

A close-up photograph of water being poured from a glass pitcher into a glass containing ice cubes. The water is captured in mid-pour, creating a dynamic, crystalline shape. The background is a solid, vibrant blue. The text 'PERFORMANCE REVIEW' is centered over the image.

**PERFORMANCE
REVIEW**

10 PERFORMANCE REVIEW

10.1 KEY PERFORMANCE INDICATORS (SHAREHOLDER COMPACT) IN COMPARISON WITH 2009/10

Figure 10.1: Key Performance Measures (Shareholder Compact)

PERFORMANCE OBJECTIVE	OUTCOMES /IMPACT	INDICATORS	MEASURE	ACTUAL 2009/10	ACHIEVED 2010/11
1. Water quality compliance	Water quality standards met	Test results, SANS 241	% compliance	95%	Class1 96% Class2 100% For physical and chemical. 99.3% for Micro 99.9%.
2. Water losses	Reduced levels of unaccounted for water (UAW)	Water lost as a % of total water produced	%	5.6%	4.6%
3. Reliability of supply	No unplanned interruptions to supply exceeding 24 hours	% number of days supply disrupted divided by total number of possible supply days	%	0.82%	0%
4. Obtain unqualified audit report	unqualified audit report	Annual external audit	unqualified	Unqualified	Unqualified
5. Staff turnover	Optimal staff retention	% staff leaving	%	0.3	0.32
6. Board member meeting attendance	Appropriate attendance of meetings	% attendance	%	80%	100%
7. Positive internal audit report	Internal audit issues dealt with	Internal audit reports queries	% internal audit queries satisfactorily addressed	69%	86%
8. Bulk supply agreements with municipalities	Statutory and service level agreements in place	% municipalities with bulk supply agreements	%	80%	100%
9. Improve financial ratios	Improved viability	Ratios	Positive trend established	Positive	Positive
10. Increase BBEEE discretionary spend	% of spend increased	Quarterly reports	% increase	58%	43.06%
11. Manage costs within the approved budget	No over expenditure/losses	Financial reports	% variance	15%	8.3%

PERFORMANCE OBJECTIVE	OUTCOMES /IMPACT	INDICATORS	MEASURE	ACTUAL 2009/10	ACHIEVED 2010/11
12. Achieve statutory reporting compliance	Reporting Compliance Achieved	Statutory submissions made on time	Submission dates met/ missed	BP, Policy Statement, SHC submission date missed	99.99%
13. Dividend/ Surplus Targets	Targets as per Shareholder Compact met	Financial Reports	%variance	+5%	28.5%
14. Developmental projects completed	Community access to water and sanitation	Quarterly progress reports	Number of people served	N/A	5 600
15. Legislation	Compliance with all relevant legislation	Compliance Quarterly Reports	% of compliance	NEMA Non compliance on Corporate Building	99.99%

10.2 ORGANIZATIONAL PERFORMANCE AGAINST BP TARGETS

Figure 10:2: Organizational Performance Review 2010/11

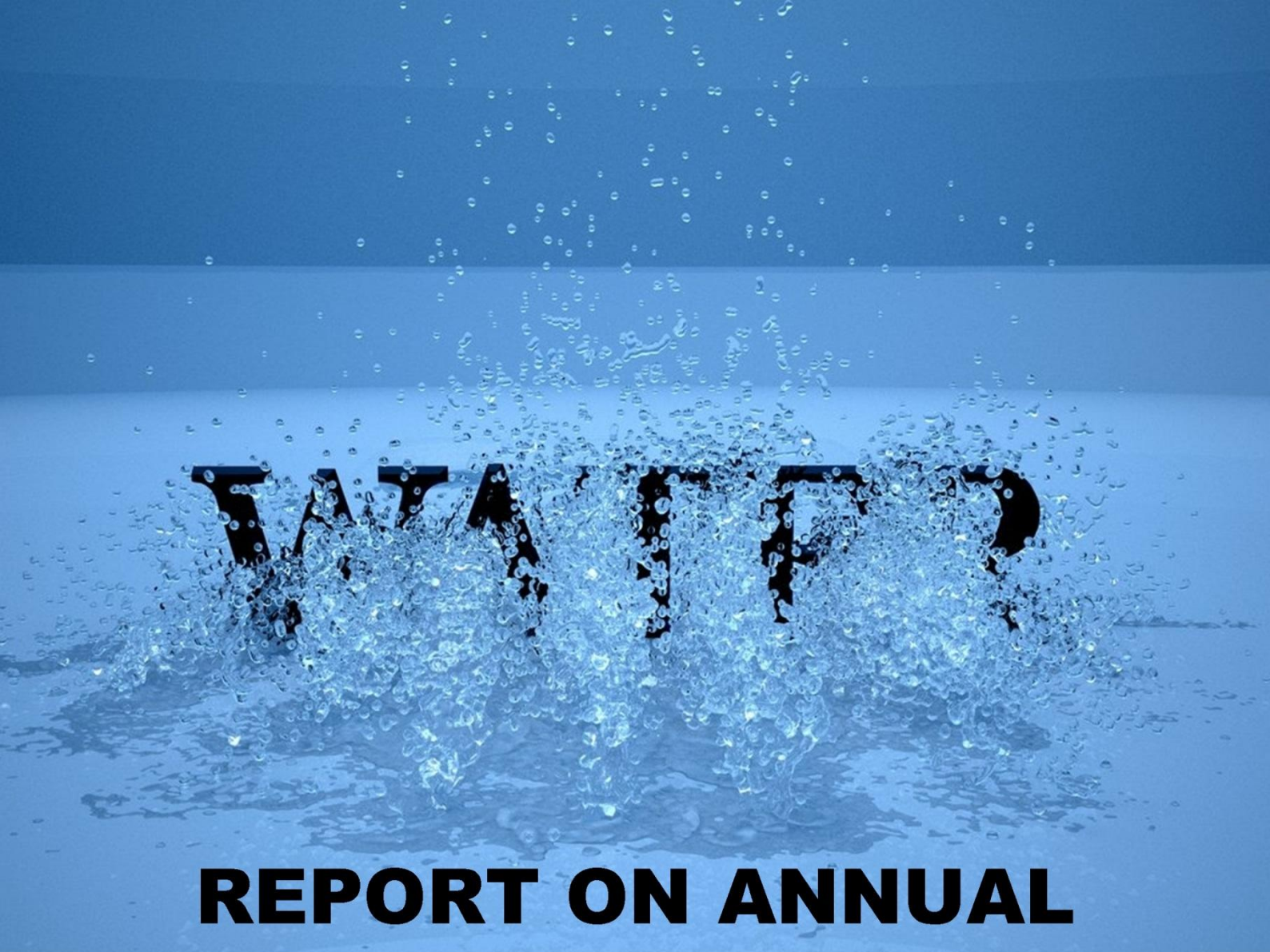
PERFORMANCE AGAINST BUSINESS OBJECTIVES				
	PERFORMANCE CRITERIA/INDICATORS	TARGET	ACTUAL	PERFORMANCE RESULTS
1	Volume of water sold (in million kl)	71275	95254	Achieved
2	Total gross revenue (R'000)	232031	287994	Achieved
3	Average water tariff (Rand/kl)	2.21	3.02	Achieved
4	Cost of raw water (Rand/kl)	3.15	3.17	Not Achieved
5	Total cost/volume (Rand/kl)	1.2	3.33	Not Achieved
6	Finance costs (Rand/kl)	0.14	0.06	Achieved
B	OPERATING RISKS	TARGET	ACTUAL	PERFORMANCE RESULTS
7	Working ratio (Quick Asset: Current Liabilities)	2.64	2.97	Achieved
8	Controllable working ratio	4.46	4.94	Achieved
9	Return on assets %	5%	5%	Achieved
10	Asset turnover	0.35	0.37	Achieved
11	Gross margin %	72%	69%	Not Achieved
12	Procurement BEE%	70%	43.06%	Not Achieved
13	Debtors collection period (Debtors days)	415	437	Not Achieved
C	FINANCIAL RISKS	TARGET	ACTUAL	PERFORMANCE RESULTS
14	Current ratio	2.22	3.02	Achieved
15	Debt service / Interest cover ratio	4.93	4.77	Achieved
16	Debt Ratio (Debt to Total Capital Employed)	1.64	1.83	Achieved
17	Debt-Equity Ratio %	1.26	1.26	Achieved
D	NON-FINANCIAL INDICATORS	TARGET	ACTUAL	PERFORMANCE RESULTS
18	Contractual Agreements	5	5	Achieved
19	Water Quality: number of failing samples	10.0%	7.8%	Achieved

PERFORMANCE AGAINST BUSINESS OBJECTIVES				
	PERFORMANCE CRITERIA/INDICATORS	TARGET	ACTUAL	PERFORMANCE RESULTS
20	Water Balance in bulk distribution (kl/km/month)	132	125	Achieved
21	Water Balance in treatment system (Plant)	6.0%	5.0%	Achieved
22	Water Loss (Distribution + Plant)	5%	4.7%	Achieved
23	Bulk Meter Coverage	100%	100%	Achieved
24	Raw Water Abstraction: Infrastructure Installed	67%	100%	Achieved
25	Treatment Systems: Infrastructure Installed	79%	100%	Achieved
26	Pumping Systems: Infrastructure Installed	50%	100%	Achieved
27	Bulk Distribution: Infrastructure Installed	50%	100%	Achieved
28	Employment Equity Planning			
	<i>Females</i>	48.71%	28.29%	Not Achieved
	<i>Males</i>	51.29%	71.71%	Not Achieved
29	Skills Development	100%	96.05%	Not Achieved
30	Staff turnover percentage	0.3%	0.3%	Achieved
31	Staff absenteeism percentage	5%	0%	Achieved
32	Industrial Relations Actions	0	0	Achieved

Table 10-1: Explanations and Action of Measures not Achieved 2010/11

PERFORMANCE AGAINST BUSINESS OBJECTIVE					
	PERFORMANCE CRITERIA/INDICATORS	TARGET	ACTUAL	PERFORMANCE RESULTS	EXPLANATION AND ACTION
B	OPERATING RISKS				
4	Cost of raw water (Rand/kl)	3.15	3.17	Not Achieved	Cost of raw water increased by 11.5% and also another 49% increase in raw water in one of the plants.
5	Total cost/volume (Rand/kl)	1.2	3.33	Not Achieved	
11	Gross Margin %	72%	69%	Not Achieved	Cost of electricity and raw water contributed to this none achievement. Thorough engagements with relevant suppliers will be done to ensure the most correct projections.
12	Procurement BEE	70%	43.06%	Not Achieved	Most of the companies that are on our database don't understand the water business. Database will be reviewed, companies that applied will be screened first and approved before loaded to the database. Implementation of the new SCM policy where any project above 1,5m if the company is non BEE and outside province must sub

PERFORMANCE AGAINST BUSINESS OBJECTIVE					
	PERFORMANCE CRITERIA/INDICATORS	TARGET	ACTUAL	PERFORMANCE RESULTS	EXPLANATION AND ACTION
					contract at least 40% with local bee company
13	Debtors collection period (Debtors days)	415	437	Not Achieved	Continuous implementation of the Section 4 of the Water Services Act to ensure that all outstanding debt is collected.
D	NON-FINANCIAL INDICATORS				
28	Employment Planning Equity				
	<i>Females</i>	48.71%	28.29%	Not Achieved	The target for employment equity was not achieved because majority of the vacant positions were filled internally in terms of the promotion policy. Due to high number of male employees within preference was given to them based on experience, qualifications. Few females were appointed from a pool of artisan development programme and promotion policy.
	<i>Males</i>	51.29%	71.71%	Not Achieved	
29	Skills Development	100%	96.05%	Not Achieved	Most employees are at retirement stage and not meaningfully participating on ABET

A large, dynamic splash of water in shades of blue, with many small droplets and bubbles, centered in the upper half of the page. The splash is set against a background of horizontal blue bands.

WATERS

**REPORT ON ANNUAL
PERFORMANCE REVIEW
JULY 2010 TO JUNE 2011**

The bottom half of the page features an abstract geometric design with overlapping shapes in various shades of blue, purple, and white, creating a modern, layered effect.

2010/2011 PERFORMANCE REVIEW

KEY FOCUS AREA 1: SUSTAINABLE, HIGH QUALITY AND EFFICIENT SUPPLY OF WATER SERVICES (POTABLE, INDUSTRIAL AND SANITATION)

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Provision of high potable water quality	To retain Blue Drop certification for Ebenezer and Olifantspoort schemes and to obtain Blue Drop certification for the Burgersfort, Steelpoort, Ohrigstad, Flag Boshielo, Ephraim Mogale, Politsi, Modjadji, Nkowankowa and Phalaborwa schemes.	Achieved: All the plants water quality complies with SANS241:2006. Partially Achieved: Both Ebenezer and Olifantspoort retained their Blue Drop Status. Obtained Blue Drop Status for Mankweng together with Polokwane Local Municipality as well as for Tzaneen together with Mopani as WSA and Tzaneen Municipality as WSP. Did not get Blue Drop Certificates for Burgersfort, Steelpoort, Ohrigstad, Flag Boshielo, Ephraim Mogale, Politsi, Modjadji, Nkowankowa and Phalaborwa schemes	WSAs concerned will be engaged in time and emphasise on the importance of the Blue Drop assessments and certification thereafter.
Production of high waste water effluent quality	To obtain Green Drop certification for the Burgersfort, Ephraim Mogale and Steelpoort wastewater works.	Not Achieved: – did not obtain Green Drop Status in any of the wastewater treatment plants. Ephraim Mogale improved from 0% to 23.4%, Burgersfort from 0% to 47.9% and Steelpoort from 0% to 51.5%.	The WSAs will be engaged prior to their budgeting process to ensure that they include such projects in their budget.
Effective Environmental Management	To introduce ISO 14001 Environmental Standards at all wastewater treatment works and potable schemes operated by Lepelle Northern Water	Achieved: Pilot program has been completed in Ebenezer and audit to take place in 1st ¼ of 2011/12. Remaining Lepelle Northern Water owned schemes to be audited before June 2012.	Audit the outstanding Lepelle Northern Water schemes in the next financial year.
Introduction of alternative water sources	Phase 1 to supplement surface water abstracted by Lepelle Northern Water with at least 2.5% ground water.	Not Achieved: Various boreholes have been refurbished in the Great Sekhukhune Municipality delivering on average 2.0 MI/day as from Dec 2011.	Agreed with the WSA to directly engage the owner of the boreholes.
Replacement and rehabilitation of ageing	Phase 2 of Phalaborwa plant, bulk and ancillary infrastructure	Not Achieved: Electrical refurbishment in Phalaborwa 93% complete. Mechanical work in	Complete the outstanding work in the next financial

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
infrastructure	refurbishment	progress but behind schedule.	year.
	Phase 2 of Olifantspoort plant and ancillary infrastructure refurbishment	Not Achieved: Lepelle Northern Water Board approved budget to fund study. Appointment of consultants awaited.	Implement the recommendations of the study once consultant is appointed in the next financial year.
	Phase 1 of Olifantspoort bulk infrastructure refurbishment	Not Achieved: Awaiting go ahead from DWA on project. Tender documents ready.	Engage DWA and start with the refurbishment of the infrastructure if funding is available.
	Phase 2 of Politsi bulk infrastructure replacement	Not Achieved: Consultant to be appointed for next phase.	Implementation of the infrastructure replacement once the consultant is appointed.
	Phase 2 of Doorndraai plant, bulk and ancillary infrastructure refurbishment	Achieved: Contract complete	
	Phase 2 of replacement of sub - standard bulk lines in Flag Boshielo.	Not Achieved: Lepelle Northern Water is replacing burst pipes with new ones as and when failures occur in the interim.	The WSAs will be engaged prior to their budgeting process to ensure that they include such projects in their budget.
	Survey internal condition of bulk lines with CCTV (> 450mm ID) Ebenezer	Achieved: The CCTV internal condition assessment of the Ebenezer Pipeline completed.	None
	Operation and Maintenance of Infrastructure	Complete functional assessment of existing schemes and prepare a rehabilitation program	Achieved: Completed function assessment of all Lepelle Northern Water owned scheme pipelines and reservoirs for Phalaborwa. To be continued in 2011/12 for other infrastructure
Complete installation of cathodic protection on Doorndraai, Ebenezer and Phase II of Olifantspoort – Groothoek pipelines (Mashupe		Partially Achieved: 65% Cathodic Protection projects at Olifantspoort and Doorndraai completed. Contractor appointed for repairs to Phalaborwa	Finalise Olifantspoort and Doorndraai then commence with phase 3 in the next financial year.

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
	Mphahlele).	cathodic system. Phase 3 to commence in 2011/12	
	Annual water meter verification and improvement.	Achieved: Completed.	Maintain the job well-done in other projects.
	Refurbish the telemetry system in Olifantspoort	Achieved: Completed	Maintain the job well-done in other projects.
	Phase2 Installation of telemetry in Modjadjiskloof, Flag Boshielo, Sekhukhune District (as approved) Mapodile, Ngwabe, Praktiseer and Doorndraai system on all the bulk reservoirs and pump stations.	Partially Achieved: Modjadjiskloof and Flag Boshileo completed. Installation still outstanding in Tubatse due to the unavailability of Eskom power.	Continuously engage Eskom for installing the power required.
Ring Fencing of Projects to ensure sustainability	Phase 2 of the implementation of potable water laboratory establishment in province	Achieved: Final pre-audit was completed and is now awaiting SANAS auditors.	Ensure that the Laboratory is recommended for SANAS accreditation.
	Advancement of rural sanitation in WSA's	Not Achieved: Did follow up with Municipalities on Lepelle Northern Water's willingness to support in rural sanitation but no positive response.	Emphasise the importance and benefits of this project during quarterly review meetings.
	Phase 1 of the feasibility assessment of establishing a wastewater laboratory establishment in Province	Not Achieved: Still pending and subject to renewing of Lepelle Northern Water as bulk contract by SDM. WWTW tests are conducting at Ebenezer lab in the mean time	Follow up with the SDM for the conclusion of the contract.
	Complete implementation of the turn – around strategies for Lebowakgomo, Flag Boshielo west and Olifantspoort south	Not Achieved: In progress The turnaround strategy at Phalaborwa and Tubatse LMs scheme continuing.	Review the status of the programme and agree with the WSAs whether to continue to assist or they will run it on their own.
	Implement Phase 2 of Water Demand Management and Cost Recovery Program for all schemes operated by Lepelle Northern Water	Partially Achieved: Demand Management in Mogalakwena 60 % complete.	Continue with the engagement of the WSA in order to complete the project as planned.
	Phase 1 Installation of package plants	Not Achieved: No progress	The WSAs will be engaged

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Expansion of Infrastructure	on Lebalelo raw water pipeline.		prior to their budgeting process to ensure that they include such projects in their budget.
	Complete environmental impact assessment, servitude registration and final design for the construction of reservoir at Rustfontein	Not Achieved: In progress consultants have been appointed for the design and construction of the Rustfontein Reservoir.	Fast track and finalise the environmental impact assessment in the next financial year.
	Complete construction of Corporate Head Office in Polokwane	Not Achieved: Construction 58% complete	Fast track the project and complete in the next financial year.
Energy conservation	Completion of electricity consumption optimisation and control systems in Lepelle Northern Water plants	Not Achieved: In progress Service Provider appointed for the optimisation of the electricity consumption in partnership with Eskom on all the plants.	Finalise the optimisation and control systems in Lepelle Northern Water plants.
Health, Safety and Environment	Maintain Dam Safety Programme.	Not Achieved	Effectively implement the dam safety programme.
	Obtain a minimum of three star NOSA grading at all plants operated by Lepelle Northern Water.	Achieved: Obtained 5 Star rating at Ebenezer, Modjadji, Politsi, Nkowankowa, Phalaborwa, Doorndraai . Obtained 4 Star rating at Olifantspoort and Flag Boshielo. Obtained 3 Star rating at Ephraim Mogale, Burgersfort WTW and WWTW.	Maintain the 5 star NOSA grading achieved and improve where 3 Stars were achieved to higher levels.
	Support the working for water and fire breaks programme	Not Achieved	Engage the Department of Water Affairs and align with their programme and effectively implement it.

KEY FOCUS AREA 2: ENSURE FINANCIAL SUSTAINABILITY AND VIABILITY

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Budgeting and Controls	Ensure improvement on efficient and effectiveness on budgeting process.	Achieved: Budget for 2010/11 compiled and submitted on time. Approved by the Board and will be implemented from July 2011.	Efficient implementation of the approved budget.
	Five-year projections aligned to strategic priorities.	Achieved: Draft budget for 2011/12 already prepared in line with the strategic objectives of the organisation and it is approved by the Board.	Efficient implementation of the approved budget.
	Monitor effectiveness and efficiency of organization against set budget	Achieved: Monitoring and Control of budget ongoing through monthly and quarterly performance reviews on the budget.	
	Recover the outstanding 50% of debts and continue recovering 100% of current debts.	Partially Achieved: 42% and 53% were achieved respectively.	Continue to implement Section 4 where applicable and continuously engage, improve the relations with those WSAs
	Implementation of credit control policy	Not Achieved: In progress to be submitted to the FINCO for Board consideration	Finalise the policy and submit to the Board for approval.
	Review and implement the Credit Control Policy	Not Achieved: Policy reviewed and will be approved in the next board meeting.	Finalise the policy and submit to the Board for approval.
	Review the investment Policy	Not Achieved: Policy reviewed and will be approved in the next board meeting.	Finalise the policy and submit to the Board for approval.
	Conclude disposal of obsolete assets in line with asset disposal policy	Achieved: Disposal of obsolete items from 2009/10 completed.	Start the preparations to dispose the 2010/11 obsolete items.
Tariff Determination	Approval of tariffs by National Treasury and DWEA.	Partially Achieved: The Draft tariff proposal for 2013 has been developed and will be approved in	Prepare for the stakeholder tariff consultations and

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
		the next board meeting.	complete within the prescribed timeframes.
	Phase 1: Equalization and implementation of non potable tariffs	In progress: Consultation with the municipalities will commence during the month of September 2011.	Implement as planned.
	Phase 1: Equalization of potable tariffs per District	In progress: Consultation with the municipalities will commence during the month of September 2011.	Implement as planned.
Asset Management	Continuous improvement on asset management and control through the asset management of the ERP system	Achieved: The update of asset register has been updated.	
	Ensure effective implementation of the asset maintenance	Achieved: Infrastructure Asset registers for Phalaborwa completed. Service Providers appointed for the completion of same for the Olifantspoort, Ebenezer and Doorndraai Schemes.	
	Avail a detailed bulk infrastructure captured on the asset register	Achieved: Asset register for Phalaborwa scheme has been completed. Appointment of consultants for the asset register development for the other schemes still to be finalised	
	Continuous update asset register	In progress. The first phase of the asset register is being captured on Lepelle Northern Water asset register.	Continue to update as new assets are acquired.
	Dispose identified absolute assets by the end of financial year	Not Achieved: The Disposal list for 2011 has been completed. However approval of the list and actual disposal was not realised.	Fast track the approval of the list and dispose obsolete items timeously.
Treasury Management	Improving on all systems and control.	Achieved: 86% was attained against the target of 80% on improving systems and control. Furthermore, Policy and procedures considered by the FINCO and will be approved in the next coming board meeting.	Finalise the policy and procedures and present in the next board meeting.
	Implement the policy	Achieved: The external audit findings are being	

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
		addressed following the successful completion of the audit for 2009/10 financial year.	
	Implement and monitor CMS	Not Achieved: strategy not yet developed.	CMS will be developed in the next financial year and implemented.
Supply Chain Management	Ensure cost effective, fair, competitive, equitable and transparent procurement of goods and services	Not Achieved: In progress Expenditure on HDI to date is 43.06% based on committed projects.	Identify prohibitions and or challenges and implement corrective measures.
	Ensure 60% of Lepelle Northern Water expenditure is on HDI's and HDC's	Not Achieved: Expenditure on HDI to date 43.06 is% based on committed projects.	Identify prohibitions and or challenges and implement corrective measures.
	Implement acquisition and demand management process	Achieved: Procurement plans implemented and monitored. Initiated the projects need analysis and procurement plans for 2011/12 financial year.	Continue to research benchmark and improve the processes.
Development Management Infrastructure and IT	Monitoring & Review Implementation of the electronic archiving system	Achieved: The SAP system is performing well from a operational perspective with a 100% system availability The upgrade of Wonderware InTouch10 platform for telemetry monitoring and management has been completed at Phalaborwa and Ebenezer plants. The process to upgrade all other plants will commence during July 2011 and to be completed by June 2012. The relocation of IT server infrastructure and VSAT communication infrastructure from 3 Landros Mare to 15 Biccard Street was completed successfully on the 1 st April 2011	Continuous research and improve to keep up with the technology.
	Roll out implementation of Performance Management System using the IT system	The implementation of the Performance Management Module has been completed	Train employees and implement the system.

KEY FOCUS AREA 3: EFFECTIVE DEVELOPMENT AND MAINTENANCE OF LEPELLE NORTHERN WATER CORPORATE IMAGE AND STAKEHOLDER RELATIONS

STRATEGIC OBJECTIVES	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Improve Corporate Image	Implementation, monitoring and review the strategy in line with the market trends	Achieved: Lepelle Northern Water decided that direct interaction with communities should be the responsibility of municipalities	Continuous research to ensure that Lepelle Northern Water is in line with the market trends.
	Re-branding of the organisation	Achieved: There is no need for re-branding the organization following investigation on the impact this will have on the organization	Continuous assessment to check the current branding is still relevant.
	Accentuate the existing logo	In progress: Branding of organisational vehicles completed and annual reports distributed to all municipalities and stakeholders.	Continuously exalt the logo such that stakeholders and non stakeholders identify it with the organisation.
	Official launch Lepelle Northern Water in new Corporate Building	Not Achieved: Construction of corporate building stopped due to some outstanding environmental issues.	Launch the building once it is completed.
	Inauguration of the new Board	Achieved: The new Board has been inaugurated and handover process completed.	
	Launch Annual Reports	Achieved	
	Implement Corporate Social Investment Strategy	Achieved: Interns, learnerships, apprenticeships have been were recruited and given opportunities to learn workplace skills.	Continuously invest to the communities to improve the quality of their lives.
Improved Stakeholders Relations	Support WSAs on their mandate	Achieved: Service Provider for Client Satisfaction survey appointed and on site.	Implement the recommendation of the satisfaction survey report.
	Fully implement Lepelle Northern Water's Stakeholder Map	Achieved: Capacity Profile completed and distributed to all stakeholders.	Update the profile regularly and distribute to the stakeholders continuously.
	Stakeholder consultation on tariff and	Consultations on tariffs completed and already	Continue to emphasise the

STRATEGIC OBJECTIVES	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
	other matters	approved by the Minister	importance of submitting the comments in time in order to comply with the legislative requirements.
	Promote the support to municipalities with the implementations of capital projects	Not Achieved: In progress	Continue to engage the WSAs and implement where applicable.
	Implement recommendations of the client survey	Achieved: The recommendations for 2007 survey completed and service provider appointed and is on site.	Implement the recommendations from the survey.
	Market the capacity profile of Lepelle Northern Water	Achieved: Capacity Profile completed and distributed to all stakeholders.	Update the profile regularly and distribute to the stakeholders continuously.
	Review involvement in partnerships and twinning programmes	Not Achieved	The twinning project has been resuscitated through SAAWU and DWEA and funding for the project to be secured by DWA.

FOCUS AREA 4: ORGANISATIONAL DEVELOPMENT

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Recruitment placement, Retention and Succession Planning	Retention and Succession planning strategies to be maintained	Achieved: Eighteen (18) employees recruited within and outside the organisation. Two (2) employees promoted into positions of fitters.	

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
		Ten (10) employees were appointed for limited period into various acting positions/capacity.	
	Review and maintain skill plan and scarcity allowance.	Achieved: The NSF proposal has been approved and Lepelle Northern Water and partners appointed for implementation. The report on appointments has served before the HR& REMCO and to be made to the Board.	Present the report to the board for approval and implement it.
Review policies and procedures in line with legislative changes	Review policies and procedures	Achieved: Both policies and procedures approved by the board. HR procedures are to be work-shopped to all employees	HR procedures are to be work-shopped to all employees in the next financial year.
	Orientate new employees within seven days on all policies.	Achieved: Abridged induction / orientation for new employees were conducted within 7 days of employment	
	Conduct refresher courses for all employees	Not achieved: No induction orientation workshops were held in this quarter	Management to ensure that refresher courses are conducted in the next financial year in line with the organisational objectives.
Ensure the development of staff	100% of all employees to achieve ABET level 2	Partially Achieved: 96.05% of the employees achieved ABET level 2.	Continuous encouragements of the elderly people especially those that are going on pension as they believe they are not going to need education after retirement.
	20% enrolled middle management to complete their Management Development Programme	Partially Achieved: 18% of the middle management were enrolled to complete Management	Continuously identify middle managers for enrolment to Management Development Programme.

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Performance management system	Monitor the PMS and make improvements	Achieved: Quarterly appraisal sessions were conducted to ensure that activities are in line with the business plan as well as identifying performance gaps and address them accordingly.	Ensure improvements each quarter and annually.
	Continuous implementation of awareness programme	Achieved: An information-sharing session on HIV and AIDS was conducted by Faranani in all the plants. A Knowledge-Based Screening of SHE Representatives from Capricorn, Sekhukhune and Mopani regions and Head Office were conducted in preparations for the Wellness Champions Workshop to be conducted in May 2011	Intensify the communication and implementation of these programmes. Identify preventative methods towards these pandemic diseases.
	Monitor and Review	Achieved: Good quality appraisal reports were submitted, validated and submitted to HR & REMCO for endorsement.	
	Performance contract for all staff should be concluded by June 2010	Achieved: Performance contract for the 2011/2012 financial year are being concluded.	
Change management	Conduct Annual climate survey and change management programme	Achieved: The climate Survey report and proposed action plans served before the HR & REMCO for submission to the Board and implementation thereafter.	Present the report and action plan to the board for approval and implementation.
	Monitoring and evaluation of the change Management Programme	Achieved: Action plan deliberated by various departments and implementation will commence in the first quarter of the 2011/2012 financial year.	Formally implement once the board approved it.
Employee Wellness Programme	Review and maintain	Achieved: Policies and procedures on workplace HIV and AIDS, employee wellness, and occupational health and safety approved. Stress management and team building activities were held. Counselling and therapeutic services were also rendered.	
	Wellness Programme on HIV and Aids	Achieved: The HIV/AIDS voluntary counselling and testing was conducted and the report with proposed action plans were discussed by the HR&REMCO	

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
		and is to be discussed in the Board meeting	

KEY FOCUS AREA 5: RESEARCH AND DEVELOPMENT

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Contractual agreements	Implement and monitor SDM retail contract	Not Achieved: SDM decided to implement the retail services on their own though currently appointed a service provider to support them in the interim.	
	Implement and monitor the bulk water supply agreement with MDM	Achieved: Agreement with Mopani signed for a 30 year period. Implementation of Section 4 of the WSA has been invoked by the Board for Mopani District Municipality.	
	Finalise retail contracts with CDM and negotiate retails contract with MDM.	Not Achieved: CDM has signed a contract with another service provider to operate its reticulation services on its behalf.	
	Review and Maintain	Partially Achieved: Some quarterly reviews were not realized during this quarter as the WSAs were preparing for the Local Government Elections.	Approach the municipality and draw a yearly schedule to ensure that 100% of the quarterly reviews are held.
Expansion of existing services	Implementation and monitoring of the economic growth strategy	Partially Achieved: Proposal has been submitted to SDM for operating and maintaining additional water treatment works and implementation of capital projects that were to boost the local economic development through employment opportunities and increased number of people served with water.	Engage SDM in forums such as Lekgotla and Mayors Forum to sensitise the political leadership of the municipality for intervention in order to conclude the bulk contract.
	Implement and monitor the support	Achieved: Water quality monitoring programme	

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
	strategy to WSA	implemented and the MLM advised accordingly. WDM progress report presented to Steering committee	
Support to Water Service Authorities	Formalization of a support strategy to WSA/WSPs	Draft strategy developed and submitted for consideration	Finalise the strategy, obtain approval and implement.
	Support WSA's in the determination of sustainable retail tariffs.	Partially Achieved: Engaged SDM on the retail exit strategy that included the tariff determination.	
	Support municipalities with the implementation of capital projects	Not Achieved: No progress. Municipalities reluctant for involvement in capital programmes.	Continue to engage the municipality to support them in implementing the capital projects where applicable.
Planning for Water Demand Management in Limpopo	Evaluate and monitor Water Demand Management Programme in Lepelle Northern Water's service area	Achieved: WDM progress report presented to Steering committee in Mogalakwena Local Municipality.	
	Promote and implement Cost Recovery Program for all Lepelle Northern Water operated Schemes	Not Achieved	Municipalities indicated their preference to implement retail functions on their own. However where they need support will engage the board and enter into Service Level Agreement with them.

KEY FOCUS AREA 6: ENSURE EFFECTIVE CORPORATE GOVERNANCE

STRATEGIC OBJECTIVES	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
IA Charter	Maintain and implement up-to-date Internal Audit Charter	Achieved: Internal Audit Charter reviewed and presented to the Audit Committee for	Continue with the implementation and of the

STRATEGIC OBJECTIVES	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
		recommendation to the Board for approval.	charter.
IA Policies, Procedures & methodologies	Develop and implement IA policies to guide the IA staff.	Achieved: The review of existing policies being undertaken.	
IA Planning	Three-Year Rolling and Annual IA Plans	Achieved: Three-year and Annual Risk-Based Internal Audit Plan were developed, presented and approved by the Audit Committee.	
Reporting to the CE, AC & Board	Quarterly reports on activities of the IAA	Achieved: Monthly reports were submitted and presented to EXCO. Quarterly reports have been presented to the Audit Committee and then to the Board.	
IA Awareness	Enhance good customer relations Marketing the IAA.	Achieved: Audit client satisfaction surveys Quarter were completed at the end of each quarter.	
IA process	Effective & efficient IA process	Achieved: Review notes issued for all audits.	
IA staff development	Supervision & Staff development	In progress. Training Plan developed in line with Performance Development Programs. Review notes issued with all the audit engagements.	
Fraud Prevention	Tip-Offs anonymous Investigations	Achieved: Fraud prevention policy developed. Thirty three (33) Tip-off anonymous calls received and investigated.	
Organisational Risk Management	Review and Implementation of the Risk Management Plan	Achieved: Reviewed the organization's Risk Management Profile for 2011/2012. Draft risk management framework, policies & plans were developed for implementation.	
Improved Governance	Training of Board members to execute governance responsibilities.	Not Achieved: Board members were inducted in the previous financial year when they started their term.	Revise the strategic target in the next financial year.
	Ensure full adherence to code of conduct by all Board members and employees	Achieved: Declaration of interests forms were filled by all the employees.	

STRATEGIC OBJECTIVES	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
	Ensure Compliance to all legislative and internal policies	Achieved: Complied with the Water Services Act and PFMA in relation to the submissions of the Audited Financial Statements.	Ensure communication on all legislative and internal policies.

KEY FOCUS AREA 7: PHYSICAL EXTENSION IN OPERATIONS

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
Contractual agreements	Negotiate and finalise bulk contract with VDM, Lephalele and Mookgopong LM	Not Achieved:	Re-engage the new leadership and administration.
	Negotiate / Position Lepelle Northern Water as the preferred Operator on ORWRDP, Nandoni, Flag Boshielo Pipeline to Mogalakwena and Nwamitwa	Partially Achieved: Presentation and proposal submitted to the Department of Water Affairs on the operations of ORWRDP. Nandoni, Flag Boshielo Pipeline to Mogalakwena and Nwamitwa proposals were not submitted. Informal engagements started with Mogalakwena on the Operations and Maintenance of the Flag Boshielo to Mogalakwena Pipeline.	Submit and present all the outstanding proposals to the relevant stakeholders. Formalise those which were done informally.
	Continue negotiations with both the Blyde and Lebalelo Water users Association in getting raw water from their system or utilizing them for Tubatse and Maruleng LMs	Achieved: Engaged Lebalelo Water User Association and identified about three projects involving installation of three package plants along their raw water pipeline to benefit the villages closer to it. Partially Achieved: Follow ups with SDM not bearing fruits as the three (3) package plants mentioned above are linked with the renewal of the bulk contract which is delayed by the comments from other national departments for the Council to take resolution.	Continue with the follow ups with SDM on the proposal submitted and presented to them to fast track the implementation of the projects identified.
	Review and Maintain bulk contracts Mookgopong, Lephalele, Makhado	Not Achieved: No contract was signed as anticipated therefore there was no need to review	Continue to engage the WSAs in concluding the bulk

STRATEGIC OBJECTIVE	2010/11 (TARGETS)	PROGRESS (ACTUAL)	MANAGEMENT COMMENTS
	&VDM	any contract.	contracts.
Expansion of existing services	Implementation and monitoring of the economic growth strategy	Partially Achieved: Reports on the employment creation on all capital and refurbishment projects being monitored	Ensure that jobs created people served with water services projects in each projects are continuously captured.
Expansion into new areas	Finalization of customer satisfaction survey for MDM, CDM and Polokwane	Achieved: Satisfaction survey completed together with the client satisfaction survey.	Implement the recommendation of the satisfaction survey.
	Implementation of the WSA support strategy	Partially Achieved: Draft strategy developed and submitted for consideration and approval thereafter.	Finalise the strategy and submit for approval to the board.
	Implement the recommendations of the survey	Not Achieved: The report finalised in the last quarter of 2010/11 financial year. The action plan to implement the recommendations will be developed in the next financial year.	Develop the action plan for implementation.