

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	18	10	1%	1.80	WCL - Payments
Temporary total disablement	350	15	2%	23.33	
Permanent disablement	0	0	-	0	
Fatal	0	0	-	0	
Total	368	25	3%	14.72	Fund Payment not known

Table 4.3.1

INJURY AND SICK LEAVE

Although there was a reduction of 69% (the number of employee injured), there was an increase of 70% in the number of sick leave days taken according to the previous financial year. This means that although fewer employees were injured, the injuries that did occur in this financial year were more serious.

There were five (5) injuries that exceeded 30 days:

1. Staff member was struck down by a SAPS vehicle – Right Leg and hip fracture injury (71 Days)
2. Staff member injured fingers when loading vehicle with pipes – Fractured fingers (68 days)
3. During a work wellness programme a staff member was injured during a soccer match – dislocated right elbow and fractured right elbow (59 Days)
4. Whilst disembarking from the municipal vehicle he slipped and fractured his right ankle/leg – (54 Days)
5. Staff member was bitten by a snake – left shin (33 Days)

All municipal staff members injured on duty are sent to local hospitals for treatment as the municipality does not have a dedicated Medical Practitioner.

How to Reduce the Workplace Injuries

Safety is the best way to reduce workers' compensation costs, both direct (insurance premiums) and indirect (cost of hiring, retraining, overtime, loss of productivity and other costs associated with work place injuries).

Make Workplace Safety a Top Priority

Safety requires a comprehensive approach, and may mean all of the following:

- Hiring – Tell employees about the importance of safety when they start
- Educating – workers about safety measures and the importance of following rules
- Training – Properly train workers for new job duties
- Monitoring – Make sure employees properly follow all safety procedures, and correctly use equipment
- Enforcing – Institute consequences for failure to follow safety measures
- Discussing – Talk about safety all the time; at staff meetings, performance evaluations, etc.
- Assessment job requirements – Define physical capabilities for specific jobs
- Placement – Only place workers in jobs if they possess the necessary physical capabilities
- Providing – Supply personal protective equipment (i.e. safety glasses, boots, and respirators)
- Reviewing injuries – If there is an injury figure out what went wrong, why, and try to fix it for the future
- Identifying weaknesses – Learn what your most frequent injuries are, and then develop strategies to address them
- Reviewing work practices – Know that working overtime or unsafe staffing practices may increase injuries
- Rewarding – Recognize or reward workers, teams, or shifts who assist or initiate training or monitoring.

Safety should be part of every aspect of business. Simply telling workers to work safely is not enough.

Provide training. It is invaluable to provide new workers proper training when it comes to safety practices. Also, consider safety trainings for workers whose duties change, and as part of business ongoing education practices.

Don't just talk about safety, reinforce it. Safety awareness is one small step toward reducing injuries. Follow it up with all staff, in all possible ways. Working safely should be an integral part of your business. It should be part of your hiring, training, education, monitoring, staffing, staff meetings, and performance evaluations, to name a few.

Focus on workplace injuries. Every business is unique and so are your injuries. Depending on work, you may need to pay extra attention to: ergonomics; appropriate staffing to avoid over-exertion; ladder safety; eye safety; ventilation; breaks; hearing protection, body mechanics or work site safety, just to name a few.

Review your work practices. Common work practices may lead to work injuries. Improve workplace conditions.

Number and Period of Suspensions 2014/2015				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
DRIVER	Assault	2 July 2014	Withdrawal of charges	15 January 2015
LR Co-ordinator	Negligence	6 Oct 2014	Written warning	6 February 2015
S Accounts Clerk	Dishonesty	18 Sept 2014	Case continuing	Pending
Accounts Clerk	Dishonesty	18 Sept 2014	Case Continuing	Pending

Table 4.3.2

Disciplinary Action Taken on Cases of Financial Misconduct 2014/2015			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
S Accounts Clerk	Dishonesty	Case continuing	Pending
Accounts Clerk	Dishonesty	Case continuing	Pending
Registry Clerk	Dishonesty	Case Continuing	Pending

Table 4.3.3

SUSPENSIONS AND CASES ON FINANCIAL MISCONDUCT

The Municipality has set strict standards for disciplinary action to be taken in all cases of serious misconduct. Where such serious misconduct is identified, accused staff members are suspended on a precautionary basis. However, the Municipality faces challenges in effecting speedy resolution of such cases.

As a result, extended suspension periods – beyond three months which has been set are experienced. In many cases, continuous delays are caused by the affected parties' non – availability requests. There is also a general non- adherence by parties to the established time limits.



4.4 PERFORMANCE REWARDS

Motivating and recognising employees is vital to the development of an effective and positive work environment. In 2014/2015 the organisation has started a culture of recognising and awarding best performing employees in the different departments of the organisation through the Employee Performance Awards. These awards have been incepted with the rationale of motivating and recognising employees who give 100 percent and more in their work.

These awards which will become a bi- annual affair for the organisation are said to be vital as they will ensure an effective and positive working environment for employees. The performance awards were categorised in Best Department of the term, Best Sections of the term, Employee of the term and MM's Award. The Corporate Services Department led by the GM: Corporate Services, Ms Vuyiwe Tsako was awarded the Best Department for the Term. Best Sections for the Term were given to Corporate Services' Secretariat, Registry and Auxiliary Services Section, Treasury Department's Supply Chain Management Section, Office of MM's Development Planning Section, Water Services' Area North and IED's Ugu Sport & Leisure Centre Unit of the LED Section.

Every Department of the Municipality was afforded an opportunity to nominate the best performing employee/s in different Sections in each department. There were ratios allocated to each, as to the number of employees they were to nominate as the best among all within different sections of the department. The Corporate Services awarded two employees, Ms Edna Enock

and Russell Maphelo Jali the best employees. Ms Nonkululeko Portia Cele was awarded the best employee of the term for the Office MM, Mr Guy Arthur Ravenscroft and Mr Lindani Derrick Mavundla were awarded the best employees for Budget And Treasury Office, For the IED Department Ms Zamantuli Faith Cele, was awarded the best employee of the term. Twelve employees in the Water Services Department were awarded, being Mr. Mzanyelwa Elliot Ntlangoti from Water Services Authority (WSA), Mr. Sizwe Malinga from the Project Management Unit (PMU), Ms Silindile Cherron Machi from Water Services Management, Mr. Sphelele Brilliant Mkhize, Mr. Zamokuhle Wiseman Gasa and Visvanathan Govender from Area North, Mr. Reggie Nero, Mr Mduduzi Percyvall Makhaye from Area South - West, Mr. Thulani Nhlanhla Blose, Mr Bright Donald Mnguni, Samuel Daniel Schutte and Thembeke Jacqueline Nondaba from Area South. The MM's Award was awarded to Ms Norma Grobler. Under the same umbrella of the performance awards, the municipality also had Long Service Awards, recognising employees that have been in the services of the municipality for 10 to 45 years.

The Long Service Awards are aimed at appreciating the employees who have been in the employment of the Municipality for 10 and more years. These employees are awarded with certificates and on their anniversary months when they reach these periods, get a number of days encashed as per the provisions of the Collective Agreement on Conditions of Service.

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2015/2016	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 16-18)	Female	71	3	R7 521.09	4.2%
	Male	229	1	R3 760.54	0.44%
Skilled (Levels 13-15)	Female	18	2	R7 284.61	11%
	Male	125	0	--	0%
Highly skilled production (levels 9-12)	Female	87	3	R23 470.85	3.4%
	Male	165	10	R11 698.72	6.06%
Highly skilled supervision (levels 6-8)	Female	40	5	R51 870.56	12.5%
	Male	45	3	R27 237.47	6.66%
Senior management (Levels 2-5)	Female	31	3	R38 171.27	9.57%
	Male	43	1	R14 106.76	2.32%
MM and S57	Female	4	0	-	0%
	Male	1	0		0%
Total			31		

Table 4.4.1

PERFORMANCE REWARDS

The performance awards are aimed at encouraging good performance from employees and also with a view to serve as a tool in retaining experience, dedicated and best performing employees thus ensuring provision of services required by the public that the Municipality is serving.

COMPONENT B: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

The Municipality develops and implements a Workplace Skills Plan on an Annual Basis. This is based on the capacity building and development needs identified by employees and Managers, and is then populated to a training plan for the financial year. Although these needs are identified by Managers and employees, the alignment of such needs with formal development needs, identified in terms of performance management has been found to be lacking. This challenge is anticipated to be addressed by the implementation of the IPMS and alignment with identified capacity gaps and interventions which are then contained in individual employees' Personal Development Plans (PDPs).



4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix 2014/2015													
Management level	Gender	Employees in post as at 30 June 2014/2015	Learnerships			Skills programmes & other short courses				Other forms of training			
			Actual: End of Year - 2013/2014	Actual: End of Year - 2014/2015	Year 0 Target 2014/2015	Actual: End of Year - 2013/2014	Actual: End of Year - 2014/2015	2014/2015 Target	Actual: End of 2013/2014	Actual: End of 2014/2015	2014/2015 Target	Actual: End of 2013/2014	Actual: End of 2014/2015
MM and s57	Female	4	0	0	0	3	2	2	1	2	0	4	4
	Male	1	0	0	0	0	0	0	0	0	0	2	1
Councillors	Female	13	5	0	0	5	5	3	0	0	0	10	5
	Male	22	11	0	0	13	11	10	0	0	0	13	11
Sen. Managers	Female	0	0	1	1	0	0	0	0	0	0	0	1
Managers	Male	4	0	1	1	3	2	2	0	0	0	3	3
	Female	9	5	5	5	3	3	9	0	0	0	8	8
Technicians and Trade Workers	Male	11	1	1	1	5	4	11	0	0	0	6	5
	Female	34	0	2	2	1	9	1	0	2	2	1	12
Professionals	Male	131	0	0	0	40	18	21	0	15	12	40	33
	Female	5	0	0	0	4	2	4	0	0	0	4	2
Community & Personal	Male	5	2	0	0	5	1	5	0	0	0	7	1
	Female	0	0	0	0	1	1	1	0	0	0	1	1

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix 2014/2015														
Management level	Gender	Employees in post as at 30 June 2014/2015	Number of skilled employees required and actual as at 30 June 2014/2015											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of Year - 2013/2014	Actual: End of Year 2014/2015	Year 0 Target 2014/2015	Actual: End of Year - 2013/2014	Actual: End of Year 2014/2015	2014/2015 Target	Actual: End of 2013/2014	Actual: End of 2014/2015	2014/2015 Target			
Workers														
	Male	4	0	0	0	1	0	0	0	0	0	1	0	0
Clerical & Administrative Workers	Female	111	3	1	1	15	12	15	38	0	0	18	52	16
	Male	59	0	0	0	10	6	10	25	0	0	35	6	10
Machine Operators	Female	11	5	3	3	1	5	1	1	2	1	7	7	5
	Male	107	15	9	9	1	20	9	1	2	1	17	31	19
Elementary Workers	Female	66	2	4	4	11	8	4	11	0	0	24	12	8
	Male	267	1	4	4	10	33	1	10	0	3	21	37	7
	Female	253	20	17	17	44	47	40	50	4	3	76	103	60
Sub total	Male	611	30	16	16	90	95	69	36	17	16	145	128	101
Total		864	50	33	33	134	142	109	86	21	19	221	231	161

Table 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	2	3	3	3	2
Chief financial officer	1	1	2	2	2	1
Senior managers	3	4	4	4	3	4
Any other financial officials	25	2	27	26	25	25
Supply Chain Management Officials						
Supply chain management senior managers	1	1	2	1	1	1
TOTAL	31	10	38	28	35	32

Table 4.5.2

Training Budgets and Expenditure	Budget 2015/16	Expenditure 2015/16
Training Budget for all staff, across all levels	R2.400.000+	R2.610 491+
	2014/15	2014/15
Training Budget for all staff, across all levels	R3.000.000	R3.000.000

Table 4.5.3

SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Although the implementation of training in the Municipality is adequate, it requires a more focused approach as previously set out. Funding provided for capacity building is adequate at 1% of the total remuneration package. The Bursary Scheme has given as an opportunity to employees to acquire/improve their qualifications and for personal growth and development.

With regard to the MFMA Competency Regulations, the Municipality has made great strides in training employees i.e. Sect. 57s, officials in the Treasury Department (including SCM) and other departments.



SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality has developed a long-term strategy on training and development of its employees. Emanating from that strategy, an annual workplace plan was developed according to the requirements of LGSETA. It is in this plan, where budget equivalent to 1% of the total personnel costs is set aside for training purposes. The total budget for the year under review was R 2,400,000.00 and a total of R 2 610491.80 was spent on skills development during the period under review.

The WSP makes provision for the implementation of accredited training programmes such as Process Controller training, Plumbing, Electrical, Financial competency, computerised ABET, computer training and other training programmes. Implementation of these programmes has proven to be meaningful and effective and has improved service delivery. The Bursary Scheme has given opportunity to employees to acquire/improve qualifications.

The Ugu District Training and Development committee has played a very good oversight role in ensuring that programmes are implemented in a fair manner and as planned. This committee sits on a monthly basis and receive reports from the Human Resources Department on the progress made.

COMPONENT C: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Employee expenditure is closely monitored and controlled each month by the respective Managers. The budget office submits monthly reports on any over or under expenditure and Managers are required to take the necessary corrective actions in order to comply with the amounts that are on the budget. The Municipality seeks to obtain value for money from its workforce expenditure through various initiatives, such as enforcing the disciplinary actions on employees who are continuously absent at work as well as the introduction of incapacity due to ill – health procedure. Managers are required to ensure that employees are productive. The implementation of the IPMS will assist with ensuring employees' performance is managed. In addition to these, when a vacancy arises Managers are required to motivate the reasons for the post to be filled again.

Disclosures of Financial Interests		
Period 1 July to 30 June of 2015/2016		
Position	Name	Description of Financial interests*
Mayor	NH Gumede	None
Member of EXCO	MA Chiliza	Taxi Owner
	IM Mavundla	None
	N Shusha	Shares – Rossimine Member: Gamalakhe & Zamokuhle Directorship: Greenville Invest Other Butransport Plant Hire & Logistics
	JS Mbuthuma	None
Councillors	GD Henderson	None
	JP Van Vuuren	Giotex Paints
	Moosa E Bux	Member: Matliwala Industries Trustee: Essop Bux Family Trust
	LN Myende	None
	TN Dzingwa	None
	NA Madlala	Shares: Old Mutual
	DH Njoko	None
	ST Gumede	None
	NY Dlamini-Mweshe	None
	NP Mpanza	None
	KBM Mbele	None
	Y Nair	Shares: Nits
	FB Shezi	None
	SM Zuma	None
	SA Khawula	None
	L Ntanza	None
	M Gavu	None
	BE Machi	None
MM	DD Naidoo	Business Partner – Sak Investments GC Reddy via Super Auto Midas
GM: CORPORATE SERVICES	Vuyiwe Tsako	None
GM: BUDGET AND TREASURY OFFICE	Sibongile Mbili	None
GM: ECONOMIC DEVELOPMENT AND ENVIRONMENTAL HEALTH	Zakithi Mbonane	Board Member: South Africa Institute for Urban Managers Director: KZN Development Consultant cc
GM: WATER SERVICES	Lungile H Cele	None

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The most expensive professional services cost being incurred by the municipality, includes the chemistry and the engineering services. the consulting chemistry service is used in compliance with the blue drop standards which is compulsory for all the registered water service providers. The engineering consultants are utilized to monitor the quality of the work of the contractors who are implementing the municipality's projects on site. More of the municipality's own personnel are obtaining the necessary qualifications to perform the work that is currently being performed by the consultants, therefore the municipality will be able to reduce the cost appointing the external consultants in the near future.

The Annual Financial Statements have been prepared in accordance with the Standard of Generally Recognized Accounting Practice (GRAP), including the interpretations, guidelines and directives issued by the Accounting Standards Board. The Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgment and estimates.

Component A: Statement of Financial Performance

The Surplus for the year 2015/16 increased to 19.45% of total revenue from 12.07% of the previous financial year. The major contributing factor to this increase in surplus is the decrease in Depreciation and the Impairment losses on municipal assets. More work had been to update the Fixed Asset Register of the municipality, which process has resulted in a more realistic estimate of the depreciation and impairment loss costs.

The management re-assessed the collectability of the old outstanding debtors and decided to write down the book debt to the recoverable amount and as a result, the municipality has made a huge provision for impairment in the year under review.

Component B: Spending Against Capital Budget

The municipality has spent 87% of its capital budget in the year under review compared to 78% in the previous year. The improvement on the capital expenditure can be attributed to the close monitoring on the implementation of the capital project.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

In overall, the municipality collected 95% of its targeted revenue as reflected on Appendix K. The 5% under-collection rate can be attributed to various reasons, including the debt collection strategy that was implemented in the reporting period, whereby the municipality waived the penalties and interests on the old outstanding debts to encourage the consumers to settle their debts. Therefore, although the strategy helped to improve collections, it also increased the debt impairment.