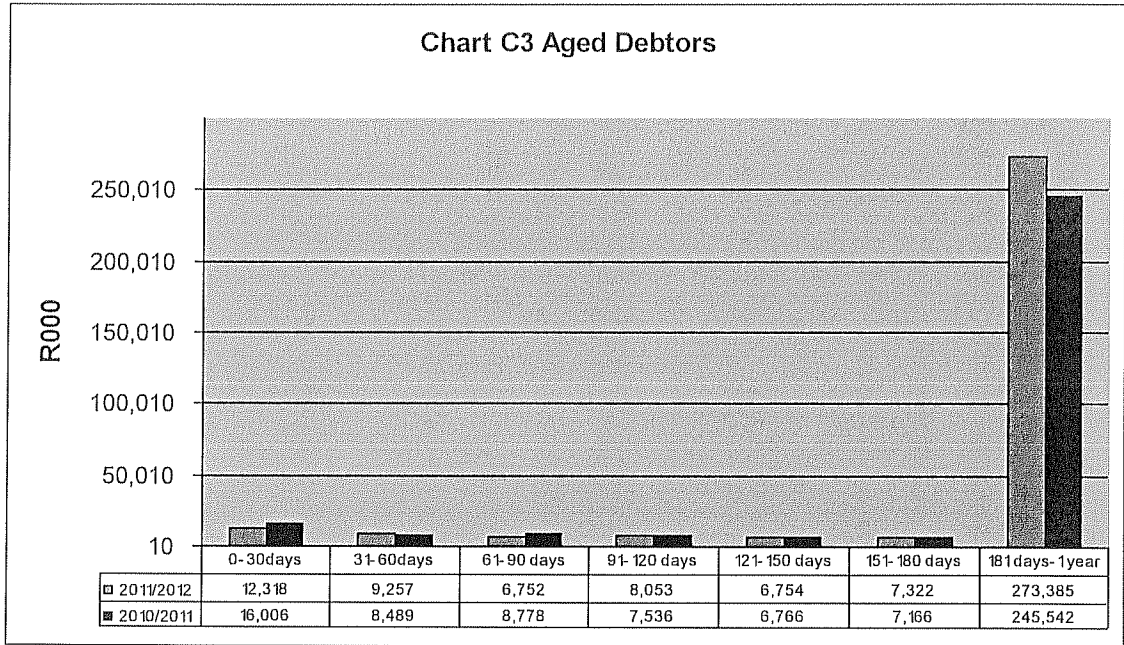
1. Table F1: Monthly Budget Statement Summary
2. Table F2: Financial performance (Revenue and Expenditure)
3. Table F3: Capital Expenditure
4. Table F4: Financial Position
5. Table F5: Cash Flows

### Part 2

1. Table SF1: Material variance explanation
2. Table SF2: Financial and non-financial indicators
3. Table SF3: Aged Debtors
4. Table SF4: Aged creditors
5. Table SF5: Investment portfolio
6. Table SF6: Board member allowances and staff benefits
7. Table SF8: Capital expenditure on new assets.

2.6 In-year budget statement charts: December 2011





## ANNEXURE A

Sandspruit Works Association - Table F1  
 Monthly Budget Statement Summary  
 31/12/2011

Description	2010/11	Current Year 2011/12							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	157,662	200,966	-	24,150	133,209	100,483	33	32.6%	200,966
Investment revenue	20,816	22,148	-	1,783	10,508	11,074	(1)	-5.1%	22,148
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	74,845	97,735	-	391	4,289	48,867	(45)	-91.2%	97,735
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>253,323</b>	<b>320,848</b>	<b>-</b>	<b>26,324</b>	<b>148,006</b>	<b>160,424</b>	<b>(12,418)</b>	<b>-7.7%</b>	<b>320,848</b>
Employee costs	48,469	72,961	-	6,545	36,321	36,480	(160)	-0.4%	72,961
Remuneration of Board Members	94	200	-	-	53	100	(47)	-47.4%	200
Depreciation and debt impairment	65,388	73,547	-	6,946	35,058	36,774	(1,715)	-4.7%	73,547
Finance charges	5,146	5,791	-	(3)	2,395	2,895	(501)	-17.3%	5,791
Materials and bulk purchases	81,996	80,365	-	7,475	43,981	40,183	3,799	9.5%	80,365
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	57,569	87,985	-	5,197	30,648	43,992	(13,344)	-30.3%	87,985
<b>Total Expenditure</b>	<b>258,661</b>	<b>320,848</b>	<b>-</b>	<b>26,160</b>	<b>148,455</b>	<b>160,424</b>	<b>(11,969)</b>	<b>-7.5%</b>	<b>320,848</b>
<b>Surplus/(Deficit)</b>	<b>(5,338)</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>(449)</b>	<b>-</b>	<b>(449)</b>	<b>#DIV/0!</b>	<b>-</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(5,338)</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>(449)</b>	<b>-</b>	<b>(449)</b>	<b>#DIV/0!</b>	<b>-</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(5,338)</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>(449)</b>	<b>-</b>	<b>(449)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial position</b>									
Total current assets	126,560	62,886	-		62,886				-

Total non current assets	16,647	16,687	-		16,687				-
Total current liabilities	123,616	59,982	-		59,982				-
Total non current liabilities	-	-	-		-				-
Community wealth/Equity	19,591	19,591	-		19,591				-
<b>Cash flows</b>									
Net cash from (used) operating	14,874	2,824	-	(5,874)	(9,383)	1,412	(10,795)	-764.4%	2,824
Net cash from (used) investing	(1,861)	(3,200)	-	(78)	(149)	(1,600)	1,451	-90.7%	(3,200)
Net cash from (used) financing	(174)	200	-	1	156	100	56	55.7%	200
Cash/cash equivalents at the year end	17,838	4,823	4,998	(5,951)	(9,376)	(88)	(9,288)	10580.5%	4,823
<b>Debtors &amp; creditors analysis</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 - 150 Days</b>	<b>151 - 180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Revenue Source	12	9	7	8	7	7	273	-	324
<b>Debtors Age Analysis</b>									
Total Creditors	10	9	-	-	-	-	-	-	19

Sandspruit Works Association - Table  
F2 Monthly Budget Statement -  
Financial Performance (revenue and  
expenditure) 31/12/2011

Description	Ref	2010/11	Current Year	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget							
R thousands										
<b>Revenue By Source</b>	1									
Property rates		-	-	-	-	-	-	-		-
Property rates - penalties & collection charges		-	-	-	-	-	-	-		-
Service charges - electricity revenue		-	-	-	-	-	-	-		-
Service charges - water revenue		104,873	123,743	10,047	55,561	61,872	(6,310)		-10.2%	123,743
Service charges - sanitation revenue		24,618	32,664	2,912	16,183	16,332	(148)		-0.9%	32,664
Service charges - refuse revenue		-	-	-	-	-	-			-
Service charges - other		28,170	44,559	11,190	61,464	22,280	39,184		175.9%	44,559
Rental of facilities and equipment		-	-	-	-	-	-			-
Interest earned - external investments		565	290	53	352	145	207		142.5%	290
Interest earned - outstanding debtors		20,251	21,858	1,730	10,157	10,929	(772)		-7.1%	21,858
Dividends received		-	-	-	-	-	-			-
Fines		-	-	-	-	-	-			-
Licences and permits		-	-	-	-	-	-			-
Agency services		-	-	-	-	-	-			-
Transfers recognised - operational		-	-	-	-	-	-			-
Other revenue		74,845	97,735	391	4,289	48,867	(44,578)		-91.2%	97,735
Gains on disposal of PPE		-	-	-	-	-	-			-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>253,323</b>	<b>320,848</b>	<b>-</b>	<b>26,324</b>	<b>148,006</b>	<b>160,424</b>	<b>(12,418)</b>	<b>-7.7%</b>	<b>320,848</b>
<b>Expenditure By Type</b>	-									
Employee related costs		48,469	72,961	6,545	36,321	36,480	(160)		-0.4%	72,961
Remuneration of Directors		94	200	-	53	100	(47)		-47.4%	200
Debt impairment		62,407	70,597	6,767	33,958	35,299	(1,341)		-3.8%	70,597
Collection costs		3,985	5,791	(3)	2,395	2,895	(501)		-17.3%	5,791
Depreciation & asset impairment		2,981	2,950	179	1,101	1,475	(374)		-25.4%	2,950
Finance charges		1,161	-	-	-	-	-			-
Bulk purchases	2	81,996	80,365	7,475	43,981	40,183	3,799		9.5%	80,365
Other materials		-	-	-	-	-	-			-
Contracted services		-	-	-	-	-	-			-
Transfers and grants		-	-	-	-	-	-			-
Other expenditure		57,559	87,985	5,197	30,648	43,992	(13,344)		-30.3%	87,985
Loss on disposal of PPE		-	-	-	-	-	-			-



		10	--		--	--	--	--		--
<b>Total Expenditure</b>	3	258,661	320,848	--	26,160	148,455	160,424	(11,969)	-7.5%	320,848
<b>Surplus/(Deficit)</b>		(5,338)	--	--	164	(449)	--	(449)	#DIV/0!	--
Transfers recognised - capital		--	--		--	--	--	--		--
Contributions recognised - capital		--	--		--	--	--	--		--
Contributions of PPE		--	--		--	--	--	--		--
<b>Surplus/(Deficit) before taxation</b>		(5,338)	--	--	164	(449)	--	(449)	#DIV/0!	--
Taxation		--	--		--	--	--	--		--
<b>Surplus/(Deficit) for the year</b>		(5,338)	--	--	164	(449)	--	(449)		--
<u>References</u>										
1. Revenue includes sales of: (insert description)		129,492	156,407		12,960	71,745	78,203			156,407
2. Bulk purchases - electricity		--	--		--	--	--			--
2. Bulk purchases - water		81,996	80,365		7,475	43,981	40,183			80,365
3. Expenditure includes repairs & maintenance of:		24,340	22,154		802	7,382	11,077			22,154

Sandspruit Works Association - Table  
F3 Monthly Budget Statement - Capital  
Expenditure 31/12/2011

Vote Description	Ref	2010/11	Current Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Multi-Year expenditure</b>										
<i>Insert programme/projects description</i>										
Capital multi-year expenditure sub-total		--	--	--	--	--	--	--		--
<b>Single Year expenditure</b>										
<i>Insert single year budgets and indicative estimates</i>										
Buildings	32	1,250		--	--	625	(625)	-100.0%		1,250
Plant & Machinery	56	150		5	51	75	(24)	-32.4%		150
Furniture & Fixtures	162	550		75	79	275	(196)	-71.2%		550
Motor vehicles	1,350	--		--	--	--	--			--
Office Equipment	--	500		--	--	250	(250)	-100.0%		500
IT Equipment	261	750		(2)	22	375	(353)	-94.1%		750
Capital single-year expenditure sub-total		1,861	3,200	--	78	152	1,600	(1,448)	-90.5%	3,200
Total Capital expenditure	4,6	1,861	3,200	--	78	152	1,600	(1,448)	-90.5%	3,200
<b>Funded by:</b>										
National Government		--	--		--	--	--	--		--
Provincial Government		--	--		--	--	--	--		--
Parent Municipality		1,861	3,200		78	152	1,600	(1,448)	-90.5%	3,200
District Municipality		--	--		--	--	--	--		--
Transfers recognised - capital		1,861	3,200	--	78	152	1,600	(1,448)	-90.5%	3,200
Public contributions & Donations								--		
Borrowing	1							--		
Internally generated funds								--		
Total Capital Funding		1,861	3,200	--	78	152	1,600	(1,448)	-90.5%	3,200

Sandspruit Works Association - Table  
F4 Monthly Budget Statement -  
Financial Position 31/12/2011

Vote Description	Ref	2010/11	Current Year 2011/12			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		17,837	12,279		31,812	12,279
Call investment deposits		-	-			-
Consumer debtors		17,641	17,349		11,225	17,349
Other debtors		89,182	31,358		41,176	31,358
Inventory		1,900	1,900		2,248	1,900
<b>Total current assets</b>		<b>126,560</b>	<b>62,886</b>	<b>-</b>	<b>86,461</b>	<b>62,886</b>
<b>Non current assets</b>						
Property, plant and equipment		16,647	16,687		12,694	16,687
Agricultural assets		-	-			-
<b>Total non current assets</b>		<b>16,647</b>	<b>16,687</b>	<b>-</b>	<b>12,694</b>	<b>16,687</b>
<b>TOTAL ASSETS</b>		<b>143,207</b>	<b>79,573</b>	<b>-</b>	<b>99,155</b>	<b>79,573</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-			-
Borrowing		-	-			-
Consumer deposits		2,309	2,697		2,836	2,697
Trade and other payables		121,307	57,284		76,241	57,284
Provisions		-	-		3,853	-
<b>Total current liabilities</b>		<b>123,616</b>	<b>59,982</b>	<b>-</b>	<b>82,930</b>	<b>59,982</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-		-
Provisions		-	-	-		-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>123,616</b>	<b>59,982</b>	<b>-</b>	<b>82,930</b>	<b>59,982</b>
<b>NET ASSETS</b>	1	<b>19,591</b>	<b>19,591</b>	<b>-</b>	<b>16,225</b>	<b>19,591</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		19,591	19,591		16,225	19,591
Reserves		-	-			-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	1	<b>19,591</b>	<b>19,591</b>	<b>-</b>	<b>16,225</b>	<b>19,591</b>

Sandspruit Works Association - Table  
F5 Monthly Budget Statement - Cash  
Flows 31/12/2011

Description	Ref	2010/11	Current Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Ratepayers and other		161,270	239,978		18,304	126,123	119,989	6,134	5.1%	239,978
Government - operating		-	-		-	-	-	-		-
Government - capital		-	-		-	-	-	-		-
Interest		20,816	22,148		53	352	11,074	(10,722)	-96.8%	22,148
Dividends		-	-		-	-	-	-		-
Payments										
Suppliers and employees		(166,051)	(259,301)		(24,230)	(135,857)	(129,651)	(6,206)	4.8%	(259,301)
Finance charges		(1,161)	-		-	-	-	-		-
Dividends paid		-	-		-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>14,874</b>	<b>2,824</b>		<b>-</b>	<b>(5,874)</b>	<b>1,412</b>	<b>1,618</b>	<b>114.6%</b>	<b>2,824</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-		-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-		-	-	-	-		-
Decrease (increase) other non-current receivables		-	-		-	-	-	-		-
Decrease (increase) in non-current investments		-	-		-	-	-	-		-
Payments										
Capital assets		(1,861)	(3,200)		(78)	(149)	(1,600)	1,451	-90.7%	(3,200)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1,861)</b>	<b>(3,200)</b>		<b>-</b>	<b>(78)</b>	<b>(1,600)</b>	<b>(1,451)</b>	<b>90.7%</b>	<b>(3,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-		-	-	-	-		-
Borrowing long term/refinancing		-	-		-	-	-	-		-
Increase (decrease) in consumer deposits		(174)	200		1	156	100	56	55.7%	200
Payments										
Repayment of borrowing		-	-		-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(174)</b>	<b>200</b>		<b>-</b>	<b>156</b>	<b>100</b>	<b>56</b>	<b>55.7%</b>	<b>200</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>12,839</b>	<b>(176)</b>		<b>-</b>	<b>(5,951)</b>	<b>(88)</b>	<b>(9,288)</b>	<b>10580.5%</b>	<b>(176)</b>
Cash/cash equivalents at the year begin:	2	4,998	4,998	4,998					10580.5%	4,998
Cash/cash equivalents at the year end:	2	17,838	4,823	4,998	(5,951)	(9,376)	(88)	(9,288)		4,823

Sandspruit Works Association -  
Supporting Table F1 Entity  
Material variance explanation -  
31/12/2011

Description	Ref	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
R thousands				
<u>Revenue Items</u>				
Property rates		-		
Property rates - penalties & collection charges		-		
Service charges - electricity revenue		-		
Service charges - water revenue		(6,310)	Decrease in water sales	
Service charges - sanitation revenue		(148)	Decrease in sales	
Service charges - refuse revenue		-		
Service charges - other		39,184	Re-allocation other revenue	
Rental of facilities and equipment		-		
Interest earned - external investments		207		
Interest earned - outstanding debtors		(772)	Registration of indigent consumers	
Dividends received		-		
Fines		-		
Licences and permits		-		
Agency services		-		
Transfers recognised - operational		-		
Other revenue		(44,578)	Re-allocation other revenue	
Gains on disposal of PPE		-		
		(12,418)		
<u>Expenditure items</u>				
Employee related costs		(160)	Appintmenst not effected	
Remuneration of Directors		(47)		
Debt impairment		(1,341)		
Collection costs		(501)		
Depreciation & asset impairment		(374)		
Finance charges		-		
Bulk purchases		3,799	Increase in tariff from 8% to 12.9%	
Other materials		-		
Contracted services		-		
Transfers and grants		-		
Other expenditure		(13,344)	Saving in overheads	
Loss on disposal of PPE		-		
		(11,969)		
<u>Capital Expenditure items</u>				

Buildings	(625)	No capital expenditure	
Plant and Machinery	(24)		
Furniture & Fixtures	(196)		
Office Equipment	-		
IT Equipment	(250)		
<b>Cash flow items</b>			
<b>Other Cash Flows by Source</b>			
Transfer receipts - capital	-		
Contributions & Contributed assets			
Proceeds on disposal of PPE	-		
Short term loans	-		
Borrowing long term/refinancing	-		
Increase in consumer deposits	56		
Receipt of non-current debtors	-		
Receipt of non-current receivables	-		
Change in non-current investments	-		
<b>Other Cash Flows/Payments by Type</b>			
Capital assets	1,451		
Repayment of borrowing	-		
Other Cash Flows/Payments			
-			
<b>Measurable performance</b>			
Optimize Revenue Collection - target 60%			
Control Costs - target 97%			
Increase number of paying customers - target 10%			
Discourage illegal connection - target 30%			
Reduce UAW (Unaccounted water loss) - target 28%			

Sandspruit Works Association -  
Supporting Table F2 Entity Financial and  
non-financial indicators - 31/12/2011

Description of financial indicator	Basis of calculation	Ref	2010/11	Current Year 2011/12			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		-	-	-	-	-
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		0	0	-	0	0
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		-	-	-	-	-
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0	0	-	0	0
Gearing	Long Term Borrowing/ Funds & Reserves						
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities		0	0	-	0	0
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0	0	-	0	0
Liquidity Ratio	Monetary Assets/Current Liabilities		0	0	-	0	0
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		-	-	-	-	-
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0	0	-	0	0
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		-	-	-	-	-
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	98.0%	98.0%	99.0%	95.0%
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2	30.4%	28.0%	28.0%	24.0%	28.0%
Employee costs	Employee costs/Total Revenue - capital revenue		0	0	-	0	0
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0	0	-	0	0
Interest & Depreciation	I&D/Total Revenue - capital revenue		0	0	-	0	0
<b>Financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		-	-	-	-	-
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		-	-	-	-	-

Sandspruit Works Association  
- Supporting Table F3 Entity  
Aged debtors - 31/12/2011

Detail	NT Code	Current Year 2011/12										
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Bad Debts	>90 days
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	1200											
Electricity	1300											
Water	1400	12,318	9,257	6,752	8,053	6,754	7,322	273,385		323,841	310,322	295,514
Sewerage / Sanitation	1500											
Refuse Removal	1600											
Housing (Rental Revenue)	1700											
Other	1900											
<b>Total By Income Source</b>	<b>2000</b>	<b>12,318</b>	<b>9,257</b>	<b>6,752</b>	<b>8,053</b>	<b>6,754</b>	<b>7,322</b>	<b>273,385</b>	<b>-</b>	<b>323,841</b>	<b>310,322</b>	<b>295,514</b>
Debtors Age Analysis By Customer Group												
Government	2200	797	756	175	165	193	83	4,397		6,566	-	
Business	2300	1,863	773	216	189	249	163	4,025		7,478	-	
Households	2400	9,658	7,728	6,361	7,699	6,312	7,076	264,964		309,797	-	
Other	2500										310,322	
<b>Total By Customer Group</b>	<b>2600</b>	<b>12,318</b>	<b>9,257</b>	<b>6,752</b>	<b>8,053</b>	<b>6,754</b>	<b>7,322</b>	<b>273,385</b>	<b>-</b>	<b>323,841</b>	<b>310,322</b>	

Sandspruit Works Association  
- Supporting Table F4 Entity  
Aged creditors - 31/12/2011

Detail	NT Code	Current Year 2011/12								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									
Bulk Water	0200	8,518	8,509							17,028
PAYE deductions	0300									
VAT (output less input)	0400									
Pensions / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	452								452
Auditor General	0800									
<b>Total By Customer Type</b>	<b>2600</b>	<b>8,970</b>	<b>8,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,480</b>



Sandspruit Works Association - Supporting  
Table F6 Entity Board member allowances &  
staff benefits - 31/12/2011

Summary of Employee and Board Member remuneration	Ref	2010/11	Current Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Remuneration</b>										
<b>Board Members of Entities</b>										
Basic Salaries		-	-	-	-	-	-	-	-	-
Pension Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor vehicle allowance		-	-	-	-	-	-	-	-	-
Cell phone allowance		-	-	-	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Board Fees	1	94	200	-	53	100	(47)	-47.4%	200	
<b>Sub Total - Board Members of Entities</b>		94	200	-	53	100	(47)	-47.4%	200	
% increase	4		113.9%						113.9%	
<b>Senior Managers of Entities</b>	2									
Basic Salaries		2,396	2,994	492	1,986	1,497	490	32.7%	2,994	
Pension Contributions		305	400	51	220	200	20	10.2%	400	
Medical Aid Contributions		124	218	14	83	109	(26)	-24.0%	218	
Motor vehicle allowance		560	108	8	40	54	(14)	-26.3%	108	
Cell phone allowance		35	99	-	-	49			99	
Housing allowance		65	140	11	60	70	(10)	-14.1%	140	
Other benefits or allowances		-	-	20	92	-	92	#DIV/0!	-	
Performance Bonus		102	1,384	-	-	692	(692)	-100.0%	1,384	
In-kind benefits	1	-	-	-	-	-	-		-	
<b>Sub Total - Senior Managers of Entities</b>		3,586	5,343	-	596	2,482	(190)	-7.1%	5,343	
% increase	4		49.0%						49.0%	
<b>Other Staff of Entities</b>										
Basic Salaries		26,866	36,547	3,557	20,268	18,273	1,995	10.9%	36,547	
Pension Contributions		2,078	7,555	321	2,004	3,777	(1,774)	-47.0%	7,555	
Medical Aid Contributions		3,272	5,523	497	2,855	2,762	94	3.4%	5,523	
Motor vehicle allowance		1,098	1,231	418	2,806	616	2,190	355.7%	1,231	
Cell phone allowance		-	316	-	-	158			316	
Housing allowance		1,729	2,667	165	975	1,333	(358)	-26.9%	2,667	
Overtime								-42.3%		

		2,783	3,496		198	1,009	1,748	(739)		3,496
Performance Bonus		-	-		-	-	-	-		-
Other benefits or allowances		7,057	10,283		793	3,922	5,141	(1,219)	-23.7%	10,283
In-kind benefits	1	-	-		-	-	-	-		-
Sub Total - Other Staff of Entities		44,882	67,617	-	5,949	33,839	33,809	30	0.1%	67,617
% increase	4									
Total Municipal Entities remuneration		48,562	73,161	-	6,545	36,373	36,580	(207)	-0.6%	73,161
Unpaid salary, allowances & benefits in arrears:		-	-							0.0%

Sandspruit Works Association - Supporting  
Table F8a Entity capital expenditure on new  
assets by asset class - 31/12/2011

Description	Ref	2010/11	Current Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure by Asset Category</u>										
-									90.5%	3,200
<u>Other assets</u>		1,861	3,200	--	78	152	1,600	1,448		3,200
General vehicles		1,350	--	--	--	--	--	--		--
Specialised vehicles		--	--	--	--	--	--	--	32.4%	--
Plant & equipment		56	150		5	51	75	24	94.1%	150
Computers - hardware/equipment		261	750		(2)	22	375	353	84.9%	750
Furniture and other office equipment		162	1,050		75	79	525	446		1,050
Abattoirs		--	--		--	--	--	--		--
Markets		--	--		--	--	--	--		--
Civic Land and Buildings		--	--		--	--	--	--		--
Other Buildings		32	1,250		--	--	625	625	100.0%	1,250
Other Land		--	--		--	--	--	--		--
Surplus Assets - (Investment or Inventory)		--	--		--	--	--	--		--
Other		--	--		--	--	--	--		--
<u>Agricultural assets</u>		--	--	--	--	--	--	--		--
<i>List sub-class</i>								--		
<u>Biological assets</u>		--	--	--	--	--	--	--		--
<i>List sub-class</i>								--		
<u>Intangibles</u>		--	--	--	--	--	--	--		--
Computers - software & programming								--		
Other ( <i>list sub-class</i> )								--		
<b>Total Capital expenditure</b>	1	1,861	3,200	--	78	152	1,600	1,448	90.5%	3,200
<u>Specialised vehicles</u>		--	--	--	--	--	--	--	--	--
Refuse										
Fire										
Ambulances										

### 3. OPERATIONS PERFORMANCE

KPA	Baseline	KPI per Quarter		Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
		Target	Actual							
1. Reduce Unaccounted for Water by 1%	24%	Target	23%	23%	23%	23%	23%	23%	Total Purchases (CoT) , Peral Report	Invoice from CoT and Man and Mun Billing Report
		Actual	19.82%	20.58%						
2. Use a minimum of 12 SMME's contractors per annum	32	Target	8	8	8	8	8	32	Proof of Certification from Service Providers Auditor	Turnover of less than 5 million is regarded as SMME's in terms of National Treasury Guidelines
		Actual	12	6						
3. Projects implemented by SWA that require labour intensive methods should employ 50% local labour	No baseline New KPI	Target							Proof of Residence and Copy of Identity Documents	Report from CLO
		Actual								
4. Number of Projects to be initiated by Operations	2	Target	No Target set per quarter as KPA is achievable and dependant on availability of funds from CoT					3	Proof of Initiation Projects Report submitted by SWA to CoT	Correspondences / Reports
		Actual								
5. Maintain the Suppliers Water Quality to SANS 241 Class 1 Standard	100%	Target	100%	100%	100%	100%	100%	100%	Samples taken and tested by Laboratory to verify and maintain water quality	Laboratory Analysis Report
		Actual	99.86	98.90%						
6. Response time - 95% of logged in complaints for maintenance jobs must be attended within 48 hrs	95%	Target	95%	95%	95%	95%	95%	95%	Report generated from WMS system	Job Cards
		Actual	96.60%	95.20%						

### 3.1 OPERATIONAL REPORT

### ANNEXURE B

FINANCIAL YEAR		FY 2011-12				
		TARGET	Q1	Q2	Q3	Q4
	Key performance indicators	Measure				
1	Twelve month moving average	%	23.00	19.82	19.57	
	Average Unaccounted for water for the period	%	23.00	19.03	20.58	
2	Average monthly purchase for three months period	KL		1 573 081	1 632 422	
	Average monthly Budget for three month period	KL		1 465 700	1 591 444	
	Saving or deficit against the budget	%		-7.33%	-2.57%	
3	Demand Increase(Number of conventional metered consumers)	No	48 300	48 509	48 495	
	Increase in conventional metered consumers	%		0.43%	0.40%	
4	Average Sale figures for three Months period Including informal	KL	1 200 000.00	1 261 251.00	526.00	
	Decrease or increase in sales	%		4.86%	7.44%	
5	Bulk water loss for the period	%	5.00	6.25%	3.10%	
6	Water Quality	SANS 241	Class 1	Class 1	Class 1	

#### 4. HUMAN RESOURCE PERFORMANCE

KPA	Baseline	KPI per Quarter		Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
		Target	Actual							
1. Align the skills and HR development strategies to the needs of SWA	40%	Target	10%	10%	10%	10%	10%	40%	Approved Training Matrix Checklist (Prepared and Submitted by the Skills Development Committee, Approval by MD), Attendance Registers, Certificates	Approved Training Matrix Checklist
		Actual	10%	4%						
2. Promote Employee Wellness	4	Target	0	2	1	1	1	4	Approval of Request, Quotations/Order Number	Proof of Attendance
		Actual	√	1						
3. Update of HR policies and development of systems	100%	Target	25%	25%	25%	25%	25%	100%	Supporting Documents of Work Done	Approval by MD of HR Policy Plan
		Actual	25%	14%						
4. Compliance in terms of Applicable Legislation	100%	Target	100%	100%	100%	100%	100%	100%	Proof of Submission	Approval of HR Compliance Schedule
		Actual	100%	100%						

#### NOTES

KPA 1 - Target not achieved due to delays in the Supply Chain Management process

KPA 2 - Target not achieved due to time constraints

KPA 3 - Target not achieved due to time constraints

KPA 4 - Compliance submitted in terms of compliance schedule

## 5. LEGAL AND COMPLIANCE PERFORMANCE

KPA	Baseline	KPI per Quarter		Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
		Target	Actual							
<b>1. GOOD GOVERNANCE</b> The SWA complies with all relevant legislation, and where it cannot comply obtains permission from the relevant authority.	100%	Target	100%	100%	100%	100%	100%		Proof of Submission	Approved Compliance Schedule by CoT
		Actual	100%	100%						
<b>2. SUSTAINABILITY MANAGEMENT</b> Revenue collection via the courts/legal processes should increase by 5% pa	5% P.A	Target	1.25%	1.25%	1.25%	1.25%	1.25%	5%	Legal Collection Report , Approved Annual Target Collections	Man and Mun System : Handover Files
		Actual	113.2%	50.31%						
<b>3. PERFORM RISK MANAGEMENT</b> Retain the labour claims at 0	0	Target	0	0	0	0	0		Supporting Documents	HR Supporting Declaration
		Actual	0	0						

**NOTES**

KPA 1 - Target Achieved. Compliance Schedule and Checklist submitted

KPA 3 - No grievances submitted to the CCMA - Target retained at 0

## 6. MARKETING AND COMMUNICATION PERFORMANCE

KPA	Baseline	KPI per Quarter	Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
1. Improve Customer Care through Internal Capacity Building	4	Target	0	2	1	1	4	Training matrix and Attendance Register, Training Interventions as per the Training Matrix	Attendance Register
		Actual	√	0					
2. Improve Mechanisms, Processes and Procedures through Stakeholder Participation	12	Target	3	3	3	3	12	Stakeholder Plan Checklist, Minutes, Attendance Register	Attendance Register and records of meetings
		Actual	8	10					
3. Instilling a culture of public participation through interactions with non-profit organisation; school forums, businesses	8	Target	2	2	2	2	8	Stakeholder Plan Checklist, Minutes, Attendance Register	Attendance Register and records of meetings
		Actual	3	3					

### NOTES

KPA 1 - A request was submitted to the HR department for the scheduled training for the 1st week of December however, the request never materialised and no information has yet been received

KPA 2 - The target for the Quarter 1 has been exceeded due to the volume of meetings initiated by new ward councillors

KPA 3 - Target Achieved



## 7. RISK PERFORMANCE

KPA	Baseline	KPI per Quarter		Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
		Target	Actual							
1. Disaster prevention and Management plan is reviewed annually	100%	Target	25%	25%	25%	25%	25%	100%	Disaster Management Checklist (Supporting Documents)	Approved Disaster Prevention and Management Plan Framework
		Actual	25%	0						
2. Risk Management	100%	Target	100%	100%	100%	100%	100%	100%	Risk Management Checklist (Supporting Documents)	Approved Risk Management Checklist and Sampling
		Actual	90%	100%						
3. Occupational Health & Safety Compliance	Compliance with Risk OHS Plan	Target	100%	100%	100%	100%	100%	100%	OHS Checklist in terms of General Administrative Regulations, Supporting Documents	Approved OHS Regulation Checklist
		Actual	100%	100%						

### NOTES

KPA 1 - Disaster Prevention and Management plan will be addressed in the Risk Assessment report

KPA 2 - Risk Management relates to declaration of interest by managers. The MD's office has been coordinating this matter and evidence will be in the MD's office

## 8. SUPPLY CHAIN MANAGEMENT PERFORMANCE

KPA	Baseline	KPI Per Quarter	Q1	Q2	Q3	Q4	Annual %	Evidence	Means of Verification
1. Compliance in terms of SCM Policy	100%	Target	100%	100%	100%	100%	100%	Proof of Submission : Verification of Monthly Checklist by Managing Director	Supporting Documents Quotation and Tender Documents
		Actual	100%	100%					
2. Reduce deviations from procurement processes 72 per annum	72	Target	3	3	3	3	12	Proof of Submission : Verification of Monthly Checklist by Managing Director	Supporting Documents Quotation and Tender Documents
		Actual	2	2					
3. Establish Effective Asset Management Systems	No Baseline New KPI	Target	Establish Asset Management Plan and Processes	Implement Asset Management System	Ongoing	Ongoing	100%	Proof of Submission : Approval by the Board of Directors	Board Minutes
		Actual	Asset Management Plan and Processes, Loss Control and Asset Disposal Committees were developed	Asset management plan and procedures, Loss Control and Asset Disposal Committees were approved by the Managing Director					

4. Tenders and Quotations administration : Turnaround time; 90 days tenders and 14 days quotation	100%	Target	100%	100%	100%	100%	100%	100%	Tender Documents / Quotations and Appointment Letters/Order Numbers	Supporting Documents Quotation and Tender Documents
		Actual	90%							

**NOTES**

**KPA 1 - Compliance Achieved as per SCM Compliance Schedule**

**KPA 2 - Target not achieved due to Operational Emergencies**

**KPA 3 - As reported above**

**KPA 4 - Target not Achieved due to clarification at the request of the BAC**