



PHASE 1: FINANCIAL RESCUE

NO	FOCUS AREA	KEY ASSESSMENT FINDING (BASELINE)	KEY ACTIVITIES	RESOURCES REQUIRED	RESOURCES MOBILISED	RESPONSIBLE	START DATE	END DATE	KEY PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE	BUDGET PARAMETER/ REVENUE TARGET/ SPENDING LIMIT	MUNICIPAL PROGRESS REPORT			
												STEPS TAKEN	PROGRESS MADE	FINANCIAL IMPACT	OTHER NOTEWORTHY DEVELOPMENTS
PILLAR 1: GOVERNANCE															
1	Governance model (council and committees)	<p>Ineffective oversight of the reporting process by those charged with governance.</p> <p>- Council did not have adequate oversight over the political and administrative functions of MLM</p> <p>- Misuse of public funds;</p> <p>- Leadership and Administrative instability with high turn-over in Senior Management and specifically the position of Municipal Manager.</p> <p>- Political interference in the governance structures;</p> <p>- Breakdown in communication between governance structures within MLM;</p> <p>- Community unrest and inadequate action or willingness to address the concerns of the community with regard to service delivery; and</p> <p>- Councillors doing business with the Municipality contravening MFMA legislation.</p> <p>- MPAC failed to exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls by not ascertaining that consequence management is affected within the municipality.</p> <p>- MPAC has not been able to fully perform its roles per their mandate.</p>	<p>Escalate Councillor Political interference to appropriate legislative structures.</p> <p>Synchronize the setting of calendars between Council and BTO to avoid clashes.</p> <p>Council meetings should be held according to the calendar which will assist the councillors providing the much-needed oversight over the running of the municipality.</p> <p>Schedule quarterly training for Councillors on governance, oversight, financial management and articulation of roles and responsibilities.</p>	In house	In house, CoGTA NT PT	MM	01.08.2023	30.08.2023	Improved governance and accountability. Statutory reports submitted timeously, Roles clarified.	<p>Escalation reports on political interferences</p> <p>Corporate calendar of meetings.</p> <p>Agenda and minutes of Council and committee meetings</p> <p>Approved training programme, material, attendance register of councillors, training evaluation forms</p>	Financial benefits to be achieved through improved operational efficiencies				
2	System of Delegations	<p>Breakdown in internal controls of MLM, resulting in inefficiencies in the governance, administration, and operational structures.</p> <p>Non-compliance with legislation specifically Municipal Systems Act that requires review of system of delegations after every local government election.</p> <p>Employees not empowered to do their work resulting in inefficient administration and operations.</p> <p>No checks and balances on what the officials are doing on a daily basis.</p> <p>No role clarification for political office-bearers, functionaries of Council, structures and committees of Council and Accounting</p>	<p>Develop process plan for the development of a system of delegations with clear deliverables and timeframes and identify responsible officials.</p> <p>Review the system of delegation and table in Council for approval.</p> <p>Update and maintain delegations register.</p> <p>Sub-delegate powers and functions to Heads of directorate.</p> <p>Sub-delegate further to maximise administrative and operational efficiencies.</p> <p>Incorporate Role clarification in the system of delegations as required by Systems Act.</p>	In house	In house	MM	01.08.2023	30.08.2023	Systems of delegations in place	<p>Process plan, Approved Delegations of authority.</p> <p>Accountability</p> <p>Enhanced accountability and, checks and balances. Sub-delegations in place</p> <p>Clarified roles</p>	<p>Financial benefits to be achieved through improved operational efficiencies</p> <p>Approved delegations register</p> <p>Signed sub-delegations and acknowledgement of receipt</p> <p>Approved delegations that include role clarification.</p>				
3	UIF&W and Consequence Management	<p>Incomplete Irregular register</p> <p>Incorrect disclosure of irregular expenditure in the financial statements.</p>	<p>Review process of identification and capturing of irregular expenditure.</p> <p>Develop checklists for preparation of financial statements in compliance with all legislative requirements.</p>	In house	In house	MM and CFO	01.08.2023	30.08.2023	<p>Reduction in historic UIFW expenditure</p> <p>Implementation of consequence management (disciplinary processes, recovery of money, reported criminal cases)</p> <p>Legislative compliance</p>	<p>Complete Irregular expenditure register</p> <p>Checklists on disclosure of irregular expenditure</p>	<p>Financial benefits to be achieved through improved operational efficiencies</p> <p>Financial benefits to be achieved through improved operational efficiencies</p>				

		Non-compliance with supply chain management processes.	Review supply chain management processes and procedures to identify internal controls weaknesses using 7Rs business process review (Rethink, Reconfigure, Re-sequence, Relocate, Reduce, Re-assign, Retool) .	In-house and NT-MF	In-house and NT-MFMA unit	MM CFO			UIF&W expenditure reduction plan implementation and percentage reduction in historical expenditure	Approved UIF&W expenditure reduction plan .	Financial benefits to be achieved through improved operational efficiencies								
		Lack of existence of a procurement plan.	Review standard operating procedures for procurement.	In house	In house	MM and CFO	01.08.2023	30.08.2023	UIFW expenditure policy in place and implemented	UIFW expenditure policy and approval by Administrator	Financial benefits to be achieved through improved operational efficiencies								
		Tenders awarded to bidders who did not declare in line with SCM policies and national regulations.	Internal auditors to provide pre-assurance on awarding of bidders and their reports be tabled every quarter to the audit committee. Conduct investigations on all reported allegations of financial misconduct against the officials and ensure consequence management is implemented.	In house	In house	CAE CFO	01.08.2023	Quarterly 30.09.2023	Legislative compliance	Quarterly reports on UIF&W expenditure to Audit Committee	Financial benefits to be achieved through improved operational efficiencies								
		Employees in the employ of the state were awarded tenders contrary to SCM regulations.							Transgressors disciplined			Written outcome of disciplinary hearings							
		Tenders were not advertised for stipulated minimum period in line with SCM regulations.																	
		Contracts were awarded to bidders whose tax affairs are not in order in line with SCM regulations.																	
		Construction tenders were awarded to bidders who not registered with CIDB regulations.																	
		Contractors on site were not monitored.	Implement contract monitoring controls and adhere to this on monthly basis.	In house	In house	CFO	01/08/2023	31/12/2023	Improved contract management	Monthly contract management reports approved by council									
			Reports on contract management to be tabled monthly to Council.	In house	In house	MM and CFO	01/08/2023	31/12/2023		Monthly contract management reports approved by council									
		Bid Committees are non-functional as regular expenditure is uncurbed.	Training of staff regarding the SCM processes.	In house	In house	MM and CFO	01/08/2023	31/12/2023		Approved training programme, material, attendance register of SCM staff, training evaluation forms									
		Registers not being updated timeously.	Compile of a contract register and contract management policies.	In house	In house	CFO	01/08/2023	31/12/2023		Approved contract register and contract management policies.									
		UIF&W expenditure reduction plan not being monitored adequately	Reports on progress towards reducing UIF&W expenditure to be tabled monthly to Council.	In house	In house	MM	01/08/2023	31/12/2023	Reduction percentage in UIF&W expenditure. Legislative compliance.	Monthly UIF&W expenditure reports approved by council									
		Management failed to properly assess all the MFMA requirements required when preparing a financial statement leading to a non-compliance with the Circular 68.	Develop process plan and checklists for review the financial statement to identify if there are any requirement missed during the preparation of the financial statement.	In house	In house	CFO	01/08/2023	31/12/2023	Legislative compliance	Approved process plan and Checklists on review of financial statements.									
		Late payments of creditors, resulting in interests and Penalties and delays in service delivery.	Implement Consequence Management for historical Fruitless & Wasteful expenditure and take steps to recover or rectify such expenditure and to prevent recurrence as prescribed by section 32 of the MFMA.	In house	In house	MM	01/08/2023	31/12/2023	Transgressors disciplined, Recovered funds.	Written outcome of disciplinary hearings									
4	Audit action plans (internal and external)	Unresolved audit findings in the previous years, keep accumulating, resulting in repeat findings by AGSA	Develop and implement audit action plan	In house	In house	MM	01/08/2023	31/12/2023	Improved audit outcomes and/reduction of audit findings	Validated quarterly progress reports on the implementation of audit action plan and audit file	Financial benefits to be achieved through improved operational efficiencies								
		Lack of appropriate coordination on the PAAP.	Internal audit should assist in the implementation and monitoring of the PAAP.	In house	In house	MM	01/08/2023	31/12/2023			Financial benefits to be achieved through improved operational efficiencies								
		Lack of oversight by senior management.	Weekly audit steering committee to discuss the implementation of the audit action plan, Implementation of audit action plan should be integral part of	In house	In house	MM	01/08/2023	31/12/2023			Attendance register and minutes of audit steering committee meetings	Financial benefits to be achieved through improved operational efficiencies							
		Discrepancies are not identified and resolved before financial statements are sent to the AGSA for audit	performance agreement of senior managers.	In house	In house	MM	01/08/2023	31/12/2023			Signed Individual Performance agreements and scorecards for MM and Heads of department incorporating audit action plan	Financial benefits to be achieved through improved operational efficiencies							

		None-implementation of Internal Audit recommendations.	Internal audit to provide monthly assurance on the implementation progress report for the approved audit action plan.	In house	In house	Manager: Internal Audit	01/08/2023	31/12/2023	Assurance report submitted	Assurance report signed off by Manager: Internal Audit	Financial benefits to be achieved through improved operational efficiencies Unqualified Audit opinion						
5	Risk Management	Non-compliance with GRAP 104 standards.	Use GRAP disclosure checklist that is available from the National Treasury website in the review of financial statements.	In house	In house	MM	01/08/2023	31/12/2023	Legislative compliance	Approved organisational business continuity plan and Council resolution	Financial benefits to be achieved through improved operational efficiencies						
		Inadequate diagnosis of all relevant risks being faced by MLM	Risk management must be standing agenda item for all scheduled management and Executive meetings.	In house	In house	MM CRO	01/08/2023	31/12/2023	Monitored risks	Agenda or minutes of management and executive meetings	Financial benefits to be achieved through improved operational efficiencies						
		Repeat audit findings on risk management weaknesses and inability to close out long outstanding investigations. Ineffective management of identified risks.	Monitor and report on the implementation on risk mitigating measures that may have impact on implementation of financial recovery plan, audit action plan and other risks identified in the risk registers.	In house	In house	MM CRO	01/08/2023	31/12/2023	Quarterly review of progress on implementation of remedial actions	Quarterly risk management reports approved by Administrator. Risk monitoring report. Monthly FRP implementation progress reports	Financial benefits to be achieved through improved operational efficiencies						
6	Powers and Functions	Breakdown in internal controls of MLM, resulting in inefficiencies in the governance, administration and operational structures.	Conduct an in-depth analysis of cost implications.	In-house, PT	In-house, PT	CFO	01/08/2023	31/12/2023	All costs funded mandated agreement.	Cost analysis report	Financial benefits to be achieved through improved operational efficiencies						
		MLM does not have adequate funding.	Re-negotiate mandate agreements.	In-house, PT	In-house, PT	Director: Corporate Support Services and CFO	01/08/2023	31/12/2023	Re-negotiated mandate agreements and all costs covered for mandate agreements. Reduce operational expenditure	Signed re-negotiated agreements	Financial benefits to be achieved through improved operational efficiencies						
7	Information and Communication Technology	Inconsistent implementation of processes resulting in management not being able to enforce compliance.	Conduct training that covers user authentication, social engineering attacks, sensitive data handling, causes of unintentional data exposure and identifying and reporting incidents.	In house	In house	ICT Manager	01/08/2023	31/12/2023	Improved ICT governance compliance	Approved training programme, material, attendance register of users, training evaluation forms	Financial benefits to be achieved through improved operational efficiencies						
		Poor archiving and storage of supporting documents and an inadequate records management system.	Procure an integrated records management system compatible to cloud and SAP system.	In house	In house	ICT Manager	01/08/2023	31/12/2023	Improved records management	Procured an integrated records management system compatible to cloud and SAP system.							
8	Auditor General Findings	Monthly/regular reconciliation of accounting documents are not being performed by MLM, for example the Eskom bulk meters reconciliation is performed once a year.	Enforce the implementation of the audit action plan and get written commitment from HODs.	In house	In house	MM and CFO	01/08/2023	31/12/2023	Improved internal controls	Audit action plan implementation report	Financial benefits to be achieved through improved operational efficiencies						
		Material Misstatements in the Annual financial statements prepared by MLM. Internal Control Deficiencies.	Consequence and performance management measures	In house	In house	Disciplinary Board	01/08/2023	31/12/2023	Transgressors disciplined	Written outcome of disciplinary hearings							
			Conduct a skills audit to determine the knowledge gaps.	In house	In house	Director: Corporate Support	01/08/2023	31/12/2023	Legislative compliance	Skills Audit report. Status report on staff competency levels.							
			Enrol key staff in appropriate training programs to build adequate capacity.	In house	In house		01/08/2023	31/12/2023		Approved training programme, material, attendance register of SCM staff, training evaluation forms							
			Internal Audit to provide risk ranking of Audit findings and timelines for implementation to be reported bi-weekly and coordinate SMART implementation of the remedial plan.	In house	In house	CAE	01/08/2023	31/12/2023		Bi-weekly implementation reports							
PILLAR 2: INSTITUTIONAL																	
1	Operating model	The MLM administrative structure has faced some challenges in the past and currently in relation to retaining skilled officials in their posts this has contributed to the municipality not being able to fulfil its core functions internally without outsourcing some of the functions.	Review the municipal operating model in line with the Municipal Staff Regulations	In-House	In house	Director: Corporate Services	01/08/2023	31/12/2023	Viable Operating model		Only use mobilised resources.						
2	Organisational Structure	Outdated organisational structure.	Review the current organisational Structure to ensure it is in line with the Operating Model, current municipal budget & service delivery demands	In-House	In house	MM, Director : Corporate Services	01/08/2023	31/12/2023	Functions properly aligned to strategic objectives and legal mandate.	Approved Organisational Structure Council resolution Agenda, Minutes & attendance register of the LLF meetings	In line with the approved budget and the funding plan.						

Kindly escalate to the FRP as well

		Inadequate day-to-day establishment management	Develop a comprehensive Staff Establishment for quality staff data and HR management. Development and implementation of job descriptions for all employees across the board. Finalise the customization of benchmarked job descriptions. Conduct staff verification regularly and implement the recommendations of the staff verification report.							Placement letters Copies of the job descriptions							
3	Employee costs	Employee costs are currently 27% of the operating expenditure. The low % could point to a high level of critical vacancies and general understaffing.	Conduct a Salaries benchmarking exercise to ensure employees are paid based according to the correct grading.	In-House	In house	D: CSS and CFO	01/08/2023	31/12/2023	Appropriately graded salaries	Benchmarking outcomes report	Achieve expenditure reduction financial targets per FRP parameters						cost the vacancies and do budget projections to establish future costs
4	Management of overtime	Excessive Overtime.	Conduct regular review and enforcement overtime policy in line with the Basic Conditions of Employment Act including adequate supervision. Conduct quarterly monitoring of the implementation of the Overtime Policy by department Perform an audit of the overtime per each department Review the system description relating to overtime and identify control issues.	In-House	In house	MM and D: CSS D: CSS CAE CIO	01/08/2023	31/12/2023 Quarterly 31/12/2023 31/12/2023	Reduced Overtime costs	Overtime review report Quarterly overtime monitoring reports Overtime internal audit report System review report	Achieve expenditure reduction financial targets per FRP parameters						highlight the actual costs and propose the % reduction over period of time
5	Filling of Critical Vacant Positions	Non-adherence to the recruitment and appointment policies and section 56 and 57 LG: Municipal Systems Act (MSA).	Investigate and resolve the allegations sited by the previous Acting Municipal Manager about the recruitment processes for senior managers. FastTrack recruitment process for the senior management positions in accordance with the relevant legislative prescripts that have been vacant due to political and administrative instability. Review the operating model for the identification and filling of critical vacant positions.	In house	In house	MM and D: CSS	01/08/2023	31/12/2023	Misconduct investigated. Filled Senior Managers Posts Capacitated municipality	Investigation report, Approved appointments New operating model	In line with the approved budget and the funding plan.						highlight associated timelines
6	Skills and Competencies	Skills and competencies not in line with the municipal needs. Limited capacity and skills to facilitate compliance with the Municipal Minimum Competency Framework.	Verify competency levels of Senior, Middle Managers & Employees in the BTO in line with the Regulations on Minimum Competency Levels, 2007. Consultation with organised labour on the draft Placement Policy. Conduct a skills audit using Department of Cooperative Governance Gap Skills tool. Conduct a skills audit using Department of Cooperative Governance Gap Skills tool. Report on the verification of qualifications of all the employees should be urgently presented to Council. Budget allocation for the implementation of the WSP.	In-house	In-house	MM, CFO and Director Corporate Services	01/08/2023	31/12/2023	Management and staff perform to the standards. Compliance with the prescribed minimum competency levels required for the position.	Skills verification outcomes, skills audit report, Consultation outcomes report, WSP budget	Financial benefits to be achieved through improved operational efficiencies						
7	Staff discipline and Disciplinary Board	Ineffective disciplinary processes. TOR for the DB not finalized.	Train s56 and other managers and supervisors to be utilised as initiators and Presiding Officers. Consult with COGTA regarding training plans for the Disciplinary Board. Develop and regularly update the disciplinary case management register. Finalise DB TORs	Outsource	In house	MM and D: CSS	01/08/2023	31/12/2023	Improved Compliance with rules and regulations by staff. Effective discipline management.	Approved training programme, material, attendance register, Signed Agreements with SALGA and other departments, consultations outcomes. Approved disciplinary case management register Adopted DB TORs	Per training budget allocation						

8	Performance management	Performance Management System not in place.	Develop, adopt, and implement a Performance Management System.	In-House	MM D-CSS NT-MFRS N-COGTA NW-COGTA	MM S56 Managers	01/08/2023	31/12/2023	Improved performance management system	Adopted Performance management systems aligned to regulation 8 of municipal planning and performance management regulation,	Financial benefits to be achieved through improved operational efficiencies				
		No performance agreements for senior managers in place due to administrative instability and vacancies	Implement consequence management for non-performance	In-House	In house	MM and D: CSS			Transgressors disciplined	Written outcome of disciplinary hearings					
		Performance assessment not conducted.	Develop process plan and policy to Cascade Performance to levels below Senior Managers.	in-House	D:CS NT-MFRS N-COGTA NW-COGTA	MM S56 Managers Managers			Improved performance of staff below Senior Managers	PMS process plan and policy					
		Only 51% achievement of planned targets. Inadequate systems and processes in place to monitor and measure organisational performance.							Improved organisational performance						
9	Consequence Management	Lack of accountability and consequence management in the municipality impacts service delivery and municipal finance management.	Develop and implement of Consequence Management Policy.	In house	In house	Director Corporate Services	01/08/2023	31/12/2023	Approved Consequence management policy	Financial assessment reports	Financial benefits to be achieved through improved operational efficiencies				
			Conduct Workshops to communicate the Code of Conduct for staff and Councillors.							Attendance register for workshop					
			Develop process to report and monitor cases.							Approved Consequence management SOPs					
10	Key HR Policies	Poor Human Resource Planning.	Review the following policies; Overtime, Leave management, HR Recruitment and Selection, Stand-by Policy, Acting Allowances, Travel & Subsistence and Bursary Policy.	EM-CS NT-MFRS N-COGTA NW-COGTA SALGA	EM-CS NT-MFRS N-COGTA NW-COGTA	Director Corporate Services S56 Managers	01/08/2023	31/12/2023	Overtime reduced Improved compliance & professionalism Compliance to BCEA & SALGBC collective agreement requirements	Attendance register, agenda & Minutes of the LLF consultative meeting. Council resolution Copies of the approved policies	Financial benefits to be achieved through improved operational efficiencies				
			Consultation with organised labour on the draft Policies.												
			Approval & Implementation of the policies.												
			Enforcement of compliance to the Basic conditions of Employment Act for the management of overtime by managers.												
11	Human Resources Plan	The HR plan was last prepared and approved in 2018.	Develop HR Plan that will involve the following key activities: Assess the organisational structure against the organizational strategy to determine misplacements, duplications of functions, excesses, span of control.	Director Corporate Services, NT-MFRS N-COGTA NW-COGTA SALGA	Director Corporate Services, NT-MFRS N-COGTA NW-COGTA SALGA	MM and Director Corporate Services	01.08.2023	31.12.2023	Improved Human Resource Planning	Approved HR Plan, attendance registers for review workshops.	Financial benefits to be achieved through improved operational efficiencies				
			Collect Quantitative HR Data for data analysis and data cleansing.												
			Collect Qualitative Data that includes an environmental scan and organisational climate survey and develop a Draft Plan.												
			Consultation with organised labour on the draft HR Policy.												
12	Physical Verification of staff and qualifications	Existence of employees unaccounted for ('ghost workers').	Conduct an employee head count and identify any ghost employees or employee's surplus to the organisation, on the payroll.	In-House	In-house	Director Corporate Services	01/08/2023	31/12/2023	Completeness of employee related costs	Employee Verification Report	Reduction in employee cost				
			Implement an attendance register be it electronic or manual.							Daily attendance register					
13	Records Management	Poor record keeping due to decentralisation of records management and limited capacity.	Develop a file plan in accordance with the National and Provincial Archives Services guidelines.	In-House	Director Corporate Services	Director Corporate Services	01/08/2023	31/12/2023	Improved records management. Improved audit outcomes.	Approved File Plan	Financial benefits to be achieved through improved operational efficiencies				
		No records disposal being undertaken.	Provide Training for all staff on importance of document management and POPIA act.												
		Missing documents.	Develop a Records Centralisation process plan for implementation.												
		Loss of municipality records.	Review of the Records Management structure to include a Records Manager and appropriate capacity.												
		Unresolved findings by AGSA due to limitation of scope.	Develop a Records disposal plan in line with the National Archives Act.												

			Implement a records system that is compliant with National Archives and National Treasury.															
14	Change Management	Change Management is not implemented.	Sensitise employees and organised labour about the current financial state and the introduction of the FRP. Undertake a diagnostic process (climate survey) to determine the level of staff morale and satisfaction. Develop a change management strategy.	In-House	Director Corporate Services NT-MFRS N-COGTA NW-COGTA	Director Corporate Services	01/08/2023	31/12/2023	Achieved buy-in and support/ Set tone for change. Staff morale boosted. Enhanced service delivery & performance. Increased productivity to support Revenue Management operations.	Attendance Register Completed Employee satisfaction Survey Questions and Report Change Management Council Strategy resolution	Financial benefits to be achieved through improved operational efficiencies							
PILLAR THREE: FINANCIAL MANAGEMENT																		
1	ESKOM	Escalating ESKOM debt.	Consider application for MFMA Circular No. 124 – Municipal Debt Relief through National Treasury. Adhere to the requirements and terms.	In-house	In-house	MM and CFO	Immediate	12 Months	Maintaining the Eskom bulk current account A funded MTREF Cost reflective tariffs Electricity and water as collection tools 80% average quarterly collection of property rates and service charges Municipality's billing system perfectly aligns to its Council approved GVR MFMA section 71 reporting Monthly reporting on progress in implementing its FRP to the Provincial Executive Provincial Treasury certification of Municipal compliance Limitation on Municipality borrowing powers Ensure proper management of resources	Monthly Provincial Treasury certification of Municipal compliance	Municipal Eskom Debt Relief as prescribed by Circular No. 124							
2	Funded Budget and Budget Spending Limits	The Municipality budgeted for cash shortfalls: •2019/20: R (1 290 106) •2020/21: R (405 645) •2021/22: R (473 895) •2022/23: R (510 369) Low collection rates not adequately considered in the budgeting processes. Revenue projections are done without taking into consideration past collection performance. Insufficient provision for non-cash items (depreciation and debtor impairment provision). Overspending on budget for other operating expenses is an indication of possible under-budgeting and poor budget implementation management. Because the municipality is cash strapped, it budgets for the minimum possible other operating expenses.	Prepare, approve, and implement a Budget Funding Plan for the MTREF period linked to the FRP strategies and financial targets (PT Support). Progress must be reported monthly and include targets as KPIs in performance plans. Compile realistic cash backed budgets going forward. Provide realistic allocations for the provision for debt impairment. Ensure cost reflective tariffs and scrutinise expenditure for unnecessary expenditure. Implement accurate budgeting for non-cash items to generate cash to move the municipality to a funded position. Projected revenue should consider the low historical and future collection rates and use a probabilistic method of projecting for revenue.	In-house	PT Oversight	CFO (PT Oversight and Support)	01/08/2023	31/12/2023	3-Year Budget Funding Plan Monthly BFP Progress Reports Credible 2023/24 MTREF Budget Plan for phasing in of cost-reflective tariffs	Approved 2023/24 MTREF Budget Approved Budget Funding Plan (BFP) BFP Progress Reports Cost-reflective tariff strategy	100% adherence to approved 3-Year Budget Funding Plan FRP MTREF Financial Targets Target cash flow improvement per annum (in line with FRP targets)							

		Lack of oversight of the assessment of debtors and recoverability and not recommending to Council for write off.	<p>Monitor internal use of services and budget for it under the appropriate vote and internally bill the usage for recovery. There is unrecorded water that is supplied to areas with low pressure/ no access to water.</p> <p>Interest on debtors should only be charged on recoverable debts.</p> <p>Track the expenses not in accordance with the budget and the votes for the past three years, establish a statistical relation with other elements of financials and revise the budget parameters for the expenses using the historical audited expenses, with inflation adjustment, as a base for forecasting.</p> <p>Activity based budgeting should be implemented at the municipality through a demand management plan that details monthly expenditure and procurement needs per department. This should be done during the early stages of budget preparation process (November to January) each year.</p> <p>Undertake a line item analysis of all budget line items to ensure that a realistic cash backed budget is approved.</p>																
3	Funded Budget Status – Capital Budget	<p>Capital budget performance for the past 4 years (2018/19 to 2021/22) is as follows: 2018/19: 67% 2019/20: 49% 2020/21: 81% 2021/22 :79%</p> <p>Underspending on capital programmes is attributed to instability that has been prevalent at the municipality for years which leads to delays in SCM processes and consequently service delivery disruptions.</p> <p>The municipality has financed 96% of its capital expenditure using grant funding.</p> <p>Low revenue and cash generating ability of municipality dictates that there are no internal funds for capital projects.</p>	<p>Prescribe a minimum period for the filling of the acting positions so that strategies can be carried out.</p> <p>Training of SCM staff on SCM regulations.</p> <p>Consequence management should be strengthened where SCM staff do not procure on time for invalid reasons.</p> <p>Lead times should be made part of KPIs for SCM staff.</p> <p>Ensure unspent conditional grants are cash backed and are not being spent on operating expenditure.</p>	In-house	PT Oversight	CFO (PT Oversight and Support)	01/08/2023	31/12/2023	<p>3-Year Budget Funding Plan</p> <p>Monthly BFP Progress Reports</p> <p>Credible 2023/24 MTREF Budget</p> <p>Plan for phasing in of cost-reflective tariffs</p>	<p>Approved 2023/24 MTREF Budget</p> <p>Approved Budget Funding Plan (BFP)</p> <p>BFP Progress Reports</p> <p>Cost-reflective tariff strategy</p>	<p>100% adherence to approved 3-Year Budget Funding Plan</p> <p>FRP MTREF Financial Targets</p> <p>Target cash flow improvement per annum (in line with FRP targets)</p>								
4	Revenue Management	<p>Billing inconsistencies.</p> <p>Property Rates on the billing system not aligned to valuation roll.</p> <p>Inability to repair and replace meters by Technical Department.</p> <p>Illegal connections in water and electricity.</p> <p>Inconsistent, interrupted, and low quality of supply of water and electricity services.</p> <p>High technical and non-technical distribution losses due to old infrastructure and illegal connections.</p> <p>Inefficient and ineffective internal controls.</p> <p>Disruptions in implementation of credit control.</p>	<p>Conducting quarterly VR reconciliation with the billing system.</p> <p>Metering (verification, auditing, and consistent reading of meters).</p> <p>The previous cost of supply studies must be updated, and tariffs structures must be applied and implemented and for electricity NERSA's approval.</p> <p>Write off bad debts as per the approved credit control and debt collection policy. This will assist with determining the cash backed part of the accounts receivable.</p> <p>Hand over the debtor's book to debt collectors using a performance-based agreement that is traceable and measurable for outstanding debt older than 180 days. Internal staff must be responsible for debt collection up to 180 days.</p> <p>Contact government departments that owe the municipality and establish the payment terms. If that fails seek Provincial Treasury intervention.</p>	In-house	PT Oversight and support	CFO	01/08/2023	31/12/2023	<p>Increased own revenue</p> <p>Increased collection rate</p>	<p>Monthly reconciliations</p> <p>VR reconciliation</p> <p>S71 Reports</p>	Per set revenue targets								

			<p>Disconnect electricity supply and restrict water supply to consumers with debt outstanding for longer than 60 days. A monthly summary report to be prepared to the MM and Mayor, to indicate the status of on disconnecting consumers with outstanding debt, submitting motivations for not disconnecting/restricting consumers, including the accounts of councillors and officials of the municipality.</p> <p>Implement and update standard operating procedures for debtors' management and training of internal staff.</p> <p>Engage debtors to agree on payment arrangements.</p>															
5	Cost-reflective Tariffs – Electricity Services	<p>Electricity tariffs are not cost reflective as below:</p> <p>*2019/20 nett deficit -4%</p> <p>*2020/21 nett deficit -20%</p> <p>*2021/22 nett deficit -18.72%</p> <p>This is an indication that the tariffs charged are not cost reflective.</p> <p>Forecasted electricity tariffs are set without considering the growth rate in tariffs set by Eskom.</p> <p>Electricity provided at a loss.</p>	<p>Conduct a cost of supply study reflective and introduce cost reflective tariffs considering affordability of consumers.</p> <p>Perform cost-volume profit analysis before setting the base tariff for electricity.</p> <p>Forecast tariffs that align with the rate of growth of tariffs forecasted by Eskom.</p>	In-house	In-house	MM and CFO	01/08/2023	31/12/2023	<p>Cost-reflective tariffs</p> <p>Cost-of-Supply Studies</p> <p>Trading Services Surpluses</p>	Cost-of-Supply Reports	Tariff Structure	Increase in Revenue, based on the revised tariffs						
6	Cost-reflective Tariffs – Water Services	<p>During the 2021/22 financial year, the Municipality made a loss of (8.6%) on the sale of water where their bulk purchases were more than their sales in water. This is a major turnaround from the 2020/21 financial year where the ratio was good and within the norm at 21%.</p> <p>The Municipality water tariffs are not increased in line with the Rand Water tariff increase and the City of Tshwane tariff increase.</p>	<p>Forecast tariffs that align with the rate of growth of tariffs forecasted by Rand Water and City of Tshwane.</p> <p>Cost-of-supply study to inform cost-reflective tariffs.</p>	In-house	In-house	MM and CFO	01/08/2023	31/12/2023	<p>Cost-reflective tariffs</p> <p>Cost-of-Supply Studies</p> <p>Trading Services Surpluses</p>	Cost-of-Supply Reports	Tariff Structure	Increase in Revenue, based on the revised tariffs						
7	Indigent Management	<p>Consumers who apply for the indigent household support subsidy from the Municipality are not verified and/or vetted prior to approval.</p> <p>Revenue billing and collection targets will not be reached as customers may inappropriately receive free basic services.</p> <p>Revenue Loss.</p> <p>Indigent register not credible.</p> <p>Regular site visits are not conducted to continuously evaluate approved and registered indigent households to ascertain whether they still qualify for the indigent household subsidy.</p> <p>Regular audits and reviews are also not conducted on registered indigents on the indigent register.</p> <p>Lack of vetting system.</p> <p>On comparison of the indigents' data on the system and the completed application forms, it was noted that information on the billing system does not match the information captured on the indigents' subsidy application forms.</p>	<p>Implement the approved Indigent Household Policy and by-laws.</p> <p>A quantitative Cost Benefit Analysis should be carried out to determine the most financially optimal option for the verification of indigent household. This is essentially an evaluation of manual verification compared to obtaining a system.</p> <p>The Manager: Revenue Management must put measures in place to ensure that reconciliations between the Eskom report and Indigent list sent to Eskom is interpreted and understood when received.</p> <p>Perform monthly recons between Eskom's report and the municipal system.</p> <p>Updating and cleansing of data on the system to provide correct details of customers.</p> <p>Information captured on the system is reviewed by senior personnel for accuracy and completeness.</p> <p>Errors on the system are immediately corrected as they are identified.</p>	In-house	In-house	MM, CFO, Director: Corporate Services	01/08/2023	31/12/2023	<p>Updated Indigent Management Policy</p> <p>Complete Indigent Register</p> <p>Adjusted Debtors Book</p>	Indigent Management Policy	Indigent Register	Reduction in expenditure from curbing the supply of services to non-indigents						
8	Supply Chain Management Compliance and Value for Money Procurement	<p>Not all municipal planned procurement is included in the procurement plan.</p> <p>Procurement not done according to procurement plan.</p>	<p>All municipal items for procurement should be included in the procurement plan.</p> <p>Consequence management policy to be incorporated in HR.</p>	In-house	In-house	MM and CFO	01/08/2023	31/12/2023	<p>SCM Policy</p> <p>SOPs</p>	SCM Policy	SOPs approved and implemented	Reduction in UIF&W based on FRP targets						

		<p>Management did not keep records as evidence to support awarding of tenders.</p> <p>Tenders awarded without following SCM policy and national regulations.</p> <p>Employees in the employ of the state were awarded tenders contrary to SCM regulations.</p> <p>Construction tenders were awarded to bidders who are not registered in terms of CIDB regulations.</p> <p>Management does not have a register of contracts.</p> <p>Contractors on site were not monitored.</p> <p>Non-compliance with SCM policy resulting in irregular expenditure.</p> <p>Bid Committees are non-functional.</p>	<p>Adhere to SCM Policy and Regulations.</p> <p>Consequence management policy to be implemented by HR.</p> <p>Pre assurance to be given by internal audit or any independent assurance provider before approval and award by final authority e.g. MM or Council.</p> <p>Compilation of the contract register and contract management policies.</p> <p>SCM processes for MIG to be initiated in April, after the DoRA was published in March. SCM processes should be finalised by June and implementation should start in July noting that the dry season is July to October, during which major progress could be registered for construction projects.</p> <p>Implement contract monitoring controls and adhere to this on a monthly basis.</p> <p>Provincial or National Treasury to provide regular SCM regulations training to the SCM staff.</p>												
9	Cost Containment and Realistic Cash Flow Management	<p>Although a Cost Containment Policy and Water Loss Reduction Policy are in place, there is no evidence of active implementation and impact of these policies.</p> <p>Additionally, given the current ratio of 0.45 (2021/22), (2020/21: 0.4) The municipality is not able to pay its short-term obligations as they fall due.</p>	<p>Revise the Cost containment Policy in line with NT Municipal Cost Containment Regulations (2019).</p> <p>Implement the approved Cost Containment Policy.</p> <p>Establish a cashflow committee.</p> <p>Adopt an active cash management system to enable the municipality to maintain sound liquidity.</p> <p>Develop a consultants reduction plan which incorporates the following:</p> <p>Skills transfers should specifically be outlined in the Terms of References of appointed consultants and should include on the job training and mentoring of officials.</p> <p>Addressing control deficiencies through skills transfer and updating and introducing new daily/weekly/monthly/quarterly controls that would enable accurate monthly financial reporting.</p> <p>Preparing and updating the AFS Audit file monthly, ensuring that only quality checks and reviews of the AFS is done in July/August each year prior to submission of the AFS to the AG.</p> <p>Include cost containment targets in performance contracts.</p>	In-house	In-house	CFO, PT Oversight	01/08/2023	31/12/2024	<p>Revised the Cost containment Policy</p> <p>Cashflow Committee Established</p> <p>Adoption of a cash management system</p> <p>Inclusion of Cost Containment in Performance Agreements</p> <p>Development of a Consultant Reduction Plan</p> <p>Monthly Updating of the Audit File</p>	<p>Revised the Cost containment Policy</p> <p>Cashflow Committee Established</p> <p>Adoption of a cash management system</p> <p>Inclusion of Cost Containment in Performance Agreements</p> <p>Development of a Consultant Reduction Plan</p> <p>Monthly Updating of the Audit File</p>	<p>Compliance to 2019 NT Regulation on cost containment</p> <p>Savings in line with BFP</p>				
10	Creditor Management	<p>A review of the amounts owed by the Municipality reflected the following: Creditors as at 30 June 2022 is R1,198 billion. Creditors have increased by R264.2million Year on Year, between June 2021 and June 2022.</p> <p>Creditors not being paid within 30 days.</p> <p>Failure to use the creditor module and using manual allocation. This results in poor cash management and incorrect allocations.</p> <p>Not performing creditors reconciliations. Failure to use the creditor module and using manual allocation. This results in poor cash management and incorrect allocations.</p>	<p>Implement relevant Acts and the approved policies.</p> <p>Pay new creditors within 30 days and design a tool for monitoring of the payment and obtain CFO and MM sign off of the tool.</p> <p>Renegotiating parts of amounts owed such as penalties relating to Eskom.</p> <p>Data cleansing should also be implemented for creditor information.</p> <p>Creditor reconciliations should be performed weekly and reconciling item resolved promptly.</p>	In-house	In-house	CFO	01/08/2023	31/01/2024	<p>Approved Policies</p> <p>MFMA 30-day Payment Compliance</p> <p>Renegotiated Payment Terms</p> <p>Data Cleansing</p> <p>Creditor Reconciliation</p>	<p>Approved Policies</p> <p>MFMA 30-day Payment Compliance</p> <p>Renegotiated Payment Terms</p> <p>Data Cleansing</p> <p>Creditor Reconciliation</p>	<p>100% adherence to payment arrangements</p> <p>Achieve expenditure financial targets per BFP parameters</p>				

11	Financial Control Environment	<p>Not paying creditors including bulk purchases within 30 days.</p> <p>Non-verification of invoices for bulk purchases as reported for the past three years.</p> <p>Other service providers are not paid within 30 days.</p> <p>Late preparations of Annual financial statements and lack of reviewing the audit file to ensure that all reconciliations agree to the annual financial statements.</p> <p>Persistent AG findings not addressed.</p> <p>Lack of accountability as shown by repeated disclaimers.</p> <p>Poor record keeping for compilation of AFS.</p> <p>Weak internal controls of budget control and standard operating procedures.</p> <p>Lack of an AFS project plan in preparing the financial statements and all supporting information and schedules.</p>	<p>Provision to be made in future budgets to repay outstanding creditors who should be approached to agree on payment plans.</p> <p>Management should ensure that there is proper record keeping, sufficient staff members assisting with the requested information by the auditors and should submit the information timeously. This will speed up the audit and it will result in low audit cost for the Municipality.</p> <p>Review the progress of the audit action plan immediately after the issue of the audit report, provide practical action plan and track progress thereof.</p> <p>AFS Preparation: include penalty clauses in the SLAs with consultant for: Late submission of AFS and not allowing for adequate reviews and lack of skills transfer.</p> <p>Any qualification of components which is the direct responsibility of the consultants for example prior period errors, cashflow statements, statement of changes in net assets and disclosure notes to the AFS.</p> <p>Training of internal audit on the adequate review of AFS and before submission to the AG.</p> <p>Verification of all invoice before payment.</p> <p>Re-negotiate payment terms with major creditors and stick to the terms.</p>	In-house	In-house	MM, CFO, Director: Corporate Services	01/08/2023	31/12/2023	<p>Reviewed SOPs adopted</p> <p>Record Management Procedure Manual</p> <p>Credit Control System Implemented</p> <p>Complete Audit Files</p>	<p>Adopted SOP's</p> <p>Record Management Procedure Manual</p> <p>Credit Control System</p> <p>Complete Audit Files</p>	Training expense based on budget allocation				
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PILLAR FOUR: SERVICE DELIVERY

1	Strategic Positions	<p>Key managerial technical positions are filled by resources in an acting position for periods longer than 6 months.</p>	Appointment of permanent senior management position in line with MFMA regulations in a no acting capacity to enable service delivery.	In-house	In-house	MM, Director Corporate Services	01/08/2023	31/12/2023	Filling of critical vacant positions	Filling of critical vacant positions	Per the BFP				
2	Technical Systems	<p>Basic technical systems are absent or inoperable.</p> <p>System licencing is not maintained.</p> <p>Technical data is not maintained.</p> <p>IT system landscape is not defined and implemented.</p> <p>No GIS system and competent personnel in place to prepare a GRAP and mSCOA compliant asset register inhouse.</p> <p>Provincial Road Asset Management (RAMs) project should be accelerated, and data verified before inclusion.</p> <p>Investment in a system/s allowing the Municipality to pinpoint areas where losses occur.</p> <p>Need for a digital fault/complaint reporting system.</p> <p>Need for a single meter database.</p>	<p>Conduct a system landscape analysis based on service delivery needs and integration requirements.</p> <p>Undertake a data cleaning exercise focused on assets.</p> <p>Internal parties to be called out on non-attendance and oversight management to meet with them to discuss importance.</p> <p>Implement the GIS system.</p>	Municipal Manager, CFO, GM Budget, Service Delivery Executive Managers	In-house	MM	01/08/2023	31/12/2023	<p>System Landscape Analysis Report</p> <p>Renewed Licenses</p> <p>Implemented GIS System</p> <p>Single Meter Database</p>	<p>System Landscape Analysis Report</p> <p>Renewed Licenses</p> <p>Implemented GIS System</p> <p>Single Meter Database</p>	Per the BFP				
3	Policy and Planning	<p>Spatial development framework was approved and adopted in 2018. No annual review to the Spatial Development Framework.</p> <p>The MLM does not have the Water (Bulk) Master Plans such as the following:</p> <ul style="list-style-type: none"> Water and Sanitation Master plans Water Infrastructure Maintenance plan Water Conservation and Water Demand Management Plan (WCWDMP) and Water Services Development Plan (WSDP). <p>Roads and stormwater Masterplan does not</p>	<p>Develop the Spatial Development plan. Engage with ward councillors to identify non reported complaints.</p> <p>Attending to reported potholes, stormwater drainage.</p> <p>Clean reported blocked drains.</p> <p>Monitor and report state of roads monthly.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	<p>Spatial Development Plan</p> <p>Approved Electricity Refurbishment Plan</p> <p>GRAP Compliant Asset Register</p> <p>State of Infrastructure Report</p>	<p>Spatial Development Plan</p> <p>Approved Electricity Refurbishment Plan</p> <p>GRAP Compliant Asset Register</p> <p>State of Infrastructure Report</p> <p>Asset Completeness Exercise</p> <p>Useful Life Assessment</p>	GRAP Compliant Asset Register				

		<p>Technical losses – 20%</p> <p>Non-Technical losses – 35% (mainly illegal connections).</p> <p>No installed Meters at some of the substations e.g., Pendering substation.</p> <p>MLM did not provide any evidence of plans to implement smart technologies and conduct meter audits.</p> <p>No evidence of audit report for the auditing of all conventional meters (119) in Brits Industrial area was provided.</p> <p>Command reservoirs do not have bulk meters.</p> <p>Bulk Meters were not installed.</p> <p>MLM reported the following as at 31 December 2021, 11 183 meters visited but not read.</p> <p>5 556 meters unread.</p> <p>3 948 faulty meters reported. This resulted in estimated readings of 20 687.</p> <p>Of the 16 032 rural meters the statistics were not populated in the 572 report.</p>	<p>Enforce Water by-laws; Disconnect illegal connections.</p> <p>Awareness Campaign may be required with the assistance of political office. And enforce relevant fines.</p> <p>Illegal connections: Zero tolerance approach should be taken, charging illegal connections criminally.</p> <p>Conduct roadshows to restore credibility of MLM with funders.</p>															
6	Landfill	<p>No plans in place. MLM sources services from third parties.</p> <p>MLM could not provide Integrated Waste Management Plan. As a result, we could not ascertain the following:</p> <ul style="list-style-type: none"> • Condition of maintenance plant and equipment: front end loader, bulldozer. • Compliance of landfill sites in terms of legislation. • Compliance to the requirement of a provision for the rehabilitation. • Access to MIG grant for landfill site development. • Tariffs and policy • Weighbridges on landfill sites; fence and electrify the landfill sites. <p>MLM could not provide Refuse Removal Management Maintenance and Refurbishment Plan. As a result, result we could not ascertain the following:</p> <ul style="list-style-type: none"> • Regular refuse removal schedule exists, and is it being adhered to. • Condition of equipment for maintenance and operations of refuse removal. • Tariffs to cost reflective Updated by-laws. • Illegal dumping status and awareness campaigns. • Review of SLAs of refuse removal service providers. 	<p>MLM to develop and implement Landfill study.</p> <p>Create and approve Integrated waste management plan.</p> <p>Collect revenue from users at landfill sites.</p> <p>Install Weighbridges on landfill sites.</p> <p>Collaborate with Private waste removal companies.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	<p>Develop and implement Landfill study</p> <p>Integrated Waste Management Plan</p> <p>Weighbridge Installation</p> <p>Landfill Site Revenue Collection</p>	<p>Develop and implement Landfill study</p> <p>Integrated Waste Management Plan</p> <p>Weighbridge Installation</p> <p>Landfill Site Revenue Collection</p>	Revenue collection from weighbridges at landfill sites							
7	Water Quality	<p>Wastewater treatments not complying 90% against applicable water quality standards.</p> <p>Drinking water samples do not comply with SANS 241.</p>	<p>MLM to implement recommendations of the water quality audit report.</p> <p>Implement the recommendations of the Blue Drop Report.</p> <p>Review and update the wastewater risk abatement plan.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	<p>Water Quality Audit Report Implementation</p> <p>Blue Drop Report Implementation</p>	<p>Water Quality Audit Report Implementation</p> <p>Blue Drop Report Implementation</p>	Increase in quality of water supply							
8	Asset Security	<p>Cemeteries and Sport facilities have been vandalised.</p> <p>MLM has a hybrid system on security services. There is both internal staff and outsourced service providers.</p> <p>MLM contracted security services for R113m over 36 months.</p> <p>There is vandalism to municipal infrastructure</p>	<p>Review Security Contracts entered into to secure key community facilities.</p> <p>Use technology to augment the security personnel such as alarm systems and camera monitoring systems with armed response.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	Asset Security	Asset Security	Reduction in repairs and maintenance due to decreased vandalism							

		<p>either during protests or normal crime conducted by community members.</p> <p>Vandalism is also linked to late payment to contractors and non-payment of employees by contractors.</p>	Use of the same above-mentioned security to safeguard smaller infrastructure sites prone to vandalism but not large enough to warrant a permanent warm body.															
9	Project Management	<p>The summary Grant funding is per below as at 30 June 2022. 73% spent on MIG. 100% spent on INEP. 86% spent on WSIG. 100% spent on EEDSM.</p> <p>Misappropriation of grant funds for operational purposes.</p> <p>Capital projects included in the internal audit plan.</p> <p>Procurement process efficiency.</p> <p>Projects arising from the Electricity masterplan must be planned and budgeted for.</p> <p>The budgeted amount is R61m. Target has been set for 4th quarter and total spent to date is R22m.</p>	<p>Introduce a monitoring mechanism to track project progress against spend, be a repository for project capitalisation purposes to assist in the capitalisation process.</p> <p>Review expenditure on Capital projects to ensure the funds received are spent in accordance with the given conditions.</p> <p>Ring fence of grant funds and preferably pay service providers from this dedicated account in order to monitor and minimise misuse.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	Project Tracking Against Spent Capital Grant Management	Project Tracking Against Spent Capital Grant Management	100% Capital Expenditure							
10	Water Security	<p>MLM is a water services authority and provides 50% of water to consumers and the rest is provided by Rand water and Odi retail.</p> <p>The capacity of the Brits Water Purification Plant is currently being increased by 20 Ml/d as funded through the Department of Water and Sanitation's Regional Bulk Infrastructure Programme (RBIG), however, as a result of the capacity restrictions of the Brits Water Supply Scheme, several boreholes have been established or re-commissioned in several of the settlements which are being supplied by the scheme to augment the bulk water supply.</p> <p>14 834 households do not have basic water services.</p>	Accelerate the Brits WTW upgrade so secure the additional 20Ml/day to meet current demand.	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	Brits WTW Upgrade	Brits WTW Upgrade	Increased water revenue from Brits WTW							
11	Plant and Fleet	<p>The municipality has the following in place: • Fleet Management Strategy and Plan. • Draft Vehicle maintenance plan which is yet to be approved. • Insurance and fuel management policies. • Municipality does not have Vehicle replacement plan. • The municipality has a road worthy vehicles report. Licences of redundant vehicles is cancelled. However, the municipality does not update on time. • The municipality has Insurance Policy in place. In the event that there is a damage due to unforeseen events insurance claims, the municipality follows its policy to process this. However, the accident committee is yet to be formed. • Roadworthiness of operable vehicles is reported in a list of roadworthy fleet. Unsalvageable vehicle used as scrap parts or auction off vehicle in terms of legislation and policy, these vehicles are disposed of. MLM has recently bought 119 vehicles through a transversal contract from National Treasury worth R69m.</p>	<p>Review the current existing lease agreements and perform a cost benefit analysis on leasing versus buying.</p> <p>A comprehensive needs analysis including cost benefit analysis on the maintenance costs and lease vs buy analysis should be implemented.</p> <p>Incorporate the vehicle replacement plan under Fleet management strategy plan.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	Reviewed Lease Agreements Needs Analysis Review Vehicle Replacement Plan	Reviewed Lease Agreements Needs Analysis Review Vehicle Replacement Plan	Per vehicle replacement plan							
12	Housing Delivery	<p>MLM faces Political interference when trying to evict occupants of informal settlements.</p> <p>Informal settlements are also putting pressure on the capacity of water, electricity, and sanitation</p>	Continual engagement between the Northwest Housing department and MLM.	In-house	In-house	MM	01/08/2023	31/12/2023	Alternative Housings for Illegal Occupants	Alternative Housings for Illegal Occupants								

		<p>This is being fuelled by people coming to seek employment opportunities in the Mines, but the Mining Companies do not provide accommodation.</p> <p>The programme to restore title deeds is work in progress, registrations has started at Mothotlung x 1 and 2 then proceeding to Damonsville and Lethabile.</p>	Engage with the Tribal Authority to find alternative households for illegal occupants.												
13	Community Facilities	<p>MLM currently outsources grave digging equipment.</p> <p>MLM does not have Recreational Facilities Maintenance Plan and Operation Plan. As a result, we could not ascertain the following:</p> <ul style="list-style-type: none"> Any refurbishing of facilities. Tariffs and policy, updated by-laws, cost reflective tariff on all services rendered; (e.g., pruning of trees, cleaning of erf). Review of SLAs e.g., leases for Public Amenities i.e., swimming pool, stadium etc. Cemeteries; Verification of the Indigent Register. Library Services status. <p>Mechanical Workshops.</p> <ul style="list-style-type: none"> Condition of mechanical workshops to repair vehicles and equipment internally. Workshop equipped with basic tools and equipment and stock. Workshop compliance with the OHS standards. Repair or salvage dysfunctional equipment. Auctioning off redundant equipment in line with legislation and policy. 	<p>Community services committee should meet as per planned calendar.</p> <p>Determine the condition of mechanical workshops to repair vehicles and equipment internally.</p> <p>Ensure the Workshop equipped with basic tools and equipment and stock and is compliance with the OHS standards.</p>	In-house	In-house	MM, Technical Director, CFO	01/08/2023	31/12/2023	<p>Community Services Committee should meet as per planned calendar</p> <p>Internal Repairs and Maintenance</p> <p>Ensure Equipment are Functional</p>	<p>Community Services Committee should meet as per planned calendar</p> <p>Internal Repairs and Maintenance</p> <p>Ensure Equipment are Functional</p>	Reduction in contracted services				



PHASE 2: STABILISATION

NO	FOCUS AREA	KEY ASSESSMENT FINDING (BASELINE)	KEY ACTIVITIES	RESOURCES REQUIRED	RESOURCES MOBILISED	RESPONSIBLE	START DATE	END DATE	KEY PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE	BUDGET PARAMETER/ REVENUE TARGET/	MUNICIPAL PROGRESS REPORT				
												STEPS TAKEN	PROGRESS MADE	FINANCIAL IMPACT	OTHER NOTEWORTHY DEVELOPMENTS	
PILLAR ONE: GOVERNANCE																
1	Governance model (council and committees)	Ineffective oversight of the reporting process by those charged with governance. - Council did not have adequate oversight over the political and administrative functions of MLM - Misuse of public funds; - Leadership and Administrative instability with high turn-over in Senior Management and specifically the position of Municipal Manager. - Political interference in the governance structures; - Breakdown in communication between governance structures within MLM; and - Community unrest and inadequate action or willingness to address the concerns of the community with regard to service delivery.	Develop and implement a stakeholder engagement strategy that introduces various stakeholder engagement forums such as bi-weekly MLM team chats with the Accounting Officer. Implement a register for open cases and status. Disciplinary Board to report on investigation of all reported allegations of financial misconduct.	In house	In house COGTA	MM, Director: Corporate Support Services	01.01.2024	31.01.2024	By-in and informed stakeholders	Approved stakeholder engagement strategy an implementation plan.	Financial benefits to be achieved through improved operational efficiencies					
				In house	In house	CFO	01/01/2024	Monthly	Financial misconduct recorded.	Financial misconduct register						
				In house	In house	Disciplinary Board	01/01/2024	Quarterly	Quarterly reports	Council approved reports and resolutions						
2	System of Delegations	Non-compliance with legislation specifically Municipal Systems Act that requires review of system of delegations after every local government election.	Review and approve delegations of powers and functions for implementation of supply chain management policy.	In house	In house	MM and CFO	01/01/2024	30.07.2024	Enhanced accountability and checks and balances. Sub-delegations in place	Approved SCM Delegations of authority	Financial benefits to be achieved through improved operational efficiencies					
3	UIF&W and Consequence Management	UIF&W is not being investigated and responsible officials not being reprimanded.	Implement Consequence Management for historical irregular expenditure and take steps to recover or rectify such expenditure and to prevent recurrence as prescribed by section 32 of the MFMA.	In house	In house	MM	01/01/2024	31/12/2024	Transgressors disciplined	Written outcome of disciplinary hearings	Financial benefits to be achieved through improved operational efficiencies					
4	Audit action plans (internal and external)	AFS/APR may contain misstatement due to employee's lack of knowledge or understanding of the current standards and regulations.	Provide budget for training.	In house	In house	MM	01/01/2024	31/12/2024	Report tabled to Audit Committee, Mayoral Committee and Council	Agenda and minutes of Mayoral committee and Council, and recommendations and resolutions	Financial benefits to be achieved through improved operational efficiencies					
5	Risk Management	Inadequate diagnosis of all relevant risks being faced by MLM	Ensure that risk management must be standing agenda item for all scheduled management and Executive meetings.	In house	In house	MM CRO	01/01/2024	31/12/2024	Monitored risks	Quarterly risk management reports approved by Administrator. Risk monitoring report. Monthly FRP implementation progress reports	Financial benefits to be achieved through improved operational efficiencies					
6	Information and Communication Technology	Internal Control Deficiencies.	Review, develop and implement ICT general controls (policies and SOPs).	In house	In house	ICT Manager	01/01/2024	31/12/2024	Improved internal controls	Approved ICT policies and SOPs	Financial benefits to be achieved through improved operational efficiencies					
7	Auditor General Findings	Material Misstatements in the Annual financial statements prepared by MLM. Internal Control Deficiencies.	Continued consequence and performance management measures.	In house	In house	Disciplinary Board	01/01/2024	31/12/2024	Transgressors disciplined	Written outcome of disciplinary hearings	N/A					
PILLAR TWO: INSTITUTIONAL																

1	Organisational Structure	The number of appointed staff not in line with the number of posts on the organisational structure.	Development and approval of the placement policy, process to be undertaken to place employees appropriately for full utilization in consultation with LLF.	In-house	In-house	MM, Director : Corporate Services	01/01/2024	31/12/2024	Credible staff establishment.	Placement letters Copies of the job descriptions	In line with the approved budget and the funding plan.					
		Inadequate day-to-day establishment management	Continued regular staff verification and implement the recommendations of the staff verification report.													
2	Employee costs	Employee costs are currently 27% of the operating expenditure. The low % could point to a high level of critical vacancies and general understaffing.	Control over payroll by planning for the acquisition of skills in line with cash flow improvements.	In-house	In-house	CFO, Director : Corporate Services	01/01/2024	31/12/2024	Controlled employee costs	Skills Acquisition plan	Per BFP					
3	Management of overtime	Excessive Overtime.	Conduct quarterly monitoring of the implementation of the Overtime Policy by department.	In-house	In-house	D: CSS	01/01/2024	Quarterly	Reduced Overtime costs	Quarterly overtime monitoring reports	Reduction in Employee cost					
4	Skills and Competencies	Limited capacity and skills to facilitate compliance with the Municipal Minimum Competency Framework.	Review Recruitment policy and procedures to ensure checks and balances that mitigate irregular practices.	In-house	In-house	MM, CFO and Director Corporate Services	01/01/2024	31/12/2024	Approved reviewed Recruitment policy	Approved reviewed Recruitment policy	N/A					
			Ringfence mandatory grant from LGSETA and other related capacity building grants for training and development of staff.													
			Appoint accredited service provider to assist with the WSP implementation.							Service Provider appointment letter & SLA	Per budget allocation					
5	Staff discipline	Ineffective disciplinary processes.	Utilise officials from other government departments, municipalities and or SALGA database to conduct disciplinary cases on behalf of the municipality.	Outsource	Outsource	MM and D: CSS	01/01/2024	Ongoing	Effective discipline management.	Signed Agreements with SALGA and other departments, consultations outcomes.	N/A					
6	Consequence Management	Lack of accountability and consequence management in the municipality impacts service delivery and municipal finance management.	Continued monitoring of the implementation of the consequence management policy.	In-house	In-house	Director Corporate Services	01/01/2024	Ongoing	Consequence management policy implementation	Consequence management policy implementation	N/A					
7	Key HR Policies	Poor Human Resource Planning and excessive overtime.	Enforcement of compliance to the Basic conditions of Employment Act for the management of overtime by managers.	In-house	In-house	Director Corporate Services S56 Managers	01/01/2024	Ongoing	Reduced Overtime costs	Reduced Overtime costs	Reduction in Employee cost					
8	Change Management	Change Management is not implemented.	Continued monitoring of the change management strategy.	In-house	In-house	Director Corporate Services	01/01/2024	Ongoing	Change Management Strategy	Change Management Strategy	N/A					
PILLAR THREE: FINANCIAL MANAGEMENT																
1	ESKOM	Escalating ESKOM debt.	Consider application for MFMA Circular No. 124 – Municipal Debt Relief through National Treasury.	In-house	In-house, PT Oversight	MM and CFO	01/01/2024	Monthly	Maintaining the Eskom bulk current account A funded MTREF Cost reflective tariffs Electricity and water as collection tools 80% average quarterly collection of property rates and service charges Municipality's billing system	Monthly Provincial Treasury certification of Municipal compliance	Municipal Eskom Debt Relief as prescribed by Circular No. 124					

			Adhere to the requirements and terms.	In-house	In-house, PT Oversight	MM and CFO	01/01/2024	Monthly	perfectly aligns to its Council approved GVR MFMA section 71 reporting Monthly reporting on progress in implementing its FRP to the Provincial Executive Provincial Treasury certification of Municipal compliance Limitation on Municipality borrowing powers Ensure proper management of resources							
2	Funded Budget - Operating Budget	Budget utilisation for the rest of the revenue categories show underbudgeting. Revenue targets are not realistic. Interest on debtors was underbudgeted for as a result of an unexpected increase in debtors given that the budgets already assume an unrealistic collection rate. Fines, penalties, and forfeits were significantly underbudgeted for.	Projected revenue should consider the low historical and future collection rates and use a probabilistic method of projecting for revenue. Interest on debtors should only be charged on recoverable debts. Track the expenses not in accordance with the budget and the votes for the past three years, establish a statistical relation with other elements of financials and revise the budget parameters for the expenses using the historical audited expenses, with inflation adjustment, as a base for forecasting.	In-house	In-house	CFO	01/01/2024	31/12/2024	3-Year Budget Funding Plan Monthly BFP Progress Reports Credible 2024/25 MTREF Budget Plan for phasing in of cost-reflective tariffs	Approved 2024/25 MTREF Budget Approved Budget Funding Plan (BFP) BFP Progress Reports Cost-reflective tariff strategy	100% adherence to approved 3-Year Budget Funding Plan FRP MTREF Financial Targets Target cash flow improvement per annum (in line with FRP targets)					
3	Supply Chain Management Compliance and Value for Money Procurement	Retention of supporting documentation not complete. Management did not keep records as evidence to support awarding of tenders. Management does not have a register of contracts. Lack of record keeping. Lack of consequence management regarding irregular expenditure incurred.	Consequence management policy to be incorporated in HR. Training of staff regarding the SCM processes. Pre assurance to be given by internal audit or any independent assurance provider before approval and award by final authority e.g. MM or Council. Implementation of a record keeping system.	In-house	In-house	CFO, Director Corporate Services	01/01/2024	31/12/2024	Consequence Management Policy Attendance Register on Training Record Keeping System	Consequence Management Policy Attendance Register on Training Record Keeping System	Reduction in UIF&W based on FRP targets					
4	Cost Containment and Realistic Cash Flow Management	Although a Cost Containment Policy and Water Loss Reduction Policy are in place, there is no evidence of active implementation and impact of these policies. Additionally, given the current ratio of 0.45 (2021/22), (2020/21: 0.4) The municipality is not able to pay its short-term obligations as they fall due. Projects are taking long to complete. There could be inefficiency in carrying out the refuse function considering that in the 2021/22 FY the refuse function was outsourced. Costs could be saved if only the trucks were leased, as a short-term measure, and the function carried out internally. Refer to cost reflective tariff section for full discussion. Cost containment Policy not fully	Adopt an active cash management system to enable the municipality to maintain sound liquidity. Water loss saving function: •Educate public on conservation. •Improve accuracy of meter reading and recording. •Improve accuracy of meter reading and recording. •Replacement/ maintenance of metering assets. •Criticality evaluation of pipes for replacement programme. •Faster response and quality work on identified/reported leaks. •Introduce active leakage management. •Conduct preventative maintenance of water infrastructure. Monitor the capital tied up in projects that are taking a longer than usual time to complete.	In-house	In-house	CFO, PT Oversight	01/01/2024	Ongoing	Development of a Tool to Monitoring Contingent Liabilities PIC Loan Repayment negotiations Development of a tool to monitor the water supplied by the City of Tshwane	Revised the Cost containment Policy Cashflow Committee Adoption of a cash management system Inclusion of Cost Containment in Performance Agreements Development of a Tool to Monitoring Contingent Liabilities PIC Loan Repayment negotiations Development of a tool to monitor the water supplied by the City of Tshwane	Cash Coverage: 1.5 Month Improved Revenue Reduction in Expenditure					

		<p>aligned with NT Municipal Cost Containment Regulations (2019) and not implemented.</p> <p>Lack of accountability and clear roles and responsibilities.</p> <p>Cost containment targets not included in performance contracts.</p> <p>There is no tool/ system for assessing the impact of contingent liabilities and their expected cash flow impact.</p> <p>The municipality received bonds from PIC prior to 1994 and no repayments were made which led to a legal dispute. The municipality has been accounting for this loan under contingent liabilities until it lost the case at the Constitutional Court. This loan should have been accounted for as loan in the statement of financial position hence it is now treated as prior period error. The total balance outstanding is R325,279,924. Interest at 10% which has been capped to the capital amount of R162 639 96.</p> <p>Forecast budgets do not make provision for the repayment of the loan, yet the loan is repayable in the next 12 months.</p> <p>The municipality does not have a tool to monitor the water supplied by the</p>	<p>Include cost containment targets in performance contracts.</p> <p>Develop a tool for monitoring contingent liabilities and their impact on cash in the next 12 months. This should be done in consultation with the legal counsel and financial modelling experts.</p> <p>Municipality needs to prepare a payment plan on the PIC loan based on the cash it expects to receive or renegotiate the payment terms.</p> <p>The strategy for cost containment strategies to be implemented in minimising the cost of bulk water should not only include feasibility study but also a quantitative cost vs benefit analysis, include the impact assessment on infrastructure that will lie idle should the alternative source of water be used. The most optimal solution would be the one which results in the lowest cash outflow impact and cash-based opportunity cost.</p>												
5	Financial Control Environment - AFS Preparation	<p>The AFS for the past six years were disclaimed on by the AGSA.</p> <p>The past two years audited financial statements were restated.</p> <p>Failure to identify all errors during the preparation of the AFS and correct all errors before submission to AGSA.</p> <p>Weak internal controls and records management system.</p> <p>Persistent errors that reoccur year on year such as the failure to clear the cash and bank suspense account and limitation of supporting reconciliations for the bank reconciliation, which in turn makes throws the cash flow statement out of balance.</p> <p>Lack of commitment by staff in keeping supporting documentation and schedules.</p> <p>Internal auditors do not have adequate experience to carry out internal audit function.</p> <p>Internal auditors do not have the technical expertise to adequately review the financials.</p>	<p>Ensure there are skilled and qualified staff and management to prepare the interim and final annual financial statements.</p> <p>Perform a skills audit of the staff in the internal audit department and hire appropriately skilled members and upskill the present members.</p> <p>The preparation of AFS should be done on a full scale at interim stage, so that potential issues relating to balances and supporting documentation can be identified.</p> <p>Develop a single repository for all supporting documentation to AFS.</p> <p>All amounts on the AFS should be supported by the relevant calculation and schedule which should be agreed to the TB before AFS are prepared.</p> <p>All SOPs should have a checklist for documents required to support all balances.</p> <p>Improve on the record management system as detailed under the Institutional pillar.</p>	In-house	In-house	CFO, Chief Audit Executive, Internal Audit	01/12/2023	Ongoing	<p>Skills Audit</p> <p>Training of Internal Audit Staff</p> <p>Improved Interim and Annual AFS</p> <p>Improved Record Management</p>	<p>Skills Audit</p> <p>Training Attendance Registers</p> <p>Improved Interim and Annual AFS</p> <p>Improved Record Management</p>	Training expenses per budget allocation				
6	mSCOA	The depreciation segment does not reflect the various asset classes as per the financial statements	Establish a functioning mSCOA STEERCOM.	In-house	In-house	MM, CFO, S56 Managers	01/01/2024	31/12/2024	Functional mSCOA Steering Committee	Functional mSCOA Steering Committee	As per approved Municipal Budget				

		<p>49% of the amounts owed by MLM relates to the disputed water bill for City of Tshwane. This debt is a result of failure to measure the water received and not resolving the impasse relating to the debt over the years.</p> <p>Not performing creditors reconciliations.</p> <p>Department of Water affairs which is owed R 58.4million could not be paid as the original payment was sent to the wrong account.</p> <p>Duplicate payments to creditors.</p>	Implement consequence management.														
PILLAR FOUR: SERVICE DELIVERY																	
1	Technical Systems	<p>Basic technical systems are absent or inoperable.</p> <p>System licencing is not maintained.</p> <p>Technical data is not maintained.</p> <p>IT system landscape is not defined and implemented.</p> <p>No GIS system and competent personnel in place to prepare a GRAP and mSCOA compliant asset register inhouse.</p> <p>Provincial Road Asset Management (RAMs) project should be accelerated, and data verified before inclusion.</p> <p>Investment in a system/s allowing the Municipality to pinpoint areas where losses occur.</p> <p>Need for a digital fault/complaint reporting system.</p> <p>Need for a single meter database.</p>	<p>Investment in a Scada system is required.</p> <p>Implement the technical system recommendation outcomes of the system landscape in a phased approach.</p>	In-house	In-house	MM, Technical Director, CFO	01/01/2023	31/12/2024	<p>Investment in a Scada System</p> <p>Implementation of Technical Systems as Required</p>	Scada system	Per the BFP						
2	Policy and Planning	<p>Spatial development framework was approved and adopted in 2018. No annual review to the Spatial Development Framework.</p> <p>The MLM does not have the Water (Bulk) Master Plans such as the following:</p> <ul style="list-style-type: none"> Water and Sanitation Master plans Water Infrastructure Maintenance plan Water Conservation and Water Demand Management Plan (WCDWDM) and Water Services Development Plan (WSDP). <p>Roads and stormwater Masterplan does not exist.</p> <p>There are approximately 3 423 kilometres of unpaved roads within Madibeng excluding the Provincial and District roads which are maintained due to public demand.</p> <p>The Municipality is responsible for local roads.</p>	<p>Develop and implement the following:</p> <ol style="list-style-type: none"> Water Master Plan, Water Infrastructure Maintenance plan, Water Loss Management Plan, Water Conservation and Water Demand Management Plan (WCDWDM) Network. <p>Develop and implement Roads and storm water masterplan and maintenance plan.</p> <p>Monitor and report state of roads quarterly.</p> <p>Design and implement Operational Buildings Maintenance Plan and Operation Plan.</p> <p>Review and update the electricity master plan that was developed in 2019.</p> <p>Design and implement Community Facilities Maintenance Plan and Operation Plan.</p>	In-house	In-house	MM, Technical Director, CFO	01/01/2024	31/12/2024	<p>Develop and implement the following:</p> <ol style="list-style-type: none"> Water Master Plan, Water Infrastructure Maintenance plan, Water Loss Management Plan, Water Conservation and Water Demand Management Plan (WCDWDM) Network <p>Develop and implement Roads and storm water masterplan and maintenance plan</p> <p>Design and implement Operational Buildings Maintenance Plan and Operation Plan</p> <p>Review and update the electricity master plan</p> <p>Develop and implement Long-term asset management master plans</p>	<p>Water Master Plan</p> <p>Water Infrastructure Maintenance plan</p> <p>Water Loss Management Plan</p> <p>Water Conservation and Water Demand Management Plan (WCDWDM) Network</p> <p>Roads and storm water masterplan and maintenance plan</p> <p>Operational Buildings Maintenance Plan and Operation Plan</p> <p>Updated Electricity Master Plan</p> <p>Long-Term Asset Management Master Plans</p>	Refurbishment based on BFP						

		<p>technical) however the tolerable range is 5 – 12%.</p> <p>Electricity losses of R58 685 671 (2020: R36 060 321) 168kWh making up a total of 37% of purchased electricity. This is above the norm.</p> <p>36% losses for electricity in 2020/21 mainly due to illegal tampering, incorrect billing due to use of old meters which are not calibrated correctly. MLM does not have the actual % that relates to non-technical losses.</p> <p>Water losses is made up as follows: Network losses: 55% unaccounted for water losses Technical losses – 20% Non-Technical losses – 35% (mainly illegal connections).</p> <p>No installed Meters at some of the substations e.g., Pendoring substation.</p> <p>MLM did not provide any evidence of plans to implement smart technologies and conduct meter audits.</p> <p>No evidence of audit report for the auditing of all conventional meters (119) in Brits Industrial area was</p>	<p>Install meters utilising split metering, less prone to illegal connections.</p> <p>Meter readers should have technical skills and should report on illegal connections or meter tampering.</p> <p>Implement of by-laws.</p> <p>Conduct meter audits. Internal audit plan to include meter readings and installation.</p> <p>Conduct meter audits and assess high revenue generating areas in order to install smart meters and repair the existing meters.</p> <p>Identify non-paying debtors and install smart meters.</p>																
5	Landfill	<p>No plans in place. MLM sources services from third parties.</p> <p>MLM could not provide Integrated Waste Management Plan. As a result, we could not ascertain the following:</p> <ul style="list-style-type: none"> • Condition of maintenance plant and equipment: front end loader, bulldozer. • Compliance of landfill sites in terms of legislation. • Compliance to the requirement of a provision for the rehabilitation. • Access to MIG grant for landfill site development. • Tariffs and policy • Weighbridges on landfill sites; fence and electrify the landfill sites. <p>MLM could not provide Refuse Removal Management Maintenance and Refurbishment Plan. As a result, result we could not ascertain the following:</p> <ul style="list-style-type: none"> • Regular refuse removal schedule exists, and is it being adhered to. • Condition of equipment for maintenance and operations of refuse removal. • Tariffs to cost reflective Updated by-laws. • Illegal dumping status and awareness campaigns. • Review of SLAs of refuse removal service providers. 	<p>Implement Integrated waste management plan.</p> <p>Design and implement Removal Management Maintenance and Refurbishment Plan.</p>	In-house	In-house	MM, Technical Director, CFO	01/01/2024	31/12/2024	<p>Integrated Waste Management Plan</p> <p>Removal Management Maintenance and Refurbishment Plan</p>	<p>Integrated Waste Management Plan</p> <p>Removal Management Maintenance and Refurbishment Plan</p>	Revenue collection from weighbridges at landfill sites								
6	Water Quality	<p>Wastewater treatments not complying 90% against applicable water quality standards.</p>	<p>Develop and implement Sanitation Infrastructure Maintenance plan.</p>	In-house	In-house	MM, Technical Director, CFO	01/01/2024	31/12/2024	<p>Sanitation Infrastructure Maintenance Plan</p> <p>Additional Chlorine Dosing</p>	<p>Sanitation Infrastructure Maintenance Plan</p> <p>Additional Chlorine</p>	Increase in quality of water supply								

		Drinking water samples do not comply with SANS 241.	Install additional chlorine dosing units along the distribution network.						Additional Chlorine Dosing Units	Additional Chlorine Dosing Units					
7	Asset Security	<p>Cemeteries and Sport facilities have been vandalised.</p> <p>MLM has a hybrid system on security services. There is both internal staff and outsourced service providers.</p> <p>MLM contracted security services for R113m over 36 months.</p> <p>There is vandalism to municipal infrastructure either during protests or normal crime conducted by community members.</p> <p>Vandalism is also linked to late payment to contractors and non-payment of employees by contractors.</p>	<p>Collaborations with SAPS and district Municipality.</p> <p>Constant community engagements to use the communities as watchdogs of Municipal infrastructure.</p>	In-house, SAPS and Community	In-house, SAPS and Community	MM, Technical Director, CFO	01/01/2024	31/12/2024	SAPS and Community Collaborations on Municipal Asset Protection	SAPS and Community Collaborations on Municipal Asset Protection	Reduction in repairs and maintenance due to decreased vandalism				
8	Project Management	<p>The summary Grant funding is per below as at 30 June 2022. 73% spent on MIG. 100% spent on INEP. 86% spent on WSIG. 100% spent on EEDSM.</p> <p>Misappropriation of grant funds for operational purposes.</p> <p>Capital projects included in the internal audit plan.</p> <p>Procurement process efficiency.</p> <p>Projects arising from the Electricity masterplan must be planned and budgeted for.</p> <p>The budgeted amount is R61m. Target has been set for 4th quarter and total spent to date is R22m.</p>	<p>Create a database for Local Subcontractors.</p> <p>Implementation of procurement plan.</p> <p>Capital projects should be included in the three-year rolling internal audit plan.</p> <p>Improve planning and implementation by ensuring all projects have an accompanying feasibility study.</p>	In-house	In-house	MM	01/01/2024	31/12/2024	<p>Updated Database for Local Subcontractors</p> <p>Implementation of Procurement Plan</p> <p>Feasibility Studies on All Projects</p>	<p>Updated Database for Local Subcontractors</p> <p>Implementation of Procurement Plan</p> <p>Feasibility Studies on All Projects</p>	100% Capital Expenditure				
9	Plant and Fleet	<p>The municipality has the following in place:</p> <ul style="list-style-type: none"> Fleet Management Strategy and Plan. Draft Vehicle maintenance plan which is yet to be approved. Insurance and fuel management policies. <p>Municipality does not have Vehicle replacement plan.</p> <p>The municipality has a road worthy vehicles report. Licences of redundant vehicles is cancelled. However, the municipality does not update on time.</p> <p>The municipality has Insurance Policy in place. In the event that there is a damage due to unforeseen events insurance claims, the municipality follows its policy to process this. However, the accident committee is yet to be formed.</p> <p>Roadworthiness of operable vehicles is reported in a list of roadworthy fleet</p>	<p>Optimise the current fleet to provide maximum services.</p> <p>Fleet records should be updated on time and accident committee should be established to monitor progress of all fleet damaged.</p> <p>Establish accident committee that will investigate all accidents and apply consequence management where necessary.</p>	In-house	In-house	MM, Technical Director, CFO	01/01/2024	31/12/2024	Optimised Fleet Management and Functioning Mechanical Workshop	Optimised Fleet Management and Functioning Mechanical Workshop	Per vehicle replacement plan				

		<p>is reported in terms of community needs.</p> <p>Unsalvageable vehicle used as scrap parts or auction off vehicle in terms of legislation and policy, these vehicles are disposed of.</p> <p>MLM has recently bought 119 vehicles through a transversal contract from National Treasury worth R69m.</p>	<p>To incorporate the needs in their stakeholder engagement with businesses around the MLM area for plant requirements. Some of the big corporates may use their Corporate Social Responsibility budget to assist.</p> <p>MLM should establish a fully functional Mechanical shop with qualified personnel.</p>													
10	Housing Delivery	<p>MLM faces Political Interference when trying to evict occupants of informal settlements.</p> <p>Informal settlements are also putting pressure on the capacity of water, electricity, and sanitation.</p> <p>This is being fuelled by people coming to seek employment opportunities in the Mines, but the Mining Companies do not provide accommodation.</p> <p>The programme to restore title deeds is work in progress, registrations has started at Mothotlung x 1 and 2 then proceeding to Damonsville and Lethlabile.</p>	<p>MLM need to engage with Mining companies to help solve the Housing backlog via the use of PPPs.</p>	In-house	In-house	MM	01/01/2024	31/12/2024	Engagement with Mining Companies to resolve the housing backlog	Minutes of Meetings						
11	Community Facilities	<p>MLM currently outsources grave digging equipment.</p> <p>MLM does not have Recreational Facilities Maintenance Plan and Operation Plan. As a result, we could not ascertain the following:</p> <ul style="list-style-type: none"> Any refurbishing of facilities. Tariffs and policy, updated by-laws, cost reflective tariff on all services rendered; (e.g., pruning of trees, cleaning of erf). Review of SLAs e.g., leases for Public Amenities i.e., swimming pool, stadium etc. Cemeteries; Verification of the Indigent Register. Library Services status. <p>Mechanical Workshops.</p> <ul style="list-style-type: none"> Condition of mechanical workshops to repair vehicles and equipment internally. Workshop equipped with basic tools and equipment and stock. Workshop compliance with the OHS standards. Repair or salvage dysfunctional equipment. Auctioning off redundant equipment in line with legislation and policy. 	<p>Monitor use of the facilities and report monthly.</p> <p>Assess the condition of each facility as part of the asset register updates and report this matter monthly.</p> <p>Repair or salvage dysfunctional equipment.</p> <p>Auctioning off redundant equipment in line with legislation and policy.</p>	In-house	In-house	Technical Director, CFO	01/01/2024	31/12/2024	<p>Monitor use of the facilities and report monthly</p> <p>Assessment of the condition of each facility</p> <p>Repair dysfunctional equipment</p> <p>Auctioning off redundant equipment</p>	<p>Monthly Facility Usage Report</p> <p>Assessment of the condition of each facility</p> <p>Repair dysfunctional equipment</p> <p>Auctioning off redundant equipment</p>	Reduction in contracted services					



PHASE 3: SUSTAINABILITY

NO	FOCUS AREA	KEY ASSESSMENT FINDING (BASELINE)	KEY ACTIVITIES	RESOURCES REQUIRED	RESOURCES MOBILISED	RESPONSIBLE	START DATE	END DATE	KEY PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE	BUDGET PARAMETER/ REVENUE TARGET/ SPENDING LIMIT	MUNICIPAL PROGRESS REPORT			
												STEPS TAKEN	PROGRESS MADE	FINANCIAL IMPACT	OTHER NOTEWORTHY DEVELOPMENTS

PILLAR THREE: GOVERNANCE

To be informed by progress and achievements on Phase 1 and 2

PILLAR THREE: INSTITUTIONAL

To be informed by progress and achievements on Phase 1 and 2

PILLAR THREE: FINANCIAL MANAGEMENT (Subject to revision)

1	ESKOM	Escalating ESKOM debt.	Consider application for MFMA Circular No. 124 – Municipal Debt Relief through National Treasury.	In-house	In-house, PT Oversight	MM and CFO	01/01/2025	Monthly	Maintaining the Eskom bulk current account A funded MTREF Cost reflective tariffs Electricity and water as collection tools 80% average quarterly collection of property rates and service charges Municipality's billing system perfectly aligns to its Council approved GVR MFMA section 71 reporting Monthly reporting on progress in implementing its FRP to the Provincial Executive	Monthly Provincial Treasury certification of Municipal compliance	Municipal Eskom Debt Relief as prescribed by Circular No. 124				
			Adhere to the requirements and terms.	In-house	In-house, PT Oversight	MM and CFO	01/01/2025	Monthly	Provincial Treasury certification of Municipal compliance Limitation on Municipality borrowing powers Ensure proper management of resources						
2	Debt Management/ Debt restructuring	The municipality received bonds from PIC prior to 1994 and no repayment were made which led to a legal dispute. The municipality has been accounting for this loan under contingent liabilities until it lost the case at the Constitutional Court. This loan should have been accounted for as loan in the statement of	Renegotiate the loan settlement terms as the municipality is not able to pay the loan in the foreseeable future. Negotiate on waiver of the interest given the wider social interest goal of the municipality.	In-house	In-house	MM and CFO	01/01/2024	Ongoing	Renegotiated Loan Terms and Waiver of Interest	Renegotiated Loan Terms and Waiver of Interest	More favourable re-payment terms and waiver of interest.				

		<p>financial position hence it is now treated as prior period error. The total balance outstanding is R325 279 924. Interest at 10% which has been capped to the capital amount of R162 639 96. There have been no repayments on the loan.</p> <p>The loan has not been accounted for as a liability for a long time and the forecast budgets do not make provision for the repayment of the loan, yet the loan is repayable in the next 12 months.</p>	Investigate further the actual deal structure and make deal specific decisions based on terms and elements of the deal and all originating documents.													
3	Customer care and data accuracy	<p>Customer complaints logs: It is not clear from the municipal reporting whether the finalised queries relate to the closing of the matters to the satisfaction of the customer. There are records of ward councillors stating that most of the queries they have raised are just noted and not followed up and resolved by the municipality.</p> <p>There is no information relating to whether there is a turnaround time for both resolution of queries captured and those that have not been resolved.</p> <p>The customer care is not performing well as adjudged from the total number of queries of 10 741. The municipality only managed to capture 5.3% of the total queries received and finalised 5.1% of the queries. This is inconsistent with the survey conducted which shows that 100% of participants are 100% satisfied with the customer care section. Refer section below.</p> <p>Failure to follow up and record customer feedback upon finalisation of their query.</p> <p>Lack of direction and supervision.</p>	<p>Systems to be put in place for queries resolved, contact customers and record whether the queries were resolved to their satisfaction.</p> <p>Include capturing of queries, a defined turnaround time for resolution of queries and obtaining customer feedback on queries part of the KPIs for employees and managers in the customer care section.</p> <p>The municipality should fill key vacant posts with competent officials and obtain a commitment for a minimum agreed period of employment.</p> <p>Customer care strategies should be fully developed and subjected to third party verification.</p> <p>Create a detailed log of service backlogs, report to Council on progress on clearing the service backlogs on a monthly basis.</p> <p>Follow up and record customer feedback on satisfaction regarding resolution of query upon finalisation of their query.</p>	In-house	In-house	MM, CFO, Director Corporate Services	01/01/2025	Ongoing	Functioning Customer Care Unit System of Queries Resolved	Functioning Customer Care Unit System of Queries Resolved	Improved revenue collection through functioning customer care					
PILLAR FOUR: SERVICE DELIVERY																

1	Technical Systems	<p>Basic technical systems are absent or inoperable.</p> <p>System licencing is not maintained.</p> <p>Technical data is not maintained.</p> <p>IT system landscape is not defined and implemented.</p> <p>No GIS system and competent personnel in place to prepare a GRAP and mSCOA compliant asset register inhouse.</p> <p>Provincial Road Asset Management (RAMs) project should be accelerated, and data verified before inclusion.</p> <p>Investment in a system/s allowing the Municipality to pinpoint areas where losses occur.</p> <p>Need for a digital fault/complaint reporting system.</p> <p>Need for a single meter database.</p>	<p>Roll out scada system for Water and Electricity infrastructure.</p> <p>Implement the technical system recommendation outcomes of the system landscape in a phased approach.</p>	Municipal Manager, CFO, GM Budget, Service Delivery Executive Managers	In-house	MM	01/01/2025	Ongoing	Scada and Technical System Roll Out	Scada and Technical System Roll Out	Per BFP					
2	Policy and Planning	<p>Spatial development framework was approved and adopted in 2018. No annual review to the Spatial Development Framework.</p> <p>The MLM does not have the Water (Bulk) Master Plans such as the following:</p> <ul style="list-style-type: none"> • Water and Sanitation Master plans • Water Infrastructure Maintenance plan • Water Conservation and Water Demand Management Plan (WCWDMP) and Water Services Development Plan (WSDP). <p>Roads and stormwater</p>	<p>Maintain and update internally the following:</p> <ol style="list-style-type: none"> 1) Water Master Plan, 2) Water Infrastructure Maintenance plan, 3) Water Loss Management Plan, 4) Water Conservation and Water Demand Management Plan (WCWDMP) Network. 	In-house	In-house	MM	01/01/2025	31/12/2025	<p>Updated Water Master Plan</p> <p>Updated Water Infrastructure Maintenance plan</p> <p>Updated Water Loss Management Plan</p> <p>Updated Water Conservation and Water Demand Management Plan</p> <p>Updated Roads and Storm Water Masterplan and</p>	<p>Updated Water Master Plan</p> <p>Updated Water Infrastructure Maintenance plan</p> <p>Updated Water Loss Management Plan</p> <p>Updated Water Conservation and Water Demand Management Plan</p> <p>Updated Roads and Storm Water</p>						

		<p>Masterplan does not exist.</p> <p>There are approximately 3 423 kilometres of unpaved roads within Madibeng excluding the Provincial and District roads which are maintained due to public demand.</p> <p>The Municipality is responsible for local roads.</p> <p>Out of 3 423 km unpaved roads only,</p> <ul style="list-style-type: none"> - 106.7km are gravel roads - 1 916.82km Earth roads - Upgraded roads from unpaved to paved roads 59.546km - 1.340 are track roads which are mainly found in townships and settlements. <p>Potholes in MLM remain a challenge due to limited resources required to maintain the road network.</p> <p>An electricity masterplan is in place. This was developed in 2019 by AES Consulting. The plan has not been reviewed and updated.</p> <p>The electricity refurbishment plan dated 24/06/2022 still needs to be taken to council for approval.</p> <p>MLM does not have a report with a comprehensive Condition of</p>	<p>Review and update internally the Roads and storm water masterplan and maintenance plan.</p>						<p>Maintenance Plan</p> <p>Updated Operational Buildings Maintenance Plan and Operation Plan</p> <p>Updated Electricity Master Plan</p>	<p>Masterplan and Maintenance Plan</p> <p>Updated Operational Buildings Maintenance Plan and Operation Plan</p> <p>Updated Electricity Master Plan</p>					
			Monitor and report state of roads quarterly.												
			Review and update internally the Operational Buildings Maintenance Plan and Operation Plan.												
			Review and update the electricity master plan.												
3	Metering	<p>The Strategy is dated May 2020 with no evidence of update and is not being implemented.</p> <p>The Water losses were R101 818 883 (2020: R8 784 242) 4kl making up 30% of total KI billed. The norm is 30%.</p> <p>The auditor general raised concern over the distribution losses. The distribution losses do not exclude internal usage as part of the calculation received. This distorts the calculation. The calculation has a loss of 18% vs the 30% shown in the AFS.</p>	<p>Water database to be cleansed to improve billing.</p> <p>Expand Zonal meter networks for Water infrastructure.</p> <p>Expand Zonal meter network for Electricity infrastructure.</p>	In-house	In-house	CFO, Technical Director	01/01/2025	31/12/2025	<p>Cleansed Water Database</p> <p>Expanded Zonal Meter Network for Water Infrastructure</p> <p>Expanded Zonal Meter Network for Electricity Infrastructure</p>	<p>Cleansed Water Database</p> <p>Expanded Zonal Meter Network for Water Infrastructure</p> <p>Expanded Zonal Meter Network for Electricity Infrastructure</p>	Installation of SMART meters based on BFP				

4	Landfill	<p>No plans in place. MLM sources services from third parties.</p> <p>MLM could not provide Integrated Waste Management Plan. As a result, we could not ascertain the following:</p> <ul style="list-style-type: none"> • Condition of maintenance plant and equipment: front end loader, bulldozer. • Compliance of landfill sites in terms of legislation. • Compliance to the requirement of a provision for the rehabilitation. • Access to MIG grant for landfill site development. • Tariffs and policy • Weighbridges on landfill sites; fence and electrify the landfill sites. <p>MLM could not provide Refuse Removal Management Maintenance and Refurbishment Plan. As a result, result we could not ascertain the following:</p> <ul style="list-style-type: none"> • Regular refuse removal schedule exists, and is it being adhered to. • Condition of equipment for maintenance and operations of refuse removal. • Tariffs to cost reflective Updated by-laws. • Illegal dumping status and awareness campaigns. • Review of SLAs of refuse removal service providers. 	<p>Review and update Integrated waste management plan.</p> <p>Review and update Removal Management Maintenance and Refurbishment Plan.</p>	In-house	In-house	CFO, Technical Director	01/01/2025	31/12/2025	<p>Review and update Integrated Waste Management Plan</p> <p>Review and update Removal Management Maintenance and Refurbishment Plan</p>	<p>Review and update Integrated Waste Management Plan</p> <p>Review and update Removal Management Maintenance and Refurbishment Plan</p>	Revenue collection from weighbridges at landfill sites					
5	Water Quality	<p>Wastewater treatments not complying 90% against applicable water quality standards.</p> <p>Drinking water samples do not comply with SANS 241.</p>	<p>Review sanitation Infrastructure Maintenance plan.</p> <p>Maintain water quality as per SANS 241 requirements.</p>	In-house	In-house	CFO, Technical Director	01/01/2025	31/12/2025	<p>Reviewed Sanitation Infrastructure Maintenance Plan</p> <p>SANS 241 Compliance</p>	<p>Reviewed Sanitation Infrastructure Maintenance Plan</p> <p>SANS 241 Compliance</p>	Increase in quality of water supply					
6	Asset Security	<p>Cemeteries and Sport facilities have been vandalised.</p> <p>MLM has a hybrid system on security services. There is both internal staff and outsourced service providers.</p> <p>MLM contracted security services for R113m over 36 months.</p> <p>There is vandalism to municipal infrastructure either during protests or normal crime conducted by community members.</p> <p>Vandalism is also linked to late payment to contractors and non-payment of employees by contractors.</p>	<p>Collaborations with SAPS and district municipality.</p> <p>Constant community engagements to use the communities as watchdogs of municipal infrastructure.</p>	In-house	In-house	MM, Technical Director	01/01/2025	Ongoing	<p>Collaborations with SAPS and Community on Municipal Infrastructure Protection</p>	<p>Collaborations with SAPS and Community on Municipal Infrastructure Protection</p>	Reduction in repairs and maintenance due to decreased vandalism					