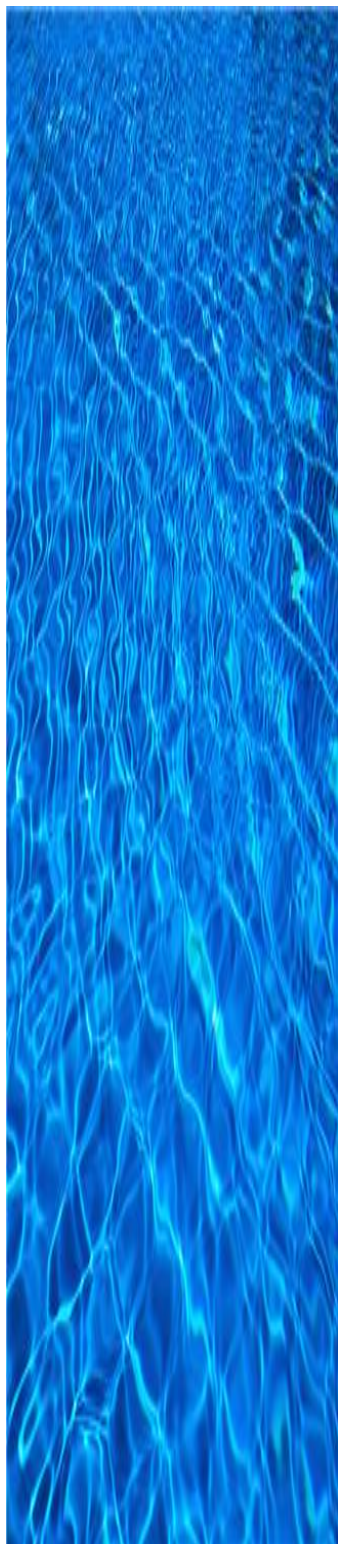


# *Maluti-a-Phofung Water (Pty) Ltd*



*"Leaders in Water Service Provision"*



**Physical Location And Contact Details**

Physical Address : Old Government Building

: Industrial Area No2

Postal Address : Private Bag X 874

: WITSIESHOEK

: 9870

Internal Auditors : Ernst & Young

External Auditors : Auditor General

Bank : First National Bank

Insurance Brokers : Lateral Unison



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## Acronyms and abbreviations

AG:	Auditor General
ASR	Activated sludge reactor
BOD:	Board of Directors
CEO:	Chief Executive Officer
Cl <sub>2</sub>	Chlorine
DIFR:	Disabling Injury Frequency Rate
DWA:	Department of Water Affairs
ERM:	Enterprise Risk Management
EXCO:	Executive Committee
FBW	Free Basic Water (6 kilolitres /household /month)
H/H:	Household
HR:	Human Resources
IDP	Integrated Development Plan
IT:	Information Technology
m <sup>3</sup>	1 Kilolitre = 1 000 litres
MAP LM	Maluti-a-Phofung Local Municipality
MAP Water	Maluti-a-Phofung Water (Pty) Ltd.
MFMA:	Municipal Finance Management Act
NTU:	Measure of the turbidity or clarity of the water
pH:	Measure of acidity
SHEQ:	Safety, Health and the Environment and Quality
TIFR:	Total Injury Frequency Rate
WSA:	Water Services Authority
WSP:	Water Services Authority
WSDP	Water Services Development Plan

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**THE CHIEF EXECUTIVE OFFICER'S REPORT**

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It is with pleasure that I report on the performance of MaP Water for the financial year ending June 2012. MaP Water has continued to deliver on its core business of running the operations and maintenance of water and sanitation in the MaP area. MaP Water has succeeded to provide water of high quality and sanitation within its area of jurisdiction. This has been evidenced by maintaining number two Blue Drop drops for Harrismith and Qwa furthermore it has been recognized as the best performer on Blue and green drops in the Free State. The certificates awarded by the department of water affairs in June 2012. The achievement of this award affirms MaP Water's slogan – of being “Leaders in Water Service Provision”.

MAP Water has is busy implementing an action plan which will ensure that the municipality attains the blue drops and achieve a green drop. With the commitment of the WSP and the WSA the municipality hopes to achieve a green drop status in the next assessment.

The management accounts to the Board for enterprise wide risk assessment components: its formulation, implementation and monitoring. Appropriate controls were identified for risks identified during the year under review and their implementation commenced to ensure mitigation.

The following are the highlights on the key achievements for the year under review:

- *Obtaining two blue drops*
- *MaP LM being rated as the best performers in the Free State on green drop certification even with budget shortfalls*
- *Effective water quality monitoring even with limited resources*
- *Obtaining a qualified report*
- *Attending to more than 80% of customer queries within the customer charter time frames (According to the customer charter, MAP Water must respond to consumers' queries within 48 hours).*



- *Having committed employees that are willing to put the entity first by working overtime*
- *Retaining most of its skilled staff*
- *Optimizing the operation of assets for effective service provision*
- *Improving troubleshooting capabilities especially in areas affected by power failures and delayed project implementation.*
- *Minimizing the amount of vandalism to the assets under MAP Water's jurisdiction with the limited security personnel.*
- *Set high targets to achieve and improve on its planning capabilities even with limited resources.*

With these achievements as a foundation, we are confident that MaP Water will go higher towards excellence as a water and sanitation business utility.

The attainments of MAP Water over the year under review resulted from partnerships and contributions from several affiliates. The significant leadership of the Board of Directors ensures that best practice of corporate governance is in place. The value-adding service of the BOD assures continual improvements within the entity. The BOD ensures that shareholder interests are tackled effectively. For this, MAP Water is grateful for the uncompromising and firm guidance provided by Mr Nthimotse Mokhesi (Chairperson of the BOD); Mr. Glen Mudau Netshivhodza (Chairperson of the Human Capital and Finance Sub Committee) and Mr. Charles Zwane (Chairperson of the Risk Sub Committee).

The support of the Parent Municipality towards sustainable water and sanitation service delivery is wholeheartedly appreciated. Notably, the devoted and exemplary political leadership through the Executive Mayor, Mofumahadi Mathokoane Mopeli, adds tremendous value to the operations of the entity. The constructive comments of the Chairperson of the Infrastructure Portfolio Committee Mr Mbulana Mokoena and his team on our monthly reports are gratefully acknowledged.

The passion and commitment of the Municipal Manager, Mr RS Kau, towards water and sanitation issues keep MAP Water on its toes to go higher as a "leader in water



service provision". The MAP LM CFO, Mr Jonathan Ramulondi, plays an indispensable duty that enriches MAP Water operations through periodic interactions and contributions to the EXCO. We are grateful to the fellow MAP LM Directors and other officials within MAP LM, who are our partners in delivering excellent service to the MAP area.

The Honourable Councillors and communities within the MAP area enhance our service delivery through their partnership as they volunteer to report pipe bursts, leaks, and water shortages. We are indebted to their continual support.

The MAP Water management team and their staff are highly esteemed for their diligent work in serving our people. Without their commitment to excellence, MAP Water would not win over the daily challenges of providing services in this rough terrain.

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**M Mofokeng**  
**Acting Chief Executive Officer**  
**Maluti a Phofung Water (Pty) Ltd**

**ORGANISATIONAL STRUCTURE****Shareholders**

MaP has only one shareholder and sole owner, our Parent Municipality – Maluti-a-Phofung Local Municipality (MAPLM is under the political leadership of, the Executive Mayor, Ms. M. Mopeli. The Head of the Administration, Municipal Manager is Mr. RS Kau.

**Executive Mayor**  
**Ms. Mathokoana**  
**Mopeli**

**Municipal Manager**  
**Mr. Ratoolo Kau**

**The Board of Directors**

MaP Water is controlled by the Board of Directors (BOD) of non-executive members appointed by the Municipality. The BOD consists of three members, the Chairperson of the Board, Mr. Nthimotse (Tim) Mokhesi. Mr. Glen Mudau Netshivhoda, Mr. Charles Zwane.

**Chairperson**  
**Mr. T. Nthimotse**

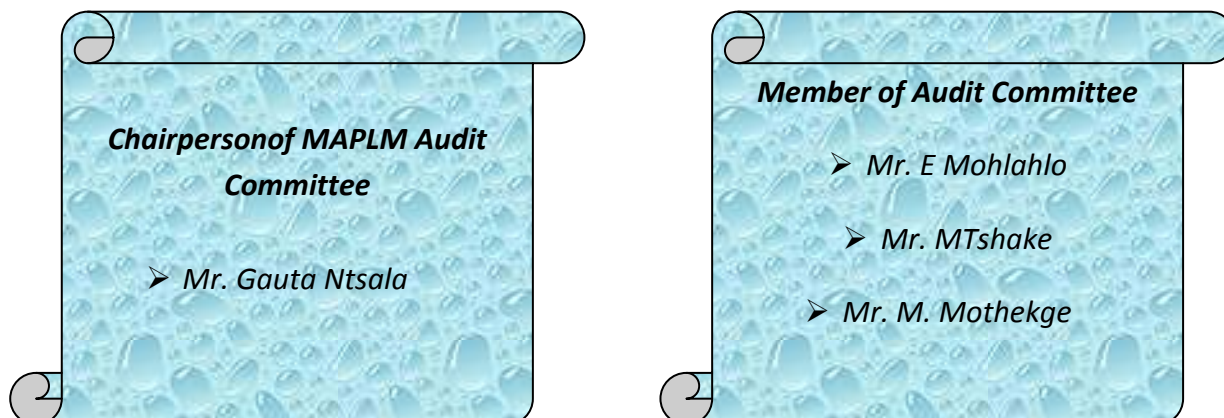
- HOD ; Department of Human Settlement
- M Com, BCom Hons, B Com

**Chairperson:**  
**Human capital and finance sub-committee**  
**Mr. G . Netshivhoda**

- Organizational Management, Human Resources Development, Paralegal

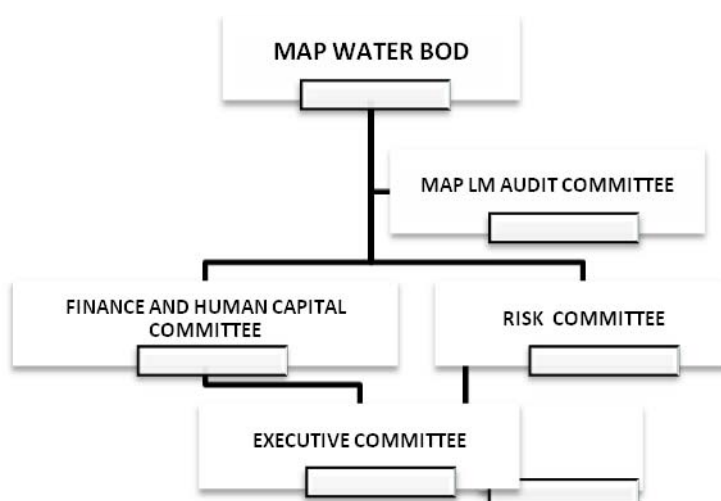
### The Audit Committee

As part of the shared services between MAP LM and MAP Water, the entity reports to the MAP LM audit committee. The Chairperson of the MAPLM audit committee is Mr. Gauta Ntsala. Other members are Mr. E Mohlahlo, Mr. M Tshake and Mr. M Mothekge.

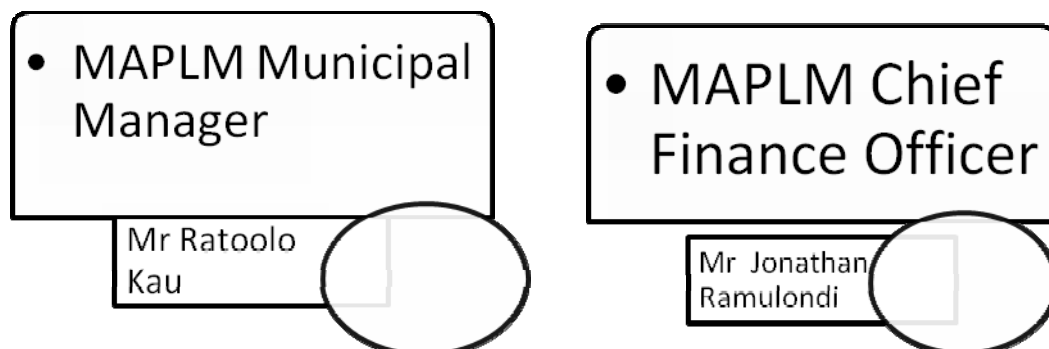


### The Board Sub-committees

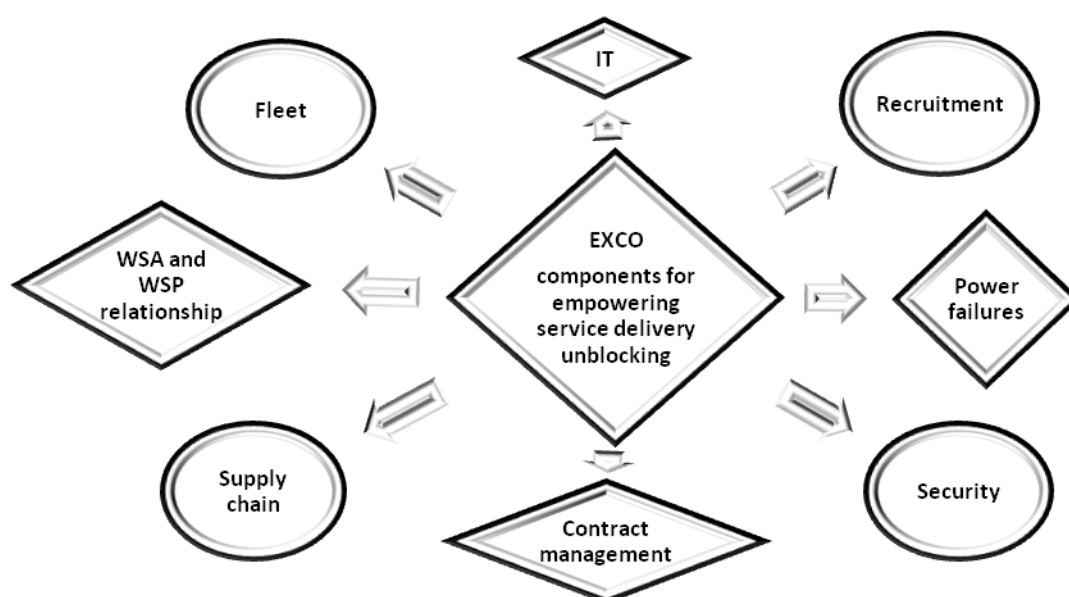
To oversee and improve corporate governance, ensure accountability and align MAP Water systems to international best practice, the Chairperson of the BOD has established three sub-committees: the executive committee, the risk sub-committee and the finance and human capital sub-committee.



### The Executive Committee



The Executive Committee is chaired by the Chief Executive Officer. It consists of MAP LM and MAP Water leadership. The members are the MAPLM Municipal Manager, the Chief Finance Officer and the Director Infrastructure; the entity's Chief Executive Officer, the Chief Financial Officer and the Director Operations. The Executive Committee (EXCO) deals with unblocking service delivery impediments between the WSA (Parent Municipality) and its WSP (MaP Water). It deals with issues such as recruitment process, old fleet, compliance management, supply chain processes, security, project management, power failures and IT.



### The risk committee

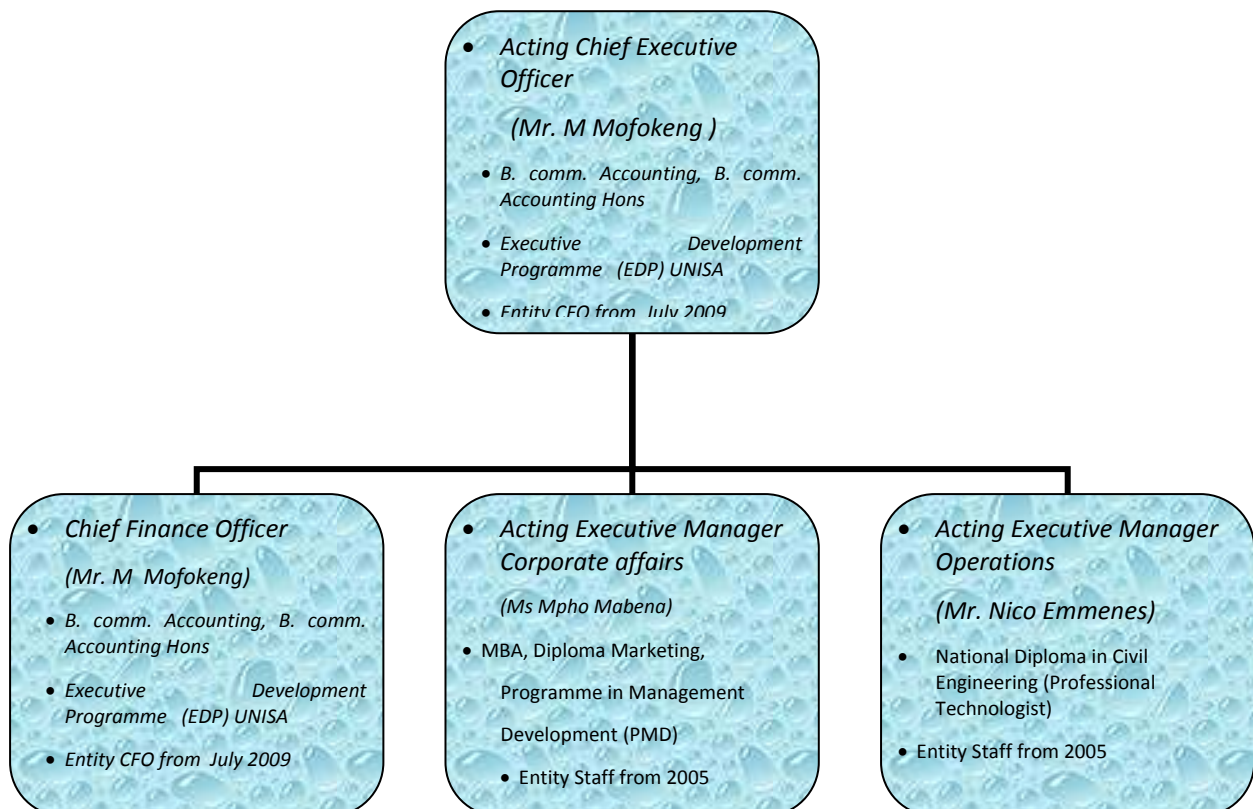
The chairperson of the risk sub-committee is Mr C Zwane and its other members are the MAP LM Senior Internal Auditor, Mr. MD Mosia, the entity's Chief Executive Officer, Director Operations, Director Corporate Services and the Chief Finance Officer.

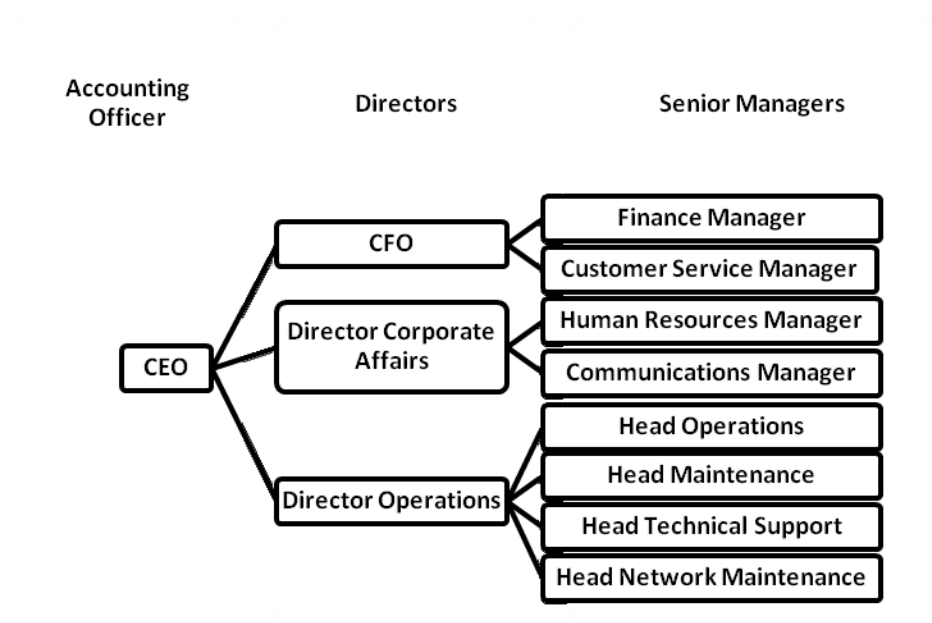
### The human capital and finance committee

The chairperson of the human capital and finance committee is Mr. Glen Mudau Netshivhodza. The other members are the entity's Chief Executive Officer, Executive Manager: Corporate, Executive Manager: Operations, and the Chief Finance Officer.

### Management

The day to day operations and management at MaP Water are the responsibility of the Management, consisting of the Chief Executive Officer, the departmental directors and the senior management.





### Senior Managers

Mr. Thabiso Mokwena

Customer Care Manager

B comm. in Accounting, Credit Management 3 Certificate

Mr. Jabulani Malungani

Technical Manager

B. Tech Water Quality

Ms. Hlengiwe Gamede

Network Maintenance Manager

B. Tech Water Quality

Mr. Poello Katsi

Finance and Admin Manager

B. Com hons ( acc )



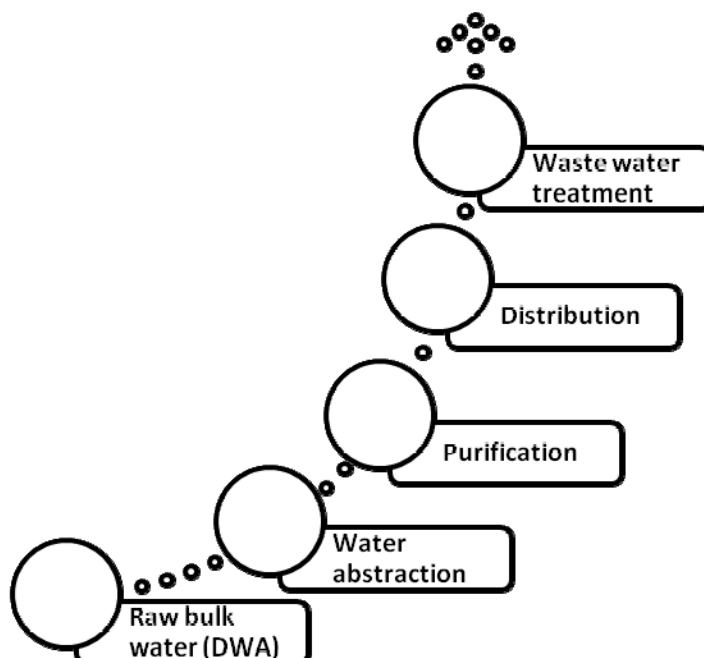
## ORGANIZATIONAL PROFILE

### Synopsis

Maluti-a-Phofung Water (Pty) Ltd (MAP Water) is a municipal owned entity established in 2006 by the Maluti-a-Phofung Local Municipality (MAPLM) in terms of the provisions of the MFMA (No 56 of 2003) and Municipal System Act (No 32 of 2000). The establishment of the entity was as a result of the implementation of the section 78 process followed by the municipality. The entity is 100% owned by municipality and its head offices in Phuthaditjhaba, QwaQwa and a satellite office in Harrismith.

### Our core business and associated competencies

Our core business deals with the complete water and sanitation business from abstraction to purification distribution to wastewater treatment. Our major customers are therefore domestic consumers, industries and businesses. The entity's operations are guided by MFMA (No 56 of 2003) and Companies Act 1973



(No 61 of 1973). In fulfilling its mandate, the entity relies on the principles of value addition, development, environmental sustainability, knowledge management and partnerships.



MAP LM as a Water Services Authority (WSA) has established Maluti-a-Phofung Water (MAP Water) as a Water Services Provider (WSP) to address water and sanitation provision issues within its jurisdiction. MAP LM sought the services of a strategic partner in order to assist it to establish the water entity which will ultimately be a fully fledged unit which will on its own perform water and sanitation functions within MAP LM.

MAP Water scope of work as a WSP covers the following

- Sustainable operation and maintenance of all the water and sanitation assets of the municipality. This includes operations and maintenance of water treatment plants, waste water treatment plants, bulk water distribution networks, waste water outfall sewers and water reticulation network.
- Optimization of water and sanitation provision with MAP LM.
- Achievement of Blue and Green Drop on water and sanitation schemes operated by the entity.
- Compliance to all water and sanitation standards and legislation.
- Assist community with operation of septic tanks and private water and sanitation systems.
- Advise and assist the WSA on other water and sanitation issues that need to be addressed by the WSA. These issues include projects Water Services Development Plan (WSDP), Water Conservation and Demand Management Plans (WCDP), Water Master Plan (WMP) and Sewer Master Plan (SMP).

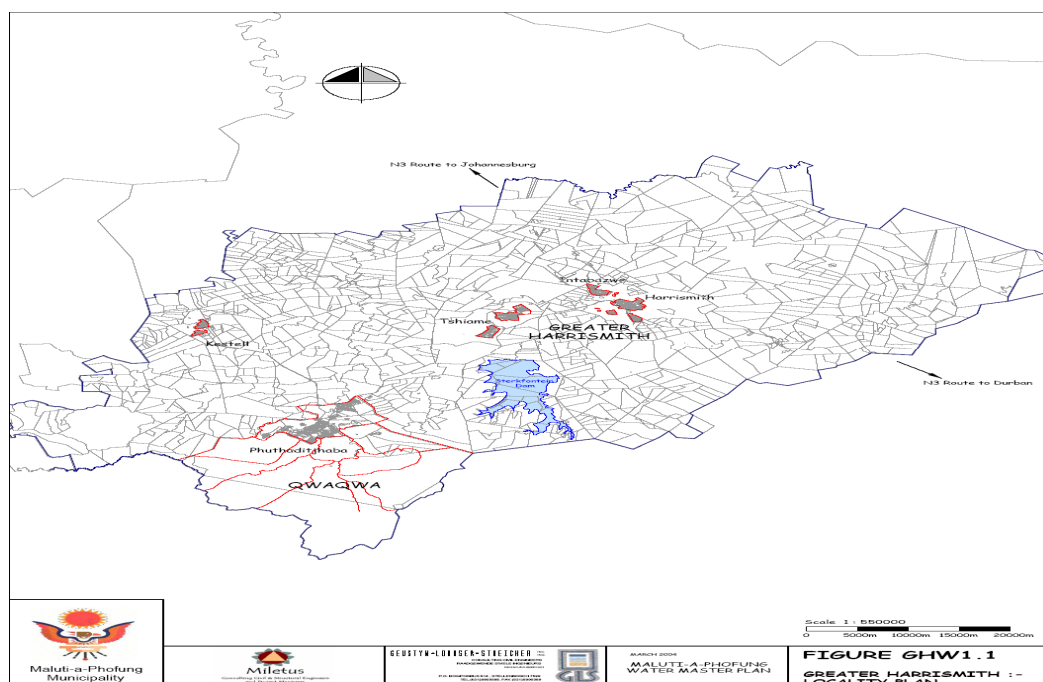
The Scope of MAP LM as WSA

- Implement all capital projects
- Implement all refurbishment and upgrade projects
- Formulation of the necessary plans for effective and efficient water and sanitation service provision (formulation of WCDP, WSDP for integration into IDP, WCDP, WMP and SMP)
- Monitoring WSP to ensure service delivery, compliance standards and legislation
- Ensuring achievement of Blue and Green Drop achievement within MAP LM

With the above institutional arrangement in place service delivery of the highest level is expected to be rendered to the community of Maluti-a-Phofung Local Municipality.

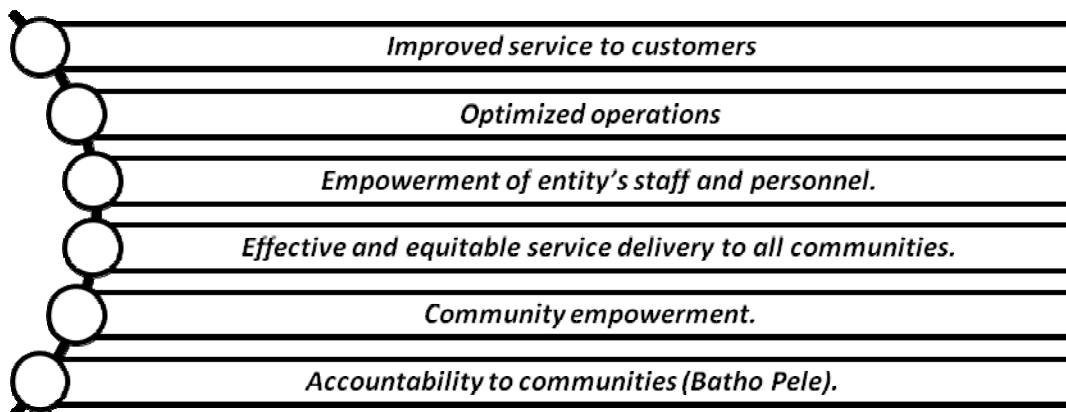
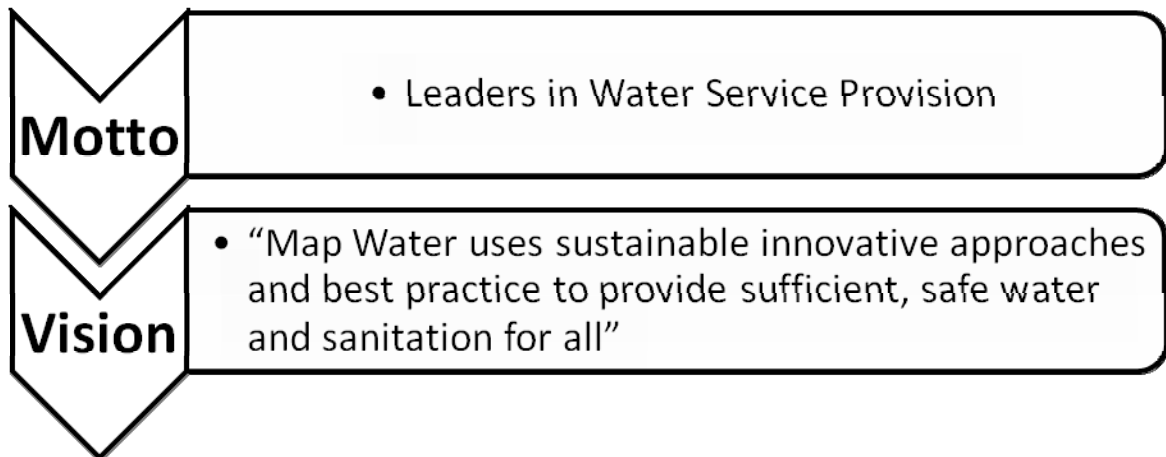
### Our Service Area

In terms of the service delivery agreement (SLA) MAP Water is responsible for the provision of water services to the people of Maluti-a-Phofung municipal area and also to act as a revenue manager.



### **Vision and Mission**

The crucial aspects of our commitment towards continual excellence in water and sanitation service delivery are captured in our motto, vision and mission.



Our corporate values further encapsulate our ethics as portrayed below:

## VALUES

- *To restore human dignity through access to clean water and sanitation.*
- *To reduce poverty through provision of water, sanitation and hygiene education.*
- *To practice open, honest and clear communication with all stakeholders.*
- *To improve the health and well-being of the people of Maluti-a-Phofung area.*
- *To involve local people, local government and national government in the building, decision-making and other ongoing management of the water and sanitation programmes.*
- *To be open and responsive to the needs of Maluti-a-Phofung Municipality while fulfilling the fiduciary responsibilities of MAP Water.*
- *To promote conservation and preservation of water resources through quality management systems.*
- *To celebrate successes in achieving results that are attributable to professionalism and innovation.*
- *To create a nurturing culture of accountability, responsibility and transparency where employees respect, support and value each other in a high performing environment.*
- *To ensure the sustainability of water supplies, finance and skills required for the ongoing operations and maintenance.*
- *To create a people motivating environment through diversity.*

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**strategy**

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MAP Water is committed to leveraging strengths and opportunities and proactively addressing challenges and threats to achieve its mission and vision in a manner that is consistent with its values. In support of this commitment, MAP Water has identified the six strategic focus areas to guide its efforts:

**Strategy 1:**

- Transfer Process Management To Ensure Accessibility

Partner with local organizations and suppliers towards providing all households close access to water and access to decent sanitation by 2012, ensuring the longevity of these services. The focus of this target is the rural areas where the lack of service is the most.

**Strategy 2:**

- Financial Sustainability

Increase its urban / peri-urban work to at least 20% of programme expenditure (or cost).

**Strategy 3:**

- Operations Management

Ensure all future water supply and sanitation projects supported by the MAP Water address the issues of water depletion and contamination through appropriate integrated water resources management.

## Strategy 4:

- Customer Relationship Management

Demonstrate through practical examples that sustainable and equitable water and sanitation services are essential to achieve the overall Millennium Development Goals of poverty reduction and the targets on health, education and the environment. Strengthen local governments' ability to provide equitable and pro-poor water and sanitation services on a larger scale. Monitor, support and lobby other organizations to strengthen their own water and sanitation work in this direction. Strengthen local government's ability to provide equitable and pro-poor water and sanitation services on a larger scale. MAP Water values its customers and will continue to ensure it delivers high quality services in a cost effective manner, providing accurate and timely reports on its work.

## Strategy 5:

- Revenue Management

Develop innovative approaches and new sources of funding to increase annual revenues / income to R 104 million by 2012 in order to support municipal programme activities in the provision of water services.

## Strategy 6:

- Human Resources, Skills Transfer, BEE and LED

Expand the number of organizations that work using the MAP Water's methods through local and national partnerships and alliances. MAP Water does not underestimate the implications of the growth envisaged within this strategy.

**Additional resources will be required for staff and partners to continue their high standards of work. MAP Water will therefore strengthen its project / programme management, communications and organizational framework to ensure it can achieve these ambitious goals.**

*Report against predetermined objectives:*

*KPA - Revenue management:*

*Appropriate structures and processes are established in the Municipal Entity and Municipality to ensure accurate billing and optimum revenue collection*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>Provide and install appropriate facilities, train the staff as required, establish appropriate processes to ensure:</p> <ul style="list-style-type: none"> <li>• Accurate meter reading</li> <li>• Accurate information going into accounts and statements</li> <li>• Managing timeous delivery of accounts</li> <li>• Accurate record keeping</li> <li>• Ease of access for customers to pay</li> <li>• Informed and sympathetic dealing with customer enquiries</li> <li>• Application of Municipality's credit control and debt collection By-Laws in</li> </ul>	<p>Goal for the level of accuracy on balance information, accounts and statements to be agreed in each Annual Delivery Plan.</p> <p>Monthly reports for the accuracy of the balances is reported to the parent municipality every , refer to monthly reports</p> <p>Reports shows total billed for month versus queries.</p>	<p>The consumers are billed for consumed water utilising the municipal billing system as per reading received. The municipal credit control policy and the bylaws are applied to ensure revenue is collected.</p> <p>As indicated above policies are applied as approved by the municipality</p>	<p>To apply the credit control policy and bylaws fully as we depend to electricians to cut and sometimes are not available.</p>	<p>To appoint the service provider that will be responsible for cutting and restricting where applicable as per policy.</p>

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
compliance with promulgated law				

## 2. Enhance the revenue generated for the Municipality

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Achieve annual increases in the cash accruing to the Municipality commensurate with the growth of service provision and the implementation of additional revenue generators.	Achievement of budgeted tariff-based cash income amounts averaged over rolling three month periods.	As indicated on our financial statements 2011-2012 the revenue increased by 37%		

## 3. Data Management

Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance	
Ensure that the Municipal Entity efficiently integrates the existing systems into a single operation using the Municipal financial system in a manner which links data with the other requirements of the Municipality and which is	Within 4 months from start of contract the Contract Officer to confirm that an integrated single operation has been achieved which complements the other needs of the			



Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance	
maintained on an on-going basis.	Municipality. Financial statements are compiled from E-venus.			

### KPA - Financial Stability:

*Correct and appropriate financial structures, procedures and controls are established in the Municipal Entity*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Establish and maintain financial operating structures, procedures and controls to ensure sound financial management of both the Municipal Entity and the funds that it handles on behalf of the Municipality.	Accurate monthly and quarterly management accounts are produced from 4 months after the Effective Date and acceptable annual financial and performance management reports are received by the Contract Officer within the time frame stipulated by the Municipality.  Financial structures, procedures and controls in place and approved by the board.	Quarterly management accounts are being considered by Board and the council  Financial unit structures in place to allow for segregation of duties in supply chain unit and finance.	None	None

### *Establishment of appropriate business processes*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Establish the strategic business plan, which structures the medium and long-term financial	Within 4 months from the Effective Date the Contract Officer shall have received a copy of	Internal processes are developed on on-going basis. The strategic business plan has been submitted		

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
performance for sustainability of the business.	the strategic financial business plan.	within 4 months of the establishment of the entity.		
Establish reporting formats that provide meaningful information to management including current trends, forecasts and the predicted future impacts of interventions and investigations required.	Within 4 months from the Effective Date the Contract Officer shall start receiving on a monthly basis copies of the management reports.	Monthly reports are submitted monthly to the contract officer, and also the coordinating meetings between municipality and the entity.  Reporting formats in line with stipulation of the ACT		
Develop the long term financial model Municipal Entity	Within 4 months of the effective date the contact officer shall have the long term financial model installed on his/her computer and have been familiarised in its use.	Public /private contract was signed for six (6) years with Uzinzo		

#### *Establishment of Financial Accounting processes*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Implement and apply GAAP/ GAMAP as appropriate to the financial controls and reporting.	Within 4 months of the Effective Date the Contract Officer shall confirm that the necessary financial management systems have been established and implemented.	Internal policies and procedure are in place in line with MFMA		
Monthly reporting to be provided within 15 days of month end.	Within 4 months of the Effective Date shall produce monthly reports within 15 days of month end.	Monthly section 87 and S 66 reports are compiled and submitted to the parent municipality within 7 workings days.		
Ensure accurate timeous	monthly	Monthly reporting is in place to parent municipality to		



Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
reporting		incorporate in their section 71 reports to treasury.		
Ensure strict adherence to conditional grants	monthly			
Increase arrears collection by 5%	2010/2011	Revenue for the entity increased by 18% in 2011 and the projected increase is about 37% for the 2012 financial year.		
Ensure accurate budgeting process and accurate budget.	Dec-11	Strict adherence to the budget policy of the council, and 2011-2012 submitted by due date before the 31st Jan 2011.		
Salaries budget % of total expenditure	Quarterly/monthly	Salary expenditure for the year is 40% below		
Number of creditor days	<30 Days	All creditors are paid within 30 days as per MFMA for the period ended June 2012, except those disputed.		
Compliant asset register	Approval of asset management policy and procedures by 30/06/2011  At least 5 training workshop conducted  60% fully compliant register	Compliant asset register in place and used in the financial statements		
All qualifications are addressed except on property, plant and equipment	Unqualified Audit Report	75% of the qualifications from the 2009-2010 are addressed except for property, plant and equipment component.		

### Procurement

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Establish, implement and apply procurement policies which comply with the requirements of the MFMA and which maximise the benefit to the local economy as well as SMME and BEE development.	<p>Within 4 months of the Effective date the procurement policy shall have been prepared and disclosed to the Municipality for comment.</p> <p>Procurement policy to be drafted and approved by the board.</p>	<p>Supply chain unit established and all bid committees are in place</p> <p>And supply chain manager appointed to head the unit. The bids committee was all established and reviewed.</p> <p>Policy aligned to the municipality, in the process of re-aligning the policy with the National Treasury Guidelines.</p>		

### Fraud and corruption

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Number of investigations conducted on reported and suspected fraudulent activities	Approved and implemented policy on a fraud and corruption	Adopted parent municipality Fraud Prevention Strategy, Fraud Prevention committee establish to deal with tipp-offs to fraud and corruption.		
Approved fraud and corruption strategy and policy	4			
Number of fraud and corruption measures implemented	Ten internal audit reports			

## KPA - Human resources, skills transfer, black economic empowerment and local economic development:

## Change Management

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>Undertake an assessment of the drivers of change, establish the change management team and implement changes in respect of:</p> <p>Transfer of employees and their records</p> <p>Establishment of conditions of employment, policies and procedures;</p> <p>The organisational structure;</p> <p>The undertaking of inductions and establishment of communication processes;</p> <p>Setting up appropriate labour relation forums and</p>	<p>Change management plan to have been completed within 12 months of the start of the contract.</p>	<p>Employees transferred to the entity.</p> <p>Policies in place.</p> <p>Organizational structure in place.</p> <p>Induction process undertaken when new employees are appointed.</p> <p>LLF in place &amp; the bargaining forum.</p> <p>Skills development programme in place.</p>	<p>Employee's files not transferred &amp; not Audited by Municipality.</p> <p>In adequate budget to undertake training of the employees.</p>	<p>Municipality to audit the files and transfer them to us with the leave budget.</p> <p>Budget increased in the current financial year to increasing training &amp; skills development.</p> <p>Review and update the policies and</p>
<p>interactions;</p> <p>Establishing and implementing the initial skills development programme.</p>				<p>continue to train employees to ensure that they have appropriate skills.</p>

*Municipal Entity managed by skilled managers local to the jurisdiction of the Municipality.*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Skills transfer and training programmes in place.	By end of contract year three, CEO, COO and CFO to be local employees with responsibility for managing the Municipal Entity.	Chief Executive Officer, CFO are now local employees.	Three senior executive managers' positions still vacant.	Appoint permanent employees so that they can take responsibility for their respective department.

*Employee Empowerment*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure that the Municipal Entity develops and implements appropriate employment equity programmes (including an affirmative action plan) and that training and career development programmes are made available to all employees.	Contract Officer to confirm that an appropriate plan is in place and that it is being implemented	Employment Equity Plan in place. Career development plan is in place; our employees are given the opportunity through Staff Study Assistant Policy.	Employment Equity Forum still to be established.	Establishment of the EE forum. Improving on staff development programme.

*Performance Management*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure that the Municipal Entity implements and maintains a performance management programme which measures and	Contract Officer to confirm that an appropriate performance management is in place is being applied and is being used to	E- Performance management system in place together with the manual one. We are currently re-instating it on the	The introduction of QPR by the parent municipality	The system is be up and running and was implemented

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
supports performance	support employee	server and re-training the	delayed the	from end of
Improvement of employees against measurable objectives.	performance improvements.	employees on the use of the system	implementati on of our own system.	September 2011.

### Management of Possible Impact of HIV/Aids

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure that the Municipal Entity implements and maintains appropriate education and support programmes in respect of HIV/Aids.	Contract Officer to confirm that programmes are in place and are being applied.	Well ness programme in place.	Appointment of the Wellness Officer to champion the programme.	Prioritise the employment of the Wellness Officer.

### Black Equity ownership in the Strategic Partner

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Maintain a minimum of 32% black equity ownership.	Annual report to the Contract Officer on the level of black equity ownership.	N/A	N/A	The strategic partnership contract has lapse.

### Black Management in the Strategic Partner

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Maintain a minimum of 38.6% in executive management and/or board and board executives.	Annual report to the Contract Officer on the level of black management participation.	N/A	N/A	The strategic partnership contract has lapse.

### Local Economic Development for the jurisdiction of Maluti-a-Phofung

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Use of local sub-contractors.	Municipal entity's operating budget spent on local sub-contractors to increase by 5% per financial year of the Contract Term.	Most of our work is supplied by local sub-contractors and emerging contractors.		Currently the local SMME are appointed to do most of our outsourced work.

### Training of local contractors, sub-contractors and SMME's

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Assist the Municipal Entity to establish and run training programmes for local contractors (and prospective contractors) in respect of:  Plumbing and other technical skills  Financial management  Contract management  Project management  Administration.	Contract Officer to confirm that training programmes are being applied.	Training programmes for contractors to be developed by entity.		



*Development of local contractors, sub-contractors and SMME's*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>Assist the Municipal Entity to institute programmes and procedures which support local contractors through:</p> <p>Assisting with financial and administrative procedures;</p> <p>Initial equipping of companies;</p> <p>Support in pricing and tendering;</p> <p>Structuring contracts to reduce working capital requirements.</p>	<p>Contract Officer to confirm that training programmes are being applied.</p>	<p>Arrange seminars and briefing forums with local contractors about the tendering process of the entity.</p>		

*Local service providers*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>Ensure that the Municipal Entity develops and uses local service providers to:</p> <p>Create effective skills transfer and development;</p> <p>Ensure that on-going local support is always available;</p> <p>Expenditure is kept within the local economy.</p>	<p>Contract Officer to confirm that use is being made of members of the local economy in terms contract requirements, the budgets and the annual business plan.</p>	<p>Local companies are used in most of our work. Present 45% of the total expenditure.</p>	<p>Not always possible to use only local contractors due to specialised work and lack of capacity by local contractors.</p>	

## KPA – Operations:

*Ensure compliance with legislation and regulation*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure compliance by the Municipal Entity in respect of all legislative and regulatory requirements.	During the first financial year the Strategic Partner shall compile a report on the compliance of the existing operations and shall ensure that the Municipal Entity institutes any necessary corrective actions.	Done	To ensure that all departments capture all relevant information correctly	Annual report
Ensure that the Municipal Entity undertakes an annual audit to confirm such compliance with all legislative and regulatory requirements.	A report shall be made to the Contract Officer within 2 months of the start of each subsequent financial year of compliance with previous report and what has to be complied with for following year.	Blue drop award 97% scored	To ensure compliance to SANS 241 and DWA Standards	Internal and external monitoring programs (Accredited laboratory Talbot ) PTS schemes

### Ensure progressive improvements in the efficiencies of service provision

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity with a view to progressively reducing unaccounted for water; increasing the volume of water which is billed; ensuring compliance with water and effluent quality standards and; Optimising the cost of supply, collection and treatment.	Goals for each of these to be agreed as part of the Annual Delivery Plan. Monthly reporting to the Contract Officer and the Co-ordinating Committee in respect of the attainment of these goals.	On-going process	To obtain funds for the installation of bulk meters to measured water losses and a unit to control water losses. To start with the implementation of the after approval of the municipality.	Blue drop system for water quality and green drop certificate for waste water effluent. Upgrading of water and waste water treatment works

### Strategy for Optimisation of Costs

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity to establish a strategy which measures the unit costs of key elements and which identifies interventions to gradually reduce these unit costs.	In July and January of each year the Municipal Entity shall provide a report to the Contract Officer showing the trends, since the start of the Strategic Partner's contract, in respect of the unit costs per kl of water supplied to customers of the following:  Raw water Chemicals Energy Staff	Done	To ensure recordkeeping of all expenses (Budget control) to keep operational cost to a reasonable level.	To assist in planning Budget  Existing statistics will be used.

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
	<p>Maintenance &amp; Repairs</p> <p>Vehicles &amp; Transport</p> <p>The report shall show that the unit costs are generally reducing in real terms and reasons shall be given where such reductions are not being achieved.</p>			

*Ensure that the Municipal Entity always provides the best possible level of service to the customer*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity to maximise its ability in ensuring that all households have access to at least a basic level of service and in progressively making higher levels of service available to those who can afford such levels.	Goal for the number of households to have access to a basic level of service and a goal for the number of households to be provided with the higher levels of service to be agreed in the Annual Delivery Plan.	Done	Increase household connections – The function was not transferred to MAP Water. The function is still with the municipality.	WSDP A programme for installing household connection with MIG funds ( Municipality )

*Ensure that the Municipal Entity adequately maintains and protects the assets of the Municipality*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity to ensure that appropriate systems and processes are in place and are being applied to	An overall goal for maintenance and refurbishment to be agreed as part of the Annual Delivery Plan and	On-going	To ensure that daily maintenance can be attended to with existing staff. Identification of	Maintenance programmes Updating of preventative

protect the assets of the Municipality and to maximise the ability of the assets to support the service.	monthly reporting to the Contract Officer in respect of the attainment of this goal.		refurbishment projects to enable the municipality to apply for funds.	maintenance programme WSDP (Reviewing of refurbishment projects.)
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*Ensure that the Municipal Entity establishes and implements appropriate procedures in respect of capital projects*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity and the Municipality: in ensuring that available funding is utilised to the best benefit of the service In accessing additional funding which is deemed necessary for the benefit of the service.	Report to the Contract Officer on an annual basis on the actions taken and the benefits achieved in respect of acquiring and the optimum utilisation of capital funds.	On-going MAP municipality appoints the consultant conduct the updating of the WSDP.	Identification of water waste water projects	WSDP PMU ( Municipality )

*Ensure that the Municipal Entity has access to adequate skills, experience and knowledge to maintain the provision of water services*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide support to the Municipal Entity to ensure that the necessary skills, experience and knowledge are available within the Municipal Entity through: making available skills and experience from within the Strategic Partner for specialist knowledge, training and developmental	Specialist skills available as and when required. Organisational structure in place and operating efficiently within one year of start of contract. Key managerial staff in place and/or identified for training and development purposes within one year of start of contract.	On-going  Done  On-going	Difficulty in recruiting suitable candidates for specialised / scarce skills and to fill all vacant positions  Experiencing challenged in training of line managers	In-service training for undergraduates students Advertisements  Succession plans



Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>purposes;</p> <p>developing and implementing an appropriate organisational structure to ensure effective operations;</p> <p>Identifying and/or developing appropriate managerial personnel to undertake the key roles reporting to the Operations Manager.</p>				Annual training plan

*Ensure Municipal Entity maintains the insurance of assets and risk*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure all necessary insurances and insurance cover is maintained at appropriate levels.	Prior to the start of the contract, review and ensure that all required insurances are in place.	Done		
	Originals of insurance certificates and confirmation of payment of premiums provided to the Contract Officer on an annual basis.	On-going	Supply finance with relevant information	Reporting procedures
	As part of annual financial audits, undertake an audit and review of the asset registers and the insurances.	On-going	Update existing asset registers	Asset registers

*A – Customer Services:*

*1. Ensure that the Municipal Entity has access to adequate skills, experience and knowledge to develop and maintain appropriate levels of customer management*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
<p>Provide support to the Municipal Entity to ensure that the necessary skills, experience and knowledge are available within the Municipal Entity through:</p> <ul style="list-style-type: none"> <li>making available skills and experience for specialist knowledge, training and developmental purposes;</li> <li>developing and implementing an appropriate organisational structure to ensure effective customer relationship management;</li> <li>Identifying and/or developing appropriate managerial personnel to undertake the key roles reporting to the Customer Manager.</li> </ul>	<p>The Contract Officer confirms that trained staff is in place to provide the levels of customer management as defined in the Annual Delivery Plan.</p>	<p>Appointment of Customer Care Officers and Service manager concluded. House visits conducted.</p>		

*2. Ensure that appropriate communication processes are established with Councillors, municipal officials, community organisations and customers*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve
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				performance
Provide assistance where necessary and ensure that the Municipal Entity establishes effective and appropriate communication processes with Councillors, municipal officials, community organisations and customers	Report back from Councillors and officials that processes have been established and are operating effectively.	Weekly interaction with the ward Councillors continuing. <b>Bi-monthly meetings with financial services municipal staff on-going.</b>	Vacant customer care officer position for QwaQwa area.	Interview conducted and to appoint soon. Harrismith customer care officer is assisting.

*3. Ensure that customer service centres are established in relevant locations and that they are staffed and equipped correctly*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide assistance where necessary and ensure that the Municipal entity establishes customer service centres in appropriate locations, ensure that they are staffed with properly trained and competent people and that all the necessary facilities are available to allow them to immediately deal with customer payments, enquiries, complaints.	Within 6 months of the effective Date, submit a report to the Contact Officer reviewing the customer services centres and making recommendations of any actions required to make them more relevant to the local conditions. Services centres established and are able to deal with all customer interactions according to plan as agreed in the Annual Delivery Plan.	Locations identified within the localities of the Municipality for establishment of additional pay points. Posts for the pay points/service centres advertised.	One pay point office is active and consumers can pay their municipal account at Shoprite and Spar as arranged by the municipality.	

*4. Ensure that customer service centres are established in relevant locations and that they are staffed and equipped correctly.*

Action	Performance	Progress to date	Challenges	Measures to improve
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	Indicator/Target			performance
Use its skills and experience to assist the Municipal Entity to develop and implement outreach programmes aimed at increasing community awareness of the principles of water services, communicating the fee basic water and indigent policies as well as the need to pay for service provided outside these policies and generally assisting communities to understand how their water and sanitation expectations and needs can be met.	Annual "Knowledge, Attitude and Perception" studies to done by the Municipal entity and to show an increasing awareness on an annual basis ("KAP Survey")	On-going with the communication centre.  Appointed communications manager for the entity to align the communication procedures.  Community/public consultation meetings – On-going. Revitalisation of the municipal water services forum being considered in line with customer service charter and the IDP planning forums of the municipality.		

#### 5. Ensure Municipal Entity maintains the insurance of assets and risk

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Ensure all necessary insurances and insurance cover is maintained at appropriate levels.	Prior to the start of the contract, review and ensure that all required insurances are in place.	Completed for the transferred assets.		
	Originals of insurance certificates and confirmation of payment of premiums provided to the Contract Officer on an annual basis.	Insurance certificated and proof of premiums payments available.		
	As part of annual financial audits,	Annual audit pack being compiled for financial		



	undertake an audit and review of the asset registers and the insurances.	annual audit process by July 2006.		
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*6. Ensure that appropriate communication processes are established with Councillors, municipal officials, community organisations and customers*

Action	Performance Indicator/Target	Progress to date	Challenges	Measures to improve performance
Provide assistance where necessary and ensure that the Municipal Entity establishes effective and appropriate communication processes with Councillors, municipal officials, community organisations and customers	Report back from Councillors and officials that processes have been established and are operating effectively.	The weekly interaction with councillors is on-going. Consumers are visited based on the queries raised and during the road show.	Availability of ward councillors and some consumers at work during office hours.	

**Risk management**

Mega (Strategic	Process	Process (Key Area)	Performance	Risk identified and managed by management
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Objective)		
Transfer Process Management To Ensure Accessibility	<ul style="list-style-type: none"> <li>Investigate Unaccounted for Water (UFW)</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income for the Entity</li> <li>No water income recovered</li> <li>Inadequate systems in place</li> </ul>
	<ul style="list-style-type: none"> <li>Interaction with employer municipality</li> </ul>	<ul style="list-style-type: none"> <li>Strained relationship with employer municipality leading to loss of funding</li> </ul>
Financial sustainability	<ul style="list-style-type: none"> <li>Correct and appropriate financial structures, procedures and controls are established in the Municipal Entity</li> <li>Review of Financial Accounting processes</li> <li></li> <li>Correct and appropriate financial structures, procedures and controls are established in the Municipal Entity</li> </ul>	<ul style="list-style-type: none"> <li>Adverse audit opinion</li> <li>No standard processes and systems for entity</li> <li>Lack of control leading to financial loss</li> <li>Adverse audit opinion</li> </ul>
	<ul style="list-style-type: none"> <li>Supply Chain / Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Poor quality products being purchased</li> <li>Other strategic objectives not achieved</li> <li>High potential for fraud and corruption taking place</li> </ul>
Operations management	<ul style="list-style-type: none"> <li>Ensure compliance with legislation and regulation regarding operations</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance with legislation and regulation could result in: penalties incurred, legal claims against the entity, adverse audit opinions</li> </ul>

Revenue management	<ul style="list-style-type: none"> <li>• Appropriate structures and processes are established in the Municipal Entity and Municipality to ensure accurate billing and optimum revenue collection</li> <li>• Enhance the revenue generated for the Municipality</li> <li>• Data Management</li> </ul>	<ul style="list-style-type: none"> <li>• Inaccurate billing</li> <li>• Unoptimised revenue collection</li> <li>• Inability to enforce by laws</li> <li>• Inadequate funding leading to cash flow problems</li> <li>• Inaccurate data and billing leading to loss of revenue</li> <li>• Inability to provide proof of billing</li> </ul>
Human Resources, Skills Transfer, BEE and LED	<ul style="list-style-type: none"> <li>• Management of Possible Impact of HIV/Aids</li> </ul>	<ul style="list-style-type: none"> <li>• Absenteeism and loss of skilled resources</li> <li>• Contributions of pension fund affected</li> </ul>

#### DEPARTMENTAL PERFORMANCE OPERATIONS DEPARTMENT

##### NETWORK MAINTENANCE

According to the customer charter MAP Water must respond to consumers' queries within 48 hours. Overall, MAP Water's performance regarding network maintenance complied with our customer charter for over 80% of the time. The table and graphs in this section depict the performance of the year under review for various network responsibilities that the entity performed.

DESCRIPTION	TOTAL
Water pipe leakages	159
Network valves repaired	76
Public taps repaired	15
New water connections	28
New sewer connections	101

Water meter repaired	9
Water meter replaced	202
Sewer line blockages	1 183
General maintenance	84
Water pipes mainline	55
<b>Overall total</b>	<b>1 912</b>

The above table illustrates the total amount of faults reported by the consumers. The table further breaks down the faults reported into different and relevant categories.

### DAM LEVELS

The dam levels in %

Month	Fikapatso %	Metsi Matsho %	Wilge %	Von During %	Hawkins %	Gibson %
July 2011	80.60	99	70	60	65	65
Aug 2011	84	100	100	80	80	80
Sept 2011	78.20	100	100	90	80	90
Oct 2011	73.20	99	90	90	90	90
Nov 2011	66.00	98.50	80	95	80	80
Dec 2011	64.60	100	100	100	95	95
Jan 2012	70.20	100	100	100	100	100
Feb 2012	75.80	100	100	100	100	100
Mar 2012	69	100	100	95	95	90
Apr 2012	62.60	100	100	100	100	100
May 2012	56	90	22	75	75	75
Jun 2012	52	95	37	75	75	75

Due to the low rainfall in the catchment area Fika Patso dam had a lower volume available for consumption. A shortage of water might be experienced in the 2012/13 financial year. The other dams have adequate water supply for the community.

MONTH	WATER PRODUCED (M <sup>3</sup> )				
	MAKWANE	FIKA PATSO	WILGE	BOTANICAL	TOTAL
July-11	143 998	989 876	401 343	0	1 535 217
Aug-11	133 234	1 011 908	521 5	0	1 150 357
Sept-11	124 323	1 216 014	492 386	0	1 832 723
Oct-11	149 957	1 301 411	511 439	0	1 564 444
Nov-11	143 290	1 312 510	531 271	0	1 987 071
Dec-11	133 363	967 235	41 280	0	1 141 878
Jan-12	123 273	1 317 111	387 881	0	1 828 265
Feb-12	144 449	1 316 212	387 878	0	1 848 539
Mch-12	151 621	18 367	42 384	0	212 372
Apr-12	134 909	1 822 092	41 249	0	1 998 250
May-12	138 540	1 959 208	40 348	0	2 138 096
Jun -12	133 001	628 825	36 970	0	798 796

Waste water						
	pH	COD	Ammonia	Nitrate	Orthophosphate	Suspended Solids
<b>July</b>						
Elands Final	7.6	36	15	4.3	5.3	33
Harrismith Final	7.3	54	35.4	0.46	5.02	52
Kestell Final	7.3	10	5.13	9.19	5.29	15
Phuthaditjhaba Final	7	29	11.4	16.6	5.17	13
Tshiame Final	7.4	10	1.15	0.46	4.34	5
Moeding Final	No flow to plant					
Makwane Final	7	29	1.47	11.4	3.13	5
Average	7.27	28.00	11.59	7.07	4.71	20.50
<b>August</b>						
Elands Final	7.5	22	0.04	11.1	0.107	21
Harrismith Final	7.2	125	32.7	0.05	5.85	58
Kestell Final	7.2	29	2.73	13	2.21	25
Phuthaditjhaba Final	6.8	39	7.67	19.9	4.13	15
Tshiame Final	7.1	10	0.39	9.42	4.14	5
Moeding Final	No flow to plant					
Makwane Final	7	25	2.67	16.7	3.61	5
Average	7.13	41.67	7.70	11.70	3.34	21.50
<b>September</b>						
Elands Final	7.3	10	0.04	17.3	5.75	17
Harrismith Final	7.2	39	38.7	0.28	6.88	42
Kestell Final	7	10	7.05	6.61	2.91	5
Phuthaditjhaba Final	6.5	25	5.09	21.8	4.86	12
Tshiame Final	7.7	10	0.4	7.63	7.16	5
Moeding Final	No flow to plant					



<i>Makwane Final</i>	7.1	28	2.42	14.7	3.86	5
<i>Average</i>	7.13	20.33	8.95	11.39	5.24	14.33
<i>October</i>						
<i>Elands Final</i>	7.2	29	0.17	8.81	6.17	40
<i>Harrismith Final</i>	7.2	64	35.6	0.41	7.35	80
<i>Kestell Final</i>	7.1	10	2.05	11.9	5.18	5
<i>Phuthadijhaba Final</i>	6.6	29	4.91	18.1	4.91	5
<i>Tshiame Final</i>	7.6	10	0.6	3.02	6.46	5
<i>Moeding Final</i>	<i>No flow to plant</i>					
<i>Makwane Final</i>	<i>No flow to plant</i>					
<i>Average</i>	7.14	28.40	8.67	8.45	6.01	27.00
<i>November</i>						
<i>Elands Final</i>	7.2	10	0.13	7.24	1.15	34
<i>Harrismith Final</i>	7.1	113	33.7	0.44	4.92	57
<i>Kestell Final</i>	6.9	28	4.8	14.1	4.31	12
<i>Phuthadijhaba Final</i>	6.9	25	7.98	16.1	3.49	20
<i>Tshiame Final</i>	7.4	10	2.99	7.48	6.69	5
<i>Moeding Final</i>	<i>No flow to plant</i>					
<i>Makwane Final</i>	<i>No access to plant</i>					





### Occupational health and safety programme

The following table illustrate health and safety issues for the financial year ending June 12

MaP Water Statistics												
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
NO. OF EMPLOYEES	261	259	294	294	294	294	292	291	290	288	288	288
MANHOURS WORKED (MONTH)	50020	51756	57720.5	55899	58967.5	54263.5	57315.5	57315.5	54396.5	47938	58367	54642
MANHOURS WORKED (Prog)	596024	596803	603397.5	608165	615498	621206.5	628705	636341.5	639764	642744	656153	658600.5
INJURY FREE HOURS WORKED(Prog)	56376	120176	21168	197568	101136	143472	189216	237456	236640	276480	327168	375552
DAYS WITHOUT VEHICLE INCIDENT	33	24	54	5	35	7	4	8	29	13	17	3
VEHICLE INCIDENTS (MONTH)	2	1	0	4	0	4	5	3	1	1	2	3
VEHICLE INCIDENTS (Prog)	19	19	18	22	22	25	30	29	29	29	30	29
DAMAGE INCIDENTS (MONTH)	0	0	0	0	0	0	0	0	0	0	0	0
DAMAGE INCIDENTS (PROG.)	2	2	2	2	2	1	1	1	1	1	0	0
ENVIRONMENTAL INCIDENTS (MONTH)	0	0	0	1	0	0	2	125	1	0	103	0
ENVIRONMENTAL INCIDENTS (Prog)	6	4	4	4	2	2	4	129	130	130	232	232
DISABLING INJURIES (MONTH)	1	0	0	0	0	0	0	0	0	0	0	0
DISABLING INJURIES (Prog)	2	2	2	2	3	3	3	3	3	3	2	2
MEDICAL CASES (MONTH)	1	0	1	1	0	0	0	0	0	0	0	0
MEDICAL CASES (Prog)	5	5	5	6	6	6	6	5	5	5	4	3
FIRST AID CASES (MONTH)	0	0	0	0	1	0	0	0	0	0	0	0
FIRST AID CASES (Prog)	3	3	3	3	1	1	1	1	1	1	1	1
NEAR MISSES (MONTH)	0	0	0	0	0	1	0	0	0	0	0	0
NEAR MISSES (Prog.)	0	0	0	0	0	1	1	1	1	1	1	1
FATALITIES	0	0	0	0	0	0	0	0	0	0	0	0
SHIFTS (DAYS) LOST	0	0	0	5	0	0	0	0	0	0	0	0



(MONTH)												
SHIFTS (DAYS) LOST (Prog.)	7	0	0	0	5	5	5	5	5	5	5	5
SEVERITY RATE	2.3	0.0	0.0	0.0	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5
DIFR	0.67	0.67	0.66	0.66	0.97	0.97	0.95	0.94	0.94	0.93	0.61	0.61
TIFR	3.36	3.35	3.31	3.62	3.25	3.22	3.18	2.83	2.81	2.80	2.13	1.82
TARGET (DIFR)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INJURIES FOR MONTH	1	0	1	1	1	0	0	0	0	0	0	0
TOTAL INJURIES (12 MONTHS)	5	5	5	6	6	7	6	6	5	5	5	5
TOTAL INCIDENTS (MONTH)	3	1	1	5	1	5	5	3	1	1	0	0
TOTAL INCIDENTS (Prog.)	17	17	17	22	23	28	33	31	31	31	30	26

## NOSA Audit

The NOSA audit action plan was closed off in December 2011 and all the action items which needed some technical expertise to be addressed have been included in the 2012 audit report and action plan to be holistically addressed in line with the current trends and SHEQ standards.

## CAPITAL PROJECTS

MAP MUNICIPALITY PROJECTS (MIG)				
Project Description	Completion Date	October Progress	Current Progress	Remarks
Wilge Water Treatment Works Phase 5	May 11	100%	2100 %	
Provision of Water Services Network Extension and Erf Connections in QwaQwa rural area I & II				
Tebang 1& 2	Dec 10	99%	99%	Behind Schedule
Thaba Bosiu	Nov 10	97%	97%	Behind Schedule
Tsheseng	Nov 10	97%	97%	Behind Schedule
Makhalaneng	Oct 13	20%	20%	
Phahameng	Oct 13	20%	20%	



Namahali	Oct 13	20%	20%	
Strerkfontein – QwaQwa Water Scheme1A				
Water Treatment Works	New complexion date 25 July 2-012	85%	85%	
Pumpingline from Escoll reservoir to Phuthaditjhaba		88%	88%	Delay due to Farm owners conflict
MAP WATER SMALL PROJECTS				
Project Description	Completion Date	October Progress	Current Progress	Remarks
Dithotaneng: Elevation of water supply	March 2012	5%	5%	Tender Stage

## FINANCE DEPARTMENT

### Financial performance overview

The following tables provide an overview of the billing and payments received as extracted from the municipality financial system e-Venus.

The number of live accounts as per report BS902

Service	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Water	26,181	26, 138	26, 155	26, 442	26, 440	26, 372	26,340	26,235	26,004	26,216	No Info	No info
Sewer	24,270	24, 269	24, 270	24, 247	24, 249	24, 267	24,248	24,216	24,346	24,260	No Info	No Info



### Billing vs Payments

Table indicates billing against payment received during the year under review.

WATER	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
BILLING	6,304,254	5,301,744	5,597,818	6,166,286	5,007,098	6,667,404	4,761,566	5,267,248	7,591,152	3,279,143	4,966,672	5,784,217
ADJUSTMENTS	484,192	518,272		473,279	139,746			463,416	639,878	2,411,371	676,085	
PAYMENT eVENUS	1,539,058	2,304,506	-	2,707,185	1,894,586	-	-	1,959,318	3,002,151	3,028,113	1,502,304	-
	26%	48%	0%	48%	39%	0%	0%	34%	43%	349%	35%	0%
SEWER	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
BILLING	2,698,414	2,531,844	2,564,814	2,568,718	2,618,360	2,563,813	2,485,887	2,556,884	2,618,049	2,545,821	2,597,161	5,548,776
ADJUSTMENTS	131,090	49,262		156,342	6,140			210,399	85,338	681,979	15,172	
PAYMENT eVENUS	854,917	1,092,267	-	820,678	3,023,552	-	-	908,626	1,505,914	1,497,838	678,158	-
	30%	42%	0%	34%	116%	0%	0%	33%	56%	80%	26%	0%
BILLING WATER & SEWER	9,002,668	7,833,588	8,162,632	8,735,005	7,625,458	9,231,218	7,247,454	7,824,132	10,209,202	5,824,964	7,563,833	11,332,993
ADJUSTMENTS	353,102	469,010	-	629,621	145,886	-	-	673,816	554,540	3,093,350	691,257	-
PAYMENTS WATER & SEWER	2,393,975	3,396,772	-	3,527,863	4,918,138	-	-	2,867,944	4,508,064	4,525,952	2,180,462	-
	28%	46%	0%	44%	66%	0%	0%	34%	47%	166%	32%	0%

## CORPORATE SERVICES DEPARTMENT

### Human Resources

#### Employment

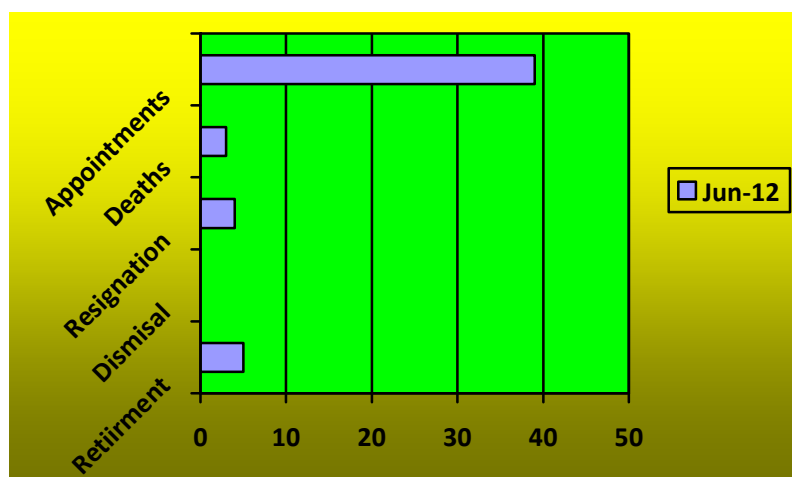
During the year under review, MAP Water had a staff complement of 214 employees. Staff demographics according to race and gender are depicted in the table below:

Grade	White		Black		Total	
	M	F	M	F	M	F
F						
E			1		1	
D 4	1		3		4	
D 3						
D 2			1	1	1	1
D 1						
C 5	1	1	2	2	3	3
C 4	1	1	1	1	2	2
C 3	2	1	9		11	1
C 2	1		5		6	
C 1			14	1	14	1
B 5	1	1	34	9	35	10
B 4			1	2	1	2
B 3	1		25	15	26	15
B 2			9	1	9	1
B 1			2		2	
A 3			14	10	14	10
A 1/2			85	31	85	31
A 1						
					214	77

### Staff Turnover

	RETIREMENT	DISMISSAL	RESIGNATION	DEATHS	APPOINTMENTS
Year	5	0	4	3	39

The organization experienced a staff turnover of 39 employees out of the total of 214 which translates to 11, 90%.



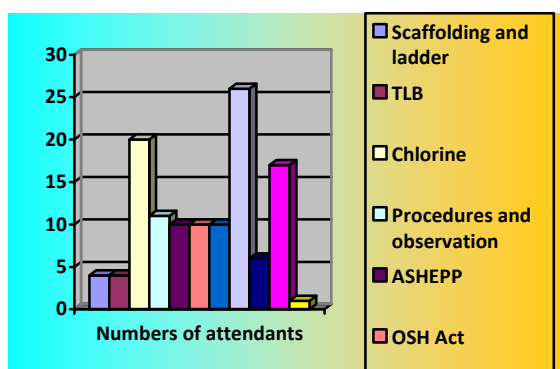
### Training Development

The following table provides training information for the year:

Training	Numbers of attendants
Scaffolding and ladder	4
TLB	4
Chlorine	20
Procedures and observation	11
ASHEPP	10
OSH Act	10

Introduction to Samtrac	10
Defensive driving	26
Overhead mount crane	6
Bid Committee Training	17
Electrical Trade Test	1

MAP Water's commitment to health and well-being of its employees and as part of conditions of service, MAP Water employees must be members of the medical aid of which the company contributes 50% towards monthly premium.



#### Wellness programme

#### Performance Management System

The signing off of performance management agreements has been done by all Supervisors and all the agreements will be captured on the system. The benchmark for executive positions has been done by people resolutions and the agreements updated.

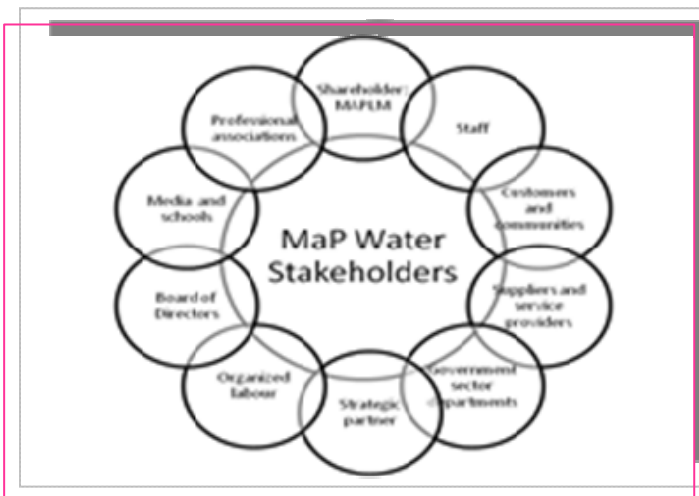
There are two types of trainings which are going to be conducted by people resolutions and the first training is conceptual training which will focus on preparation, understanding and motivating the employees about the system and the second training is whereby employees will be working directly on how to operate the system.

After the training, reviews on all the positions will be done to test the programme. New objectives should be developed in order to introduce performance management system to measure the organisational performance

### *Corporate Communications*

### *Stakeholder engagement*

Our key stakeholders and our relationships with them are a core sustainability issue. Therefore we treasure relationships building, enhancement and progress. MaP Water has a number of platforms through which it interacts with its stakeholders because attainment of the mission and vision of MaP Water depends on the collaborative efforts between a numbers of partners. The key stakeholders include our sole shareholder, MAPLM; staff, customers, suppliers, government sector departments, strategic partner, communities, civil society.





## Staff

MaP Water staff being our internal stakeholder is the most important strategic asset towards achieving the goals of this entity. In order to enhance this we ensure all matters relating to water and sanitation are communicated to these stakeholders. By giving the employees information we reduce misunderstandings within the communities the staff also belongs to the communities we serve. It is also important for our staff to get first information as per table below:

### Communication Tools

COMMUNICATION STRATEGY	MILE STONE	PROGRESS REPORT
Notice boards	Internal communication	Branch Committee and Membership Meeting
Newsletter	To constantly inform Map Water' stakeholder and employees about the happenings within the organization	Articles compilation
Intranet and Website	Strengthen communication medium	Under-construction.

## Customers and communities

Branded bottled water was given to department of Agriculture for the event that was held in Rosendal, Botshabelo, Thaba Nchu and Kestell. This is one of the functions of the communications department. Branded bottled water was given to Maluti a Phofung Municipality during the launch of Women's Month on the 01<sup>st</sup> August 2011. We also provide bottled water regularly to the offices of the Executive Mayor, Municipal Manager and Speaker.

On the 18<sup>th</sup> April 2012 there was a road show at Mabilela Village that was organised by Customer Care.

On the 26 April 2012 we attended career exhibition that was held at Brakpan Stadium

### Corporate Social Responsibility Projects

#### Media and Schools

EVENT	MILE STONE	RESPONSIBILITY	BY-DATE
Water Education Campaign	To educate people on how to save water and to disseminate information on Blue/Green Drop Programme.	All units	On going

Education

#### al Tours

PARTICIPANTS	NUMBER OF LEARNERS	DATE	PRESENTATION	PLANT VISITED
Iteboheleng Primary School	60	13 April 2012	Water purification Process	Makwane Water Treatment Plant
Phetha Primary School	68	16 March 2012	Water Purification Process	Wilge Water Treatment Plant

A water week event was held and the following schools were visited

Name of school	Number of learners	Place	date
Mabela, Mabewane and Boiketlong	1000	Boiketlo	22 March
ZR Mahabane	100	Lusaka	23 MARCH
Koos Mota	100	Tsheseng	24 March
Mabate inter School	100	On your way to Harrismith	24 march

# **ANNEXURE A**

# **FINANCIAL STATEMENTS**

# **ANNEXURE B**

# **AUDIT REPORT**