City of Ekurhuleni

ERWAT: 4th Quarter Departmental Performance Reporting

ERWAT

EXCELLENCE IN WATER CARE

2019/20 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

1. Executive Summary by the Department

The entity has managed to achieve five (5) out of the six (6) key performance indicators reportable during the fourth quarter. The compliance in terms of the wastewater treatment works license conditions and/or exemptions standards was at 92% against a target of 89%. Capital expenditure for the 4th quarter was at 97% which is more than the accumulative target of 95%.

Revenue generated from commercial business for the 4th quarter was R121.8 million which was more than the target of R50 million. This revenue increase was significantly boosted by the implementing agency fees that ERWA was paid in the Vaal River Intervention Programme. The entity had been able to strengthen its position with various stakeholders by entering into various strategic partnerships with private and public sector, where memorandum of understanding and agreements have been agreed upon.

The appointment of ERWAT as an implementing agent at Emfuleni Local Municipality has boosted the revenue generated during this quarter. However the Department of Human Settlement Water and Sanitation did not extend this contract beyond 12 months and therefore ERWAT will be cease being an implementing agent in the Vaal River Intervention Programme as at the end of July 2020.

Operational expenditure has however, continuously improved during the course of the year as the remedial plans took effect and we are on track to spend the full maintenance budget by the end of the financial year. Bulk purchases (Electricity, water, chemicals) are 14% below budget due to timing of utility accounts received which corrects at year end.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring				
	Total number of targets set for the quarter	**Achieved**	**Not achieved**	**Variance**
City Wide SDBIP	2*	2	0	0
Departmental SDBIP	4	3	1	1

**1 The Audit Opinion KPI is only reportable during the 2nd quarter.*

2. Service Delivery Monitoring

CITY- WIDE KPI'S

KPI 1 – City -wide

Total revenue generated from external business

Method of Measure

This is the total external sundry income generated through provision of external services to external customers and it excludes the following revenue (Dividend Received, Development contributions, Interest received and dividends, User Charges and Grants Received).

Evidence

Invoices

Q4 Target

R50 million

Q4 Actual

R121 090 992

Comment:

Target Exceeded

ERWAT has embarked on the process of finding ways to increase revenue from both State Owned Entities and the Private Sector.

Corrective Measure

Not Applicable

KPI 2 – Metro-wide

Audit Opinion from AGSA.

Q4 Target

Audit Opinion from AGSA

Q4 Actual

Not reportable during this quarter.

KPI 3 – City-wide

% compliance with wastewater treatment works license conditions and/or exemptions standards

Method of Measure:
Water Quality analysis of all 19 Waste Water Treatment Works calculated as a percentage of parameters complying against the set standards as per Water Use Licences/exemptions. The percentage is then averaged to get the overall % compliance.

Evidence

- Water Quality analysis reports per Wastewater Treatment Work and per month;
- Quarterly reports, showing the Water Use License standards and compliance calculations;

Q4 Target
89%

Q4 Actual
92%

Comment:
Achieved. Even though the entity achieved this target, it is important that the challenges outlined under section 3.4 be noted:

Reasons for overachievement:

1. Reduced number of critical equipment failures.
2. Reduced industrial and commercial wastewater and thus reduced organic loading on the WCWs.

Reasons for overachieving

Reduced number of critical equipment failures:
There was an improved equipment availability at the WCWs as fewer breakdowns were experienced during Q4 (315) compared to Q3 (320), contributing to the improvement of the final effluent water quality. Table 1 shows the reduced equipment failures from Q3 to Q4 for the WCWs that had a significant improvement in effluent water quality.

WCW	Critical equipment failures Q4	Critical equipment failures Q3
Daveyton	8	26
Hartebeestfontein	10	13
Heidelberg	3	5
JP Marais	21	34
Rondebult	6	8
Waterval	54	87

Table 1: Reduced plant equipment failures

Reduced numbered of high impact industrial effluent incidents on WCW as well as reduced organic loading on WCWs:
Due to the National Covid-19 Lockdown level 5 and 4, most wet industries were closed or partially operational, and this resulted in less industrial and commercial effluent discharged into the WCWs.

Table 2 shows the number of high impact industrial incidents from Q3 to Q4.

WCW	Organic load reduction	Number of days receiving high industrial impacts in Q4	Number of days receiving high industrial impacts in Q3
Benoni	63%	0 of 91 days	0 of 91 days
Hartebeestfontein	67%	10 of 91 days	15 of 91 days
Heidelberg	82%	30 of 91 days	31 of 91 days
Jan Smuts		3 of 91 days	3 of 91 days

Table 2: Industrial impacts

Moving from Lockdown level 4 to level 3, more wet industries resumed/increased production and the organic loading increased at most plants, but has not yet reached the levels pre-Lockdown. Therefore, the compliance of the WCWs remains positively impacted with not a single WCW exceeding its design organic capacity in Q4, as depicted in the graph below.

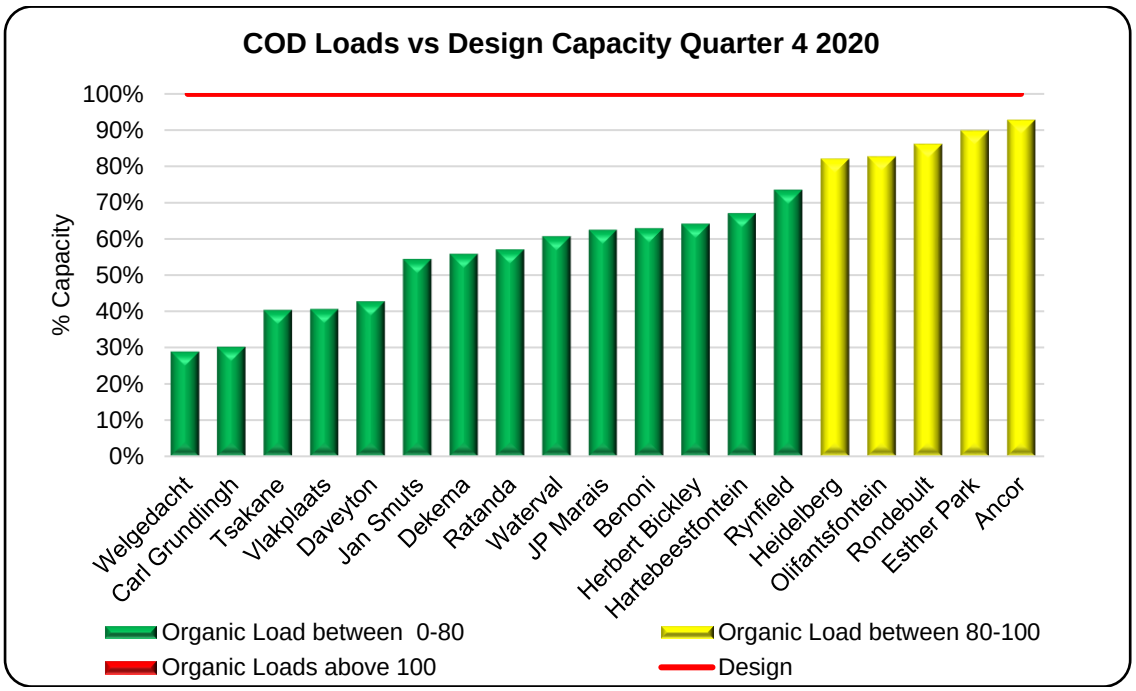


Figure 1

KPI – 1 Departmental SDBIP

% Capital expenditure on planned projects

Method of Measure:

Increase ERWAT Wastewater Treatment Plants (WWTP) treatment capacity and improve process efficiency through infrastructure development projects (CAPEX). The total capital expenditure on major capital projects associated with increasing capacity and improving process efficiency in ERWAT Wastewater Treatment Plant according to green drop requirements and ERWAT Facility Development Plan (FDP 2032).

Evidence

- Project progress reports (weekly, quarterly and Annual reports)
- Payments certificates
- Invoices

Q4 Target

95%

Q4 Actual

97.47%

Comment:

The 4th quarter target of 95 % was exceeded.

KPI – 2 Departmental SDBIP

% of planned maintenance scheduled

Method of Measure:
Number of planned maintenance Jobcards opened versus number of planned maintenance Jobcards closed in quarter 4.

Evidence

- Closed Jobcards

Q4 Target
90%

Q4 Actual
100%

Comment:

The 4th quarter target of 90% was exceeded. 29 opened job-cards against 29 closed job-cards resulted an overall 100% planned maintenance.

Reasons for achieving 100%

- ERWAT maintenance department achieved on their quarterly target of 90% due to the following reasons below:

  Only 29 planned maintenance jobcards were scheduled and closed, this is because ERWAT has activated the Covid-19 Lock down level 3 business continuity plan, which state that maintenance personnel will only be utilised for emergency breakdown and minimum planned maintenance to avoid overcrowding at the workstations.

KPI – 3 Departmental SDBIP

Rand value- support of SMME's through ensuring appropriate application of preferential procurement practices.

Method of Measure

Rand value of contracts awarded to SMME's against a set targeted rand value amount.

Evidence

Procurement Plan and Invoices Paid.

Q4 Target

R16 742 000

Q4 Actual

R84.4 million

Comments

Target exceeded

Remedial Action

None

KPI – 4 Departmental SDBIP

Number of audit findings cleared per quarter.

Method of Measure

Number of audit findings cleared against a set number of targeted audit findings to be cleared.

Evidence

Implementation of the actions plans as per the recommendations on the Management Report issued by the AG (SA).

Q4 Target

35 audit findings cleared in full by the end of Q4 2019/2020

Q4 Actual

11 audit findings cleared in full by the end of Q4 2019/2020

Comments

The number of audit findings for the 2018/2019 financial period was only 16. The annual and quarterly targets were not revised accordingly due in error by ERWAT

Remedial Acton

Management will ensure that all findings that can be cleared are finalised that are outstanding are cleared in Q1 2020. Where the findings cannot be cleared in Q1 2020 management provide reasons in the OPCA Control Sheet

3.1 City-Wide/Institutional SDBIP 2019/20

Refer to the City-wide SDBIP 2019/20.

Table1: City-Wide Indicators

NB: Please note that reasons for variance must be provided for both overachievement and under achievement

Entity	Outcome	Ref No.	Performance Indicator (Output level only)	Description of Portfolio of Evidence Verified	Baseline (Annual Performance of 2018/19 estimated)	Annual Target for 2019/20	4th Quarter Planned Output as per SDBIP	4th Quarter Actual Output	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	4th Quarter Planned Budget	4th Quarter Actual Expenditure
National Prescribed Indicators															
N/A															
Provincial Indicators															
N/A															
City of Ekurhuleni Indicators															
IDP Strategic Objective 2: To build a clean, capable and modernized local state															
ERWAT	Improved Quality of water (including wastewater)	35	Total revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported	R106 777 620.91	R160 000 000	R50 000 000	R R121 090 992	R71 090 992	R 121 090 992	The planned budget output was overachieved with actual output of R129 090 992 versus planned output of R50m	This was mainly due to the fees received by ERWAT for being appointed as an implementing agent in the Vaal River Intervention Programme	None	R27 000 000	XXXXX
	To build a clean, Capable and Modernised Local State	36	Audit Opinion	Audit report from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	-	Not reportable during quarter						-	
IDP Strategic Objective 4: To protect the natural environment and promote resource sustainability															

Entity	Outcome	Ref No.	Performance Indicator (Output level only)	Description of Portfolio of Evidence Verified	Baseline (Annual Performance of 2018/19 estimated)	Annual Target for 2019/20	4th Quarter Planned Output as per SDBIP	4th Quarter Actual Output	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	4th Quarter Planned Budget	4th Quarter Actual Expenditure
ERWAT	Improved Quality of water (including wastewater)	57	Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	Water Quality Data of each Wastewater Treatment Works (from the Lab) Spreadsheet used to calculate over all compliance. Applicable Water use authorization of each Waste Water Treatment Works	90.25%	89%	89%	92%	3%	Performance Achieved	Exceeded	1. Reduced number of critical equipment failures. Reduced organic loading due to Covid-19 National Lockdown	None required	R131 108 373.50	R103 7 69 482. 67

3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2019/20

Table 2: Entity's SDBIP

Entity	Outcome	Ref No.	Performance Indicator (Output level only)	Description of Portfolio of Evidence Verified	Baseline (Annual Performance of 2018/19 estimated)	Annual Target for 2019/20	4th Quarter Planned Output as per SDBIP	4th Quarter Actual Output	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	4th Quarter Planned Budget	4th Quarter Actual Expenditure
IDP Strategic Objective 2: To build a clean, capable and modernized local state															
ERWAT	Improved Quality of Water including Wastewater	1.M	Percentage Capital expenditure on planned projects	Project progress reports (weekly, quarterly and Annual reports) Payments certificates Invoices	95%	95%	95%	97.47 %	2.47%	Target met	The target for the for the 4th quarter is over achieved	The 3rd quarter target of 70% was not met, the CAPEX recovery plan was developed in order to accelerate the implementation of projects and yielded a positive variance of 2% variance.	Not applicable	R43 690 656.30	R60 283 973.02
	Improved Quality of Water including Wastewater	2.M	Percentage of repairs and maintenance budget spent	Job Cards received versus number of job cards completed. AND	45%	90%	90%	100%	10%	Target Exceeded	Target Exceeded	Only 29 planned maintenance jobcards were scheduled and	Not Applicable	R32 392 423	XXXX

Entity	Outcome	Ref No.	Performance Indicator (Output level only)	Description of Portfolio of Evidence Verified	Baseline (Annual Performance of 2018/19 estimated)	Annual Target for 2019/20	4th Quarter Planned Output as per SDBIP	4th Quarter Actual Output	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	4th Quarter Planned Budget	4th Quarter Actual Expenditure
				Finance expenditure reports								closed, this is because ERWAT has activated the Covid-19 Lock down level 3 business continuity plan, which state that maintenance personnel will only be utilised for emergency breakdown and minimum planned maintenance to avoid overcrowding at the workstations.			
	Improved Quality of Water including Wastewater	3.M	Rand value-support of SMME's through ensuring appropriate application of preferential procurement practices	Procurement Plan, CSD /BEE report, Invoices Paid, and bidder's proof of payment to sub-contracting party.	New	R64 390 000	R16 742 000	R84 404 738.00	Exceeded R67 662 738.00	R123 903 928.00 value of pos issued in Q4 = 68.12% awarded to SMME	exceeded	None	None	R16 742 000	R84 404 738

Entity	Outcome	Ref No.	Performance Indicator (Output level only)	Description of Portfolio of Evidence Verified	Baseline (Annual Performance of 2018/19 estimated)	Annual Target for 2019/20	4th Quarter Planned Output as per SDBIP	4th Quarter Actual Output	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	4th Quarter Planned Budget	4th Quarter Actual Expenditure
										(QSE and or EME)					
	Improved Quality of Water including Wastewater	4.M	Number of audit findings cleared	Signed proof on the number of audit findings cleared per quarter.	35	35	35	11	24	Not achieved	31.4% Achieved	Management was not able to clear all the findings raised by the auditor general in the 2019/2020 regularity audit	1. Management will ensure that all findings that can be cleared are finalised that are outstanding are cleared in Q1 2020 2. Where the findings cannot be cleared in Q1 2020 management provide reasons in the OPCA Control Sheet	-	-

3.3. Reflection on operations/ day-to-day activities (Analytical Narrative Account)

A. Flows

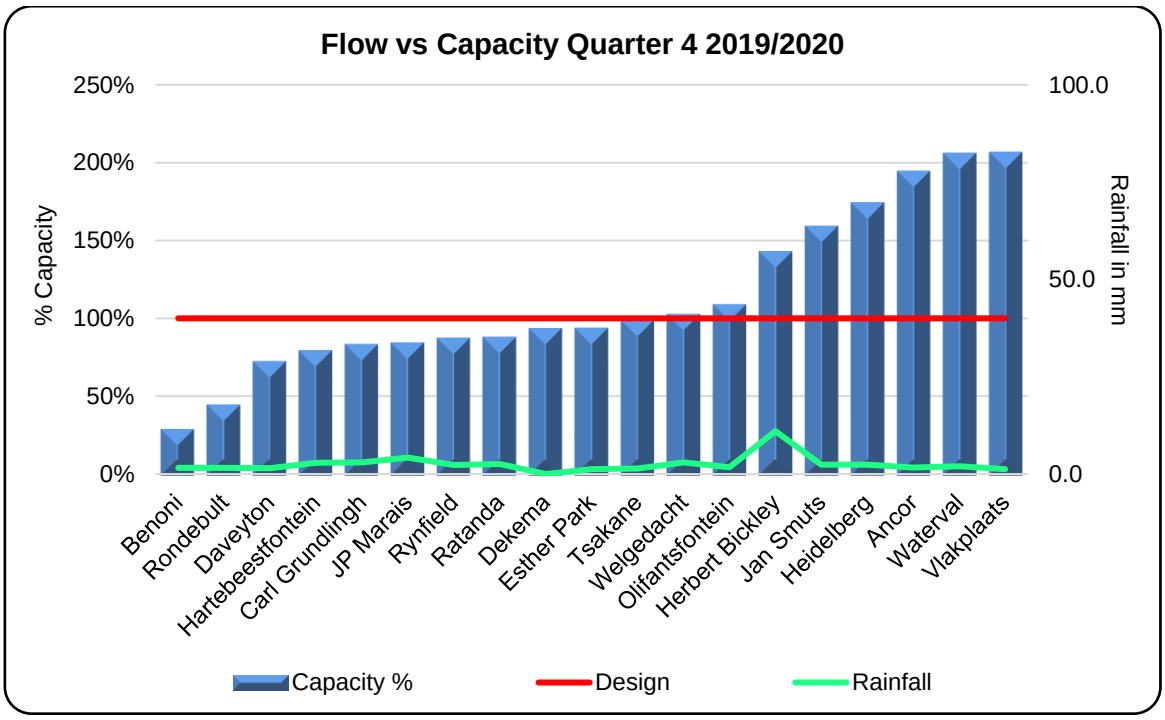


Figure 2

A total of 81 495 Ml was treated in Q4, at an average of 896 Ml/day, utilising 133% of the capacity as compared to 86 359 Ml, at an average of 951 Ml/day, utilising 142% of the capacity in Q3.

Ancor operated at 193%, Jan Smuts at 158% and Heidelberg operated at 173%, Herbert Bickley at 154% and Tsakane at 98% of hydraulic capacity in Q4, with large regional plants such as Welgedacht operating at 102%, Olifantsfontein operating at 108%, Vlakplaats operating at 229% and Waterval operating at 227%.

3.4. Service Delivery Highlights and Challenges

CHALLENGES

A. *Flows*

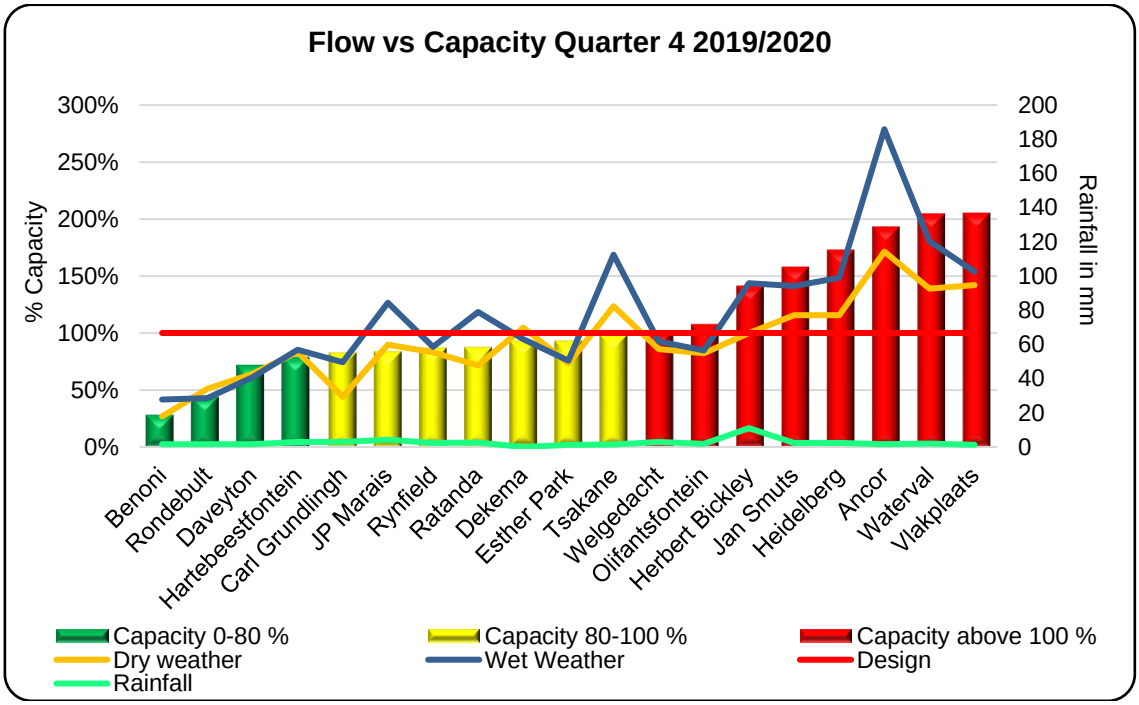


Figure 3

As can be noted in the above graph, hydraulic capacity remains a big challenge. During Q4 eight (8) out of the nineteen (19) Water Care Works were operating above their design capacity, seven (7) operating between 80% and 100%, and only four (4) operating below the 80%. This is the situation during the dry season.

WCW	Hydraulic Design Capacity	Actual Flow (Q4)	Rainfall
Ancor	15.00	29.06	19.2
Benoni	16.00	4.53	140
Carl Grundlingh	5.00	4.13	121
Daveyton	19.00	13.6	39
Dekema	32	28.8	0
Esther Park	1.00	0.93	142
Hartebeestfontein	63.00	49.57	73.1
Heidelberg	5.40	9.00	135.0
Herbert Bickley	15.10	21.5	167
Jan Smuts	6.10	10.00	51
JP Marais	15.00	12.54	62.7
Olifantsfontein	105.00	113.38	169
Ratanda	4.70	4.10	119
Rondebult	18.00	8.79	0.00
Rynfield	10.00	8.67	102
Tsakane	20.00	19.59	128
Vlakplaats	55.00	113.02	0
Waterval	170.00	384.6	0
Welgedacht	95.00	96.75	40

Table 3: Design Capacity vs Actual Flow

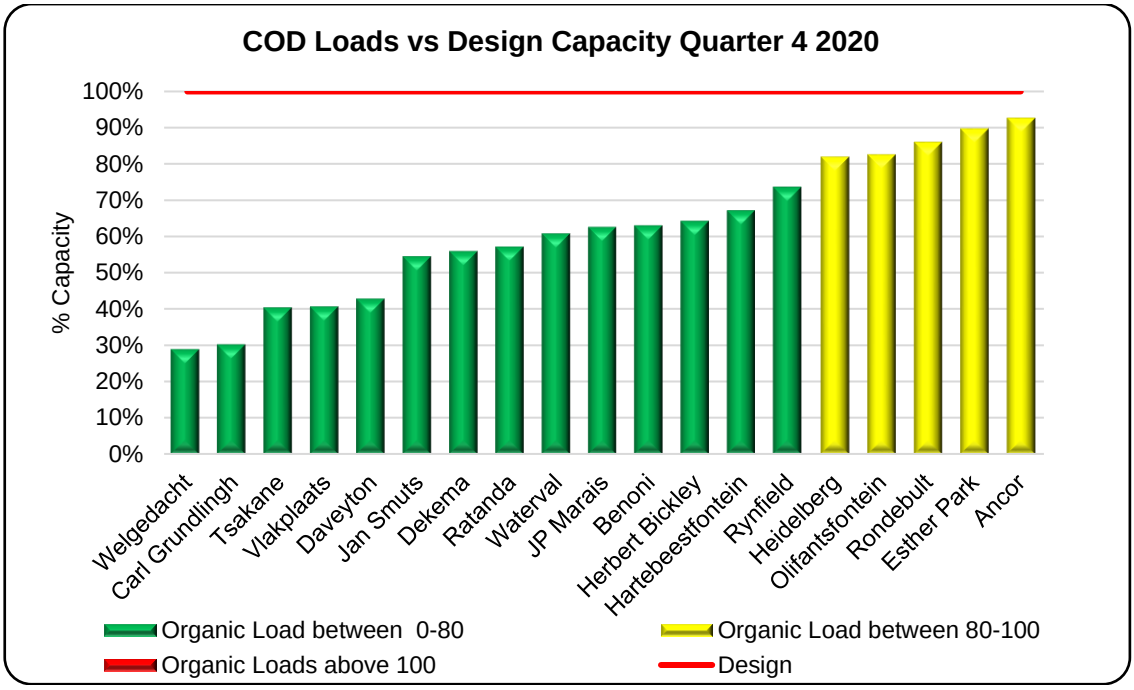


Figure 4

As can be seen in the graph above, during Q4, none of the plants received organic loads more than 100% of the design capacity. During this reporting period five (5) out of the nineteen (19) Water Care Works (WCW) received organic loads between the 80% and 100%, and fourteen (14) received below the 80% mark, compared to Q3 where only two (2) operated between 80% and 100%, and seventeen (17) operating below the 80% mark.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Critical equipment failures	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Ancor	Plant compliance for Q4 is 80% Non-compliant parameters : Chemical 74% and Micro 73%	Plant operated at 194% of its hydraulic capacity	Plant operated at 99% of organic capacity, which is lower than the loads received pre-lockdown, Q1-Q2, as some of the industries were closed during levels 4 and 5 of the lockdown.	Ancor experience storm water ingress during heavy rainfall, worsening the overloaded hydraulic capacity, however the RSA COVID-19 lockdown reduced flows to the WCW.	Plant received high COD industrial effluent on 27of 91 days. In Q3, it was 15 days out of Increase due to industries that started up after we moved to level 3	20 critical equipment failures occurred in Q4, namely: 9 failures on the ferric chloride dosing system in Q4; 6 failures of the chlorine system, sludge pumps to digesters flooded due to heavy storms and very high flows.	3 outages occurred (9-hrs. total) (Generator backup available for whole plant except disinfection section).	Bio filter flow division boxes partially collapsed, humus tanks/ PST's- and digesters structures are crumbling /cracked	3 digesters are blocked with sand and are not in operation. This cause the plant to run out of sludge handling capacity, which prevent proper desludging and resulting in non-compliances.	No veldfires occurred during Q4.	Stockpile area not lined. Stockpiles on plant is a risk due to veldfires and environmental pollution	Unlined sludge paddies pollute underground water	Area around humus tanks and final effluent channel are dolomitic according to Geotech study performed.	N/A	CoE removes solid waste (screenings and grit).	Road in very bad condition, however some potholes were repaired during the Q4.	N/A
Benoni	Plant complied with WUL effluent standards for Q4. Physical: 100%. Chemical: 99%. Micro:96%, therefore Q4 overall compliance = 98%	Plant operated at 28 % of hydraulic capacity	Plant operated at 62.88 % of organic capacity	None		3 critical equipment failures occurred in Q4 that affected micro compliance	2-power failures that lasted 14.3 hours	Open digesters walls are cracking, Humus tank weirs plates worn out		None	Dried sludge is stockpiled on the plant and applied on instant lawn	Unlined sludge paddies and maturation ponds	N/A	N/A	Sludge classification is A2c, which is suitable for the instant lawn application.	N/A	N/A
Carl Grundlingh	Plant Complied with WUL effluent standards (100%)	Plant operated at 83% of its hydraulic capacity	Plant operated at 30% of organic capacity	None	None	3 Critical equipment failures for Q4 (Anoxic Mixer 2, Generator and Floating Aerator). However, the plant compliance not affected	Carl Grundling had no power failure in Q4.	None	N/A	No veldfires occurred during Q4.	Land application of sludge is the method employed	Unlined sludge to land posing ground water pollution	None	None	Collected by CoE to a dedicated landfill site	Access road to the plant is damaged and requires an upgrade.	None
Daveyton	Plant complied; compliance for Q4 is 98.49%.	Plant operated at 72% of its hydraulic capacity.	Sufficient capacity. Plant operated at 42.8 % of its organic capacity.	Numerous sewer blockages in the CoE network and potable water supply interruption to Etwatwa lead to inconsistent and irregular flow to the plant.	N/A. Domestic only.	8 Critical equipment failures occurred in Q4, namely: 2 x Screw conveyer at inlet faulty, High mast light next to blower room trip, mixer 2 trip, Ras pump failure, Faulty chlorine load sell, Clarifier 3 bridge.	8 power outages occurred (38 hours total). All of the outages was load reduction on network, We communicated with ESKOM and had Daveyton removed from load reduction schedule.	Small crack on the CCT side wall and a small crack in floor of Clarifier 3 (Do not have effect on the operation at the moment)	N/A	Veld fires pose a risk during winter, but no incidents during Q4.	Sludge lagoons are unlined Space for solar drying is in-sufficient	Unlined sludge lagoons pollute the ground water.	N/A	N/A	CoE removes solid waste (screenings and grit).	N/A	N/A
Dekema	Plant did not comply with WUL effluent standards. Non-compliant parameters Physical 96% Chemical 82% Micro 86%	Plant operated at 93% of hydraulic capacity	Sufficient capacity. Plant operated at 55% organic capacity	Plant received high flows on 11 out of 91 days	Plant received high COD industrial effluent on 4 of 91 days	6 Critical equipment failures occurred in Q4, namely breakdown of 1 sludge withdrawal pump,2 wash water pumps,1 degritter pump and 2 cascade	10 Outages occur (37 hrs total) Load shedding is a big concern.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked.	1 out of 12 Anaerobic digesters is blocked	No veld fires occurred during Q4.	Sludge pumped to unlined lagoons for solar drying and dried sludge spread to land area to	Unlawful disposal of grit (grit is buried on-site in a trench).	None	N/A	N/A	N/A	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Critical equipment failures	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						pumps (final effluent mixing / aeration)					be plough into land.						
Esther Park	Plant complied with WUL effluent standard by 95%	Plant operated at 93% of hydraulic capacity	Plant operated at 103% of organic capacity	N/A	Suspected industrial effluent pollution in Q4	3x critical equipment failures occurred in Q4 that affected ammonia and micro compliance	No power failures recorded in the quarter	Reactor needs to be upgraded	N/A	None	N/A	N/A	N/A	N/A	Solid waste collected by the CoE		Access road to plant must be upgraded
Hartebeestfontein	Plant complied with WUL effluent standard by 92%	Plant operated at 79% of hydraulic capacity	Plant operated at 67% of organic capacity	Plant received industrial high strength effluent on 10 of 91 days	10 Critical equipment failures occurred in Q3	2 power failures that last for 2 hours	Aging concrete on plant infrastructure.	No veld fires in Q4	Digester 6 & 9 sludge recirculation nozzles blocked	None in Q4	1071100 kg of dry sludge was irrigated to the 200 hectares farm	Borehole two has high concentration of Nitrates	Sink hole next to the fence towards FST 5 & 6 and around the Farm	Licence amendment with relaxation on Electrical conductivity, Ammonia, E.coli and COD was granted in July 2019	Sludge classification is B2c, not suitable for the intended purpose, this requires further engagement with the farmer	Road to final effluent discharge point need to be graded. Road to be fix in May 2020	There was a portable water leak on the main pipe feeding Hartebeestfontein and head office in June 2020
Heidelberg	Plant Complied with WUL effluent standards (94%)	Plant operated at 173% of its hydraulic capacity	Plant operated at 82% of organic capacity	High incoming flows encountered in Q4.	Plant received high COD industrial effluent on 14 of 91 days and high SS on 16 days of 91	3 Critical equipment failures for Q4 (1x aerator; 1x Chlorine Injector, 1x generator for the inlet works)	Heidelberg had 1 power outage with a duration of 2 hours due to fault from Municipality site in Q4.the diesel used was 56L	The joint sealants of Carousel reactor concrete wall are damaged	N/A	No veldfires occurred during Q4.	Sludge at the plant stockpiled after dewatering, and is also applied /irrigated to the lands and could potentially contaminate groundwater resources	Unlined sludge paddies/lack of groundwater monitoring in the sludge paddies	None	None	Screenings and grit generated at the plant are still being buried and this practice is not environmental friendly	The access road to Heidelberg works is severely damaged and a new-tarred road is required urgently	None
Herbert Bickley	Plant Complied with WUL effluent standards (95%)	Plant operated at 142% of hydraulic capacity	Plant operated at 68% of organic capacity	High incoming flows in April due to high rainfall. Flooding of inlet works in June due to malfunctioning of the Generator	Plant received industrial high strength effluent on 2 of 91 days	26 Critical Equipment (booster pumps, sludge to land pump, chlorine dosing systems, RAS Pumps and raw sludge recycle and desludging pump)	Herbert Bickley had 4 power outages with a total duration of 18 hours in Q4. Generator is operational.	Anaerobic digesters cracked concrete structures	6 out of 8 digesters not in use due to blockages and leaking digester pipes	No veldfires occurred during Q4.	Sludge used for irrigation at instant lawn	Borehole no.9 showed high count of E.coli in May which complied in June	None	None	Collected by CoE to a dedicated landfill site	Access road to the plant damaged and requires an upgrade	None
Jan Smuts	Plant compliance for Q4 is 85%. Non-compliant parameters: Chemical 73% Physical compliance = 88%	Plant operated at 158% of its hydraulic capacity	Plant operated at 54% of its organic capacity.	Plant operated at 158% of its hydraulic capacity (High incoming flows in all the	Plant received industrial high strength effluent on 3 of 91 day	1 critical equipment failure occurred in Q4. PST number 2's motor and gearbox.	1 power failure (6 hours) Generator backup available for entire plant.	Humus Tanks scum boards, digester number 2's wall, drying beds' walls and the bio-filters' feed flow		None	Dried sludge is stockpiled on site.	Unlined sludge stockpile area can cause groundwater	N/A	N/A	Screenings are incinerated at the plant and the grit buried at the plant. This practice does not comply with	N/A	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Critical equipment failures	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
				days in Q3				division box/tower.				pollution.			WUL conditions.		
JP Marais	Plant compliance for Q4 is 99%.	Sufficient capacity. Plant operated at 84% of hydraulic capacity	Sufficient capacity. Plant operated at 52% of organic capacity	None experienced in Q4	No industrial incidents that negatively affected the WCW in Q4	21 critical equipment failures occurred in Q4, namely; WAS pump 1&2 (6 times), WAS sump level meter (4 times), Office Gen-Set (once), PST pump#1 (once), RAS pumps (6 times), Clarifier bridge #1 (once),Aerator 5S (2 times)	2 Power outages (7 hours total), Generator backup is available.	PST fine screen not available (replacement scheduled for July 2021).	N/A	No veld fires occurred during Q4	Sludge pumped to Welgedacht, where it is treated.	Some bore holes polluted. Ongoing monitoring of bore holes.	No dolomitic soil	N/A	CoE removes solid waste (screenings and grit).	Road in a good condition	None
Olifantsfontein	Plant did not comply with WUL effluent standard Plant complied with 78% compliance	Plant operated at 108% of hydraulic capacity	Plant operated at 83% of organic capacity	Plant operated at 108% of hydraulic capacity	Plant received industrial high strength effluent on 70 of 91 days. Plant received very high Electrical Conductivity above 100 mS/m , 58 of 91 days	34 critical equipment failures occurred in Q4	4 – Power failure that lasted for 7 hours with diesel consumption of 667 litres	Module 3, Anaerobic digesters and drying beds	3 out 6 digestors are blocked	No veld fires in Q4	Sludge is disposed on different farms around Bapsfontein area and is used for agricultural purposes	Unlined emergency dams contaminating bore hole no.2	2 x Sink holes behind and in front of the old laboratory which occurred in Q2	Olifantsfontein WUL is stringent on Ammonia of < 1mg/l, SS of 15 mg/l and EC of < 80 mS/m.	Sludge is classified into two streams: (1). Dewatering unit(B3a), the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A1a), No restrictions and requirements apply	Road to upstream sampling point need to be graded. To be reported to the CoE	None
Ratanda	Plant Complied with WUL effluent standards (95%)	Plant operated at 87% of its hydraulic capacity	Plant operated at 57% of organic capacity	Experienced 2 incident, low inflow to the plant on 22 April 2020 due to blocked manhole at extension 8 and Tokolohong homes and also on 05 June 2020 sewer plugged to complete	None	3 Critical equipment failures for Q4 (1x A-recycle pump; 1x Generator; 1x Transformer)	8 power outage(117 hours) incidents due to power failure 3864 litres of diesel is used at the total cost of R60 432.96	Drying beds drainage system and chlorine contact tanks are badly leaking	N/A	No veldfires occurred during Q4.	Dried sludge is stockpiled on-site.	Unlined ponds and leaking drying beds	None	None	Screenings and grit generated at the plant are still being buried and this practice is not environmental friendly	The access road to Ratanda Works is severely damaged and a new-tarred road is required urgently	No link to the Municipal Potable Water Supply, water transported from Heidelberg Works and borehole water is used for other domestic purposes
Rondebult	Plant did not comply with WUL effluent standard for Chemical – 84.4% Compliant Parameters - Micro - 93.3%	Plant operated at 42.7% of hydraulic capacity.	Plant operated at 86 % of organic capacity.	High and low, flows due to the sluice gate installed at Klippoortjie. High flows of up to	Plant received industrial high COD effluent on 6 of 91 days.	8 Critical equipment failures for Q3. Namely: 1 failure on the ferric chloride dosing system, 2 x primary bio filter feed pumps, 3 x Secondary bio filter feed pumps, 1 x Anaerobic	11 Outages occur (74 hours in total) due to power interruptions.	Biofilter walls cracked. Brickwork of open channels are unstable, collapsing and cracked. The feed pipe from the primary	None	3 veld fires occurred during Q3 and 1 during Q4.	Dried sludge is spread on to land and plough into land.	Unlawful disposal of grit and screenings (grit is buried on-site in a	The entire area of the plant are dolomitic	N/A	Attempts were made to get CoE to assist and collect the grit and screening at Rondebult and dispose of it at a	The access road are deteriorating fast and will need attention soon.	Underground rusted pipe works needs to be replaced

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Critical equipment failures	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	Physical – 90.7%			27.70 Ml/day occurred from dates due to storm water ingress. Rainfall measured at the plant was 31 mm.		digester plate, 1x Generator, 4 x secondary biofilters were decommissioned for refurbishment during Q4.		biofilters to the secondary biofilters has collapsed.				trench).			dedicated landfill site without any success.		
Rynfield	Plant complied with WUL effluent standard by (94%)	Plant operated at 87.2% of hydraulic capacity	Plant Operated at 73.91% of organic capacity	Yes, during May and June 2020.flow dropped due to N12 pump station pipe leak	Non industrial effluent was received due Q4 Plant received industrial high strength effluent 0 of 91	2critical equipment failures occurred in Q4 VSD's for Aerator and screw pump	1 –power failure that last for 4hours	. Pavement Cracked and Digesters & reactor tank concrete structure is cracked .Bio-feeder structure is cracked.	None	None	Dried sludge is stockpiled on the plant	Unlined sludge paddies, Unlined Maturation ponds and Contact tank. Lagoon	Dolomitic investigation not done yet	None	CoE collects screenings and grits from the inlet works. Dried sludge is stockpiled on the plant	N/A	N/A
Tsakane	Plant Complied with WUL effluent standards (88%)	Plant operated at 98% of its hydraulic capacity	Plant operated at 41% of organic capacity	Inconsistent and low/high flow due to build-up of screenings on manual screen at Rockville pump station results to spillage in which sewage joins the upstream untreated and prevents the expected flow from reaching the plant.	None	4 Critical equipment failures. 1x RAS PUMP# 1.A Wheel Clarifier Bridge #2.PST Pump #2. Faulty motherboard for sludge to land level sensor.	Tsakane had 7 power outages lasting 32 hours. 420L of Diesel was during this time amounting to R6510	Digesters and channel for raw sewage feeding HYBACS concrete structures cracked and leaking.	N/A	No veldfires occurred during Q4.	Sludge pumped to unlined lagoons/paddies for solar drying. Drying beds have been decommissioned.	Unlined sludge lagoons and paddies/lack of groundwater monitoring at the sludge lagoons and paddies	None	None	Collected by CoE to a dedicated landfill site	None	None
Vlakplaats	Plant did not comply with WUL effluent standards Chemical 73% Micro 80 %	Plant operated at 205% of hydraulic capacity. Needs to be upgraded	Plant operated at 307% of organic capacity	High flows of up to 223 Ml/day occurred from dates due to storm water ingress. Rainfall measured at the plant was 0 mm.	Plant received industrial high strength effluent on 0 of 91 days	3 Critical equipment failures occurred in Q4 - Namely: 3 failures of the ferric chloride dosing system. 1 failures of the DBF dosing system, 6 failures of the WAS pumps/VSD,	0 Outages occur (0 hours in total) Load shedding is a big concern.	Office building have some cracks.	None	No veldfires occurred during Q4.	Dried sludge is stockpiled on the plant. Demand for instant lawn application is seasonal	Unlawful disposal of grit (grit is buried on-site in a trench).	Area around bio filters at Mod A are dolomitic	N/A	N/A	Access road to final effluent need to be tarred, can't drive on it during rainy season is too muddy and slippery	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Critical equipment failures	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Waterval	Plant di Complied with WUL effluent standards Average (94%)	Plant operated above capacity (operated at 204.7% capacity)	Sufficient capacity Plant operated at 124% organic capacity.	Average flow of up to 348.6 Ml/day occurred from dates due to storm water ingress. Rainfall measured at the plant was 0 mm.	Plant received industrial high strength effluent on 7 of 91 days. Plant is receiving and treating 30 m^3 of leachate daily from Enviro Serv	54 Critical equipment failures occurred in Q4 Mainly from 10 x DAF Recirculation pumps, solenoid valves leaking, WAS pump failure, 2x Compressor failures, 8 x aerators trippages, 1 x planned shutdown, 3 x RAS and screw pump failure, 6 x draw off pump failures, 6 x Chlorine regulator failure, wash water pump failure, 2 x Chlorine scale failure, 4 x transfer pump failures, 9 x screen failure, inlet compactor and, 3 x Cornel pump failures, transfer pump	None	None	None	Two veld fires occurred during Q4.	Dried sludge is stockpiled on the plant. Demand for agricultural application is seasonal.	Unlined Emergency dams. Unlawful disposal of grit (grit is buried on-site in a trench).	None	N/A	N/A	N/A	
Welgedacht	Plant Complied with WUL effluent standards (90%) for Q4	Plant operated above design capacity (operated at 102% capacity)	Sufficient capacity Plant operated at 29% organic capacity. Over Achievement.	There were two blockages on the sewer network, link 4sewer line in June 2020 and second blockage was at Modder East leading to decreased and inconsistent flow to the plant. The blockage at link 4 was cleared by contractor in June and the Modder East blockage is being unblocked by CoE	None	61 critical equipment failures occurred in Q4, Module MCC electrical panel must be replaced. Unsafe. Blowers at Module 2. Blocked sewer line 4 , 5x Chlorine system failures, 2 x blocked manhole, 2 x A-recycle pump, 8 x Aerator failures, 2 x Inlet works screw pumps, 4 x Ferric pumps and pipes failures, 6 X Blocked RAS pumps failures,2xBlocked Degritters, 5 x Screens, Hot Water Kettle (Boiler) ,4 X PST WAS pumps,3 x Dewatering belts, 2 x Chemical feed and agitation mixers at dewatering and Compactor motor for Inlet Module 2	None	N/A	N/A	No veldfires occurred during Q4.	None	Unlined Dechlorination channels and Emergency dam	N/A	Very strict WUL standard for Micro compliance(E. coli) zero counts /100 ml.	CoE removes solid waste (screenings and grit).	Gravel access road in very bad conditions and very slippery when wet.	No potable water supply to the plant. Borehole water used for hygiene. Drinking water is being transported in from other plants.

Table 4

5. Project/Infrastructure Report

This section includes all major projects that will contribute to the Mega Catalytic projects such as the John Dube Development. ERWAT receives new township applications timeously from CoE and provide responses about the capacity availability at various Water Care Works as and when applications are received. This section focuses on feasibilities studies and major projects at ERWAT Water Care Works (WCW), for projects that contribute either directly or indirectly to the flagship projects:

- Ancor WCW
- Vlakplaats WCW
- Welgedacht WCW
- Herbert Bickely WWTW
- Waterval WWTW

These Mega Catalytic Project

4.1. Ancor WWTW

The Ancor Works is situated in Springs and falls within the DD5 drainage district. The original design capacity of the plant was 32 Mℓ/d. Conventional biological filtration is employed as the main treatment process. The plant capacity has been downgraded to 15 Mℓ/d.

Plans are currently underway to upgrade the plant to 52 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

	PLANNED PROJECTS	BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	30 Mℓ/d Plant Upgrade	R351 000 000.00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 52 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is subject to the availability of funds.

4.2. Vlakplaats WWTW

Vlakplaats is situated in Vosloorus and falls within the DD6 drainage district. The original design capacity of the plant was 83 Mℓ/d .The plant capacity has been downgraded to 55 Mℓ/d. Vlakplaats flow distribution project is currently under construction phase to augment and add a peak flow balancing capacity into the plant by converting the old existing ponds into a balancing tank. Plans are currently underway to upgrade the plant to 189 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

PLANNED PROJECTS		BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	Plant Upgrade/Retrofit-Activated Sludge	R203 340 000.00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 189 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is ssubject to the availability of funds.
2	Plant Upgrade/Retrofit-Bio filter	R 108 000 000.00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 189 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is ssubject to the availability of funds.
3	Flow distribution	R 40 000 000.00	Vlakplaats flow distribution project is currently under construction phase to augment and add a peak flow balancing capacity into the plant.	The commissioning of the project is ssubject to the availability of funds.

4.3. Welgedacht WWTW

The Welgedacht works is situated in Springs and falls within the DD5 drainage district. The original design capacity of the plant was 85 Mℓ/d. Module 2 have been commissioned and is currently undergoing defects liability period. The plant capacity has been up-graded to 95 Mℓ/d. Plans are currently underway to upgrade the plant to 327 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

PLANNED PROJECTS		BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	New 50 Mℓ/d Module 3 - Extension	R 667 734 532.80	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 327 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is subject to the availability of funds.

4.4. Herbert Bickley WWTW

The Herbert Bickley works is situated south of Nigel town and falls within the DD5 drainage district. The original design capacity of the plant was18.75 Mℓ/d. The plant capacity has been downgraded to 15.1 Mℓ/d. Plans are currently underway to upgrade the plant to 53 Mℓ/d in order to enhance the treatment capacity.

	PLANNED PROJECTS	BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	10 Mℓ/d Plant Upgrade	R 133 546 906.60	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 53 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is subject to the availability of funds.

4.5. Waterval WWTW

The Waterval wastewater care works is the largest works operated by ERWAT and is situated in the DD6 area at the Kliprivier. The original design capacity of the Waterval wastewater care works was155 Mℓ/d. The plant capacity has been up-graded to 170 Mℓ/d. The primary treatment-debottlenecking project is currently at the design phase to increase the capacity of module 2 and 3, from 40 Mℓ/d to 60 Mℓ/d per module. Plans are currently underway to retrofit the capacity of module 4 from 50 Mℓ/d to 84 Mℓ/d and add an additional 100 Mℓ/d module 5. Below is the summary of these planned and running projects that have been identified to address planned Mega Catalytic Projects.

PLANNED PROJECTS		BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	New 100 Mℓ/d Module 5 - Extension	R 1 333 549 066.00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 584 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is subject to the availability of funds.
2	Module 2 and 3 Capacity Upgrade by debottlenecking the primary treatment.	R 20 000 000.00	The primary treatment-debottlenecking project is currently at the design phase to increase the capacity of module 2 and 3, from 40 Mℓ/d to 60 Mℓ/d per module. The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 584 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth.	The commissioning of the project is subject to the availability of funds.
3	Technology Capacity Upgrade 50 Mℓ/d (Module 4)	R 247 975 609.80	The capacity treatment plant upgrade is planned in relation to the 50-year master plan, which computes to 584 Mℓ/d by year 2068. The 50-year flow projection is based on the CoE IDP population growth	The commissioning of the project is subject to the availability of funds.

3. Financial Report

Table 5: Operational expenditure

Line item	Total Original Budget	Total Revised Budget (Applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Actual for FY (Yr to date)	Variance for year (Yr to date)
Employee Related Costs - Salaries & Wages	379,002,559	379,002,559	94,750,640	93,253,129	(1,497,511)	359,909,435	(19,093,124)
Remuneration of Directors	3,465,003	3,465,003	866,251	480,868	(385,383)	1,924,175	(1,540,828)
Bad Debts (Provision for Bad Debts)	1,625,838	1,625,838	406,460	1,100	(405,360)	167,482	(1,458,356)
Depreciation	74,051,053	74,051,053	18,512,763	34,185,316	15,672,553	106,863,028	32,811,975
Repairs and Maintenance - Planned	113,822,342	113,822,342	28,455,586	97,973,699	69,518,113	218,375,555	104,553,212
Repairs and Maintenance - Ad Hoc	12,646,927	12,646,927	3,161,732	10,885,967	7,724,235	24,263,951	11,617,024
Interest Expense	57,021,499	57,021,499	14,255,375	12,283,879	(1,971,496)	47,447,060	(9,574,439)
Bulk purchases	207,984,589	207,984,589	51,996,147	52,980,260	984,113	214,971,181	6,986,592
General Expenses - Other	150,069,280	150,069,280	37,517,320	30,146,939	(7,370,381)	109,064,813	(41,004,467)
TOTAL OPERATING EXPENDITURE	**999,689,090**	**999,689,090**	**249,922,273**	**332,191,156**	**82,268,884**	**1,082,986,679**	**83,297,589**

Table 6: Capital expenditure

Project Detail	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Actual for FY (Yr to date)	Variance for year (Yr to date)	% Variance
OLIFANTSFONTEIN	77,066,519	23,119,956	44,368,797	21,248,841	96,292,859	19,226,340	125%
HARTEBEESTFONTEIN	940,000	282,000	275,850	(6,150)	276,753	(663,247)	29%
BENONI	502,499	150,750	-	(150,750)	-	(502,499)	0%
JP MARAIS	774,033	232,210	-	(232,210)	-	(774,033)	0%
DAYVETON	1,817,967	545,390	-	(545,390)	-	(1,817,967)	0%
REYNFIELD	1,572,267	471,680	-	(471,680)	-	(1,572,267)	0%
RATANDA	4,507,875	1,352,363	247,250	(1,105,113)	1,722,703	(2,785,172)	38%
TSAKANE 1	2,560,000	768,000	2,633,196	1,865,196	2,645,103	85,103	103%
TSAKANE 2	2,176,832	653,050	-	(653,050)	-	(2,176,832)	0%
WELGEDACHT	2,750,955	825,287	850,767	25,480	850,767	(1,900,188)	31%
DEKEMA	1,802,118	540,635	1,522,567	981,932	1,522,567	(279,551)	84%
RONDEBULT	-	-	2,887,324	2,887,324	2,887,324	2,887,324	Inf.
VLAKPLAATS	22,429,453	6,728,836	8,721,447	1,992,611	15,568,481	(6,860,972)	69%
WATERVAL	26,735,003	8,020,501	7,913,979	(106,522)	20,186,077	(6,548,926)	76%
TOTAL	**145,635,521**	**43,690,657**	**69,421,179**	**25,730,519**	**141,952,632**	**(3,682,887)**	**97.47%**

Table 6: Capital expenditure

Item	Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter 4	Variance	Total Budget for the year	Actual for FY (Yr to date)	Variance for year (Yr to date)
1.	PERIMETER FENCE (BENONI, DEKEMA, DAVEYTON, RYNFIELD, TSAKANE, VLAKPLAATS (PHASE 2) AND WELGEDACHT	R 89,419,844.51	N/A	R 2,000,000.00	R 1,706,597.10	-R 293,402.90	R 12,121,822.48	R 6,080,733.62	-R 6,041,088.86
2.	UPGRADE/ REFURBISHMENT OF BIOFILTER MODULE (3) AT OLIFANTSFONTEIN WASTEWATER CARE WORKS (WWCW) (PROFFESSIONAL SERVICES)	R 14,168,520.00	N/A	R 3,000,000.00	R 2,455,669.15	-R 544,330.85	R 8,925,879.93	R 7,211,439.93	-R 1,714,440.00
3.	PLASTIC MEDIA OLIFANTSFONTEIN WASTEWATER TREATMENT WORKS	R 33,872,162.14	N/A	R 8,176,442.80	R 8,176,442.80	R -	R 8,176,442.80	R 8,176,442.80	R -
4.	REFURBISHMENT OF BIOLOGICAL TRICKLING FILTERS AT OLIFANTSFONTEIN	R 67,690,545.45	N/A	R 30,000,000.00	R 27,563,256.34	-R 2,436,743.66	R 49,526,066.59	R 42,524,684.57	-R 7,001,382.02

Item	Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter 4	Variance	Total Budget for the year	Actual for FY (Yr to date)	Variance for year (Yr to date)
	WASTEWATER TREATMENT WORKS								
5.	WATERVAL WASTEWATER CARE WORKS: POWER SUPPLY, CONTROL SYSTEM, AIR MANIFOLD AND ANCILLARY WORK REQUIRED FOR NEW AERATION BLOWERS PROJECT	R 43,131,794.69	N/A	R 3,877,310.73	R 2,354,671.27	-R 1,522,639.46	R 16,447,675.49	R 7,530,401.60	-R 8,917,273.89
6.	REPLACEMENT OF VERTICAL MIXERS AT VARIOUS ERWAT WASTEWATER CARE WORKS: MANUFACTURE, SUPPLY, DELIVER, INSTALL AND COMMISSION	R 10,707,183.30	R 11 777 901.64	R 1,283,302.35	R 1,170,618.35	-R 112,684.00	R 3,424,739.97	R 1,475,453.08	-R 1,949,286.89

Item	Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter 4	Variance	Total Budget for the year	Actual for FY (Yr to date)	Variance for year (Yr to date)
7.	INSTALLATION AND COMMISSIONING OF BIOLOGICAL FILTERS AT VARIOUS ERWAT WATER CARE WORKS (HERBERT BICKLEY, DEKEMA, JAN SMUTS AND VLAKPLAATS)	R 3,456,888.00	N/A	R 404,928.00	R 203,464.00	-R 201,464.00	R 3,456,888.00	R 3,255,424.00	-R 201,464.00
8.	PROFESSIONAL SERVICES: REPLACEMENT OF AERATION BLOWERS	R 3,536,528.60	N/A	R 491,077.74	R 169,969.06	-R 321,108.68	R 1,473,233.22	R 627,306.34	-R 845,926.88
9.	ERW201503/TNDR - 005: REPLACEMENT OF AERATION BLOWERS CONTRACT I: MANUFACTURE, INSTALLATION, AND COMMISSION VARIABLE VANE DIFFUSER BLOWERS	R 24,431,810.14	N/A	R 513,950.23	R 513,950.23	R -	R 1,066,820.77	R 1,066,820.77	R -
10.	INSTALLATION AND COMMISSIONING OF BIOLOGICAL FILTERS AT RONDEBULT WATER CARE WORKS	R 8,945,890.40	N/A	R 4,000,000.00	R 6,703,707.00	R 2,703,707.00	R 4,000,000.00	R 6,709,417.80	R 2,709,417.80

Item	Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter 4	Variance	Total Budget for the year	Actual for FY (Yr to date)	Variance for year (Yr to date)
11.	ERW201802/TNDR-009: SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF PUMPS AT HERBERT BICKLEY WCW	R 4,941,467.84	R 5,701,053.02	R 759,585.18	R 778,362.78	R 18,777.60	R 759,585.18	R 778,362.78	R 18,777.60
12	SUPPLY, DELIVERY AND THIRTY-SIX (36 NO.) MONTHS MAINTENANCE OF TWO (02 NO.) COMBINATION TRUCKS	R 8,525,000.00	R9 215 000.00	R 595,000.00	R 595,000.00	R -	R 1,196,250.00	R 1,196,250.00	R -
13	FRONT RAKE SCREENS, SCREW COMPACTORS, SCREW CONVEYORS AND GRIT CLASSIFIERS AT DEDICATED ERWAT WASTEWATER CARE WORKS	R 4,088,936.75	N/A	R 2,022,234.19	R 3,680,043.09	R 1,657,808.90	R 4,088,936.75	R 3,680,043.09	-R 408,893.66
14	SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF MOTOR CONTROL CENTRES AT VLAKPLAATS WWCW	R 445,738.98	N/A	R 445,738.98	R 445,738.98	R -	R 445,738.98	R 445,738.98	R -

Item	Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter 4	Variance	Total Budget for the year	Actual for FY (Yr to date)	Variance for year (Yr to date)
15	SUPPLY AND INSTALLATION OF CHLORINE ANALYZERS	R 1,045,715.60	N/A	R 748,899.60	R 858,490.70	R 109,591.10	R 858,490.70	R 858,490.70	R -
16	SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF MOTOR CONTROL CENTRES AT WATERVAL WWCW	R 8,000,000.00	N/A	R 3,000,000.00	R 2,501,501.01	-R 498,498.99	R 3,000,000.00	R 2,501,501.01	-R 498,498.99
17	SUPPLY AND DELIVERY OF AERATOR AND PST GEARBOXES	R 2,861,747.36	N/A	R 280,399.36	R 198,399.36	-R 82,000.00	R 280,399.36	R 198,399.36	-R 82,000.00
18	AERATORS HEIDELBERG	R 208,091.80	N/A	R 208,091.80	R 208,091.80	R -	R 208,091.80	R 208,091.80	R -

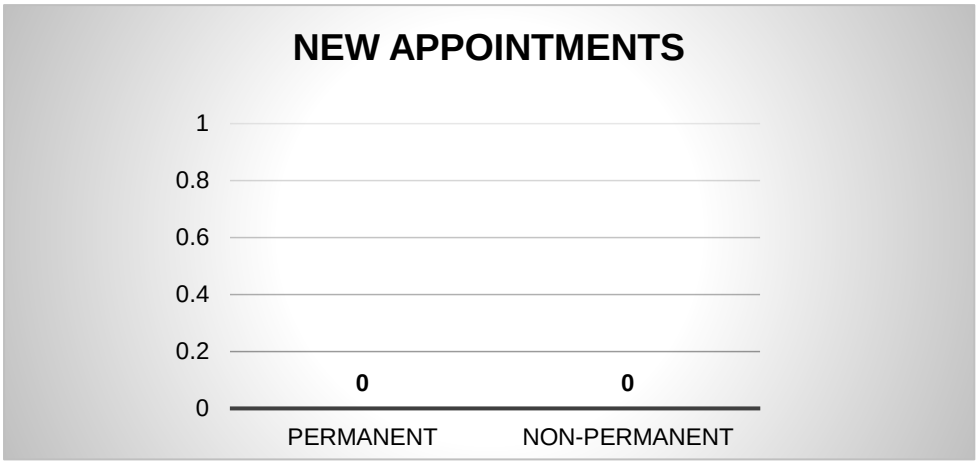
A narrative is required on key trends and expenditure

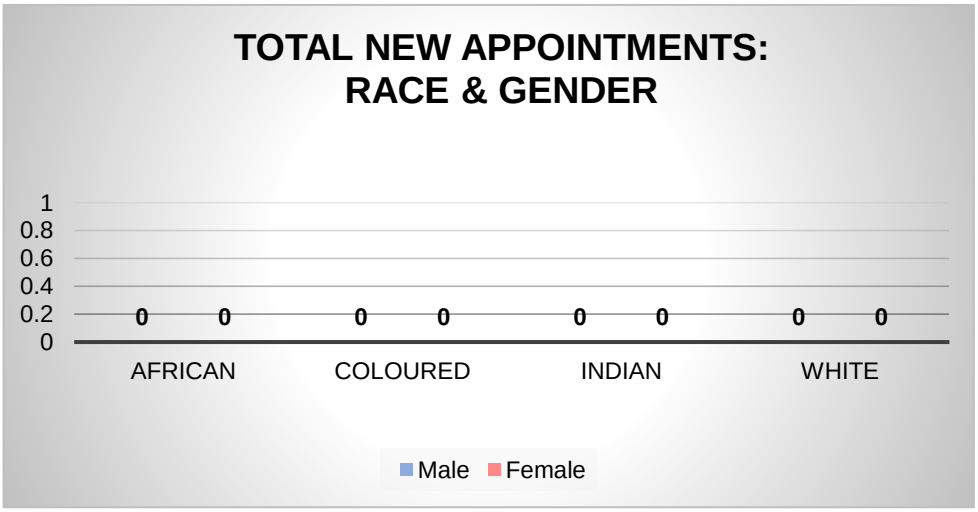
The target for the 4th quarter is over achieved. The 3rd quarter target of 70% was not met, the CAPEX recovery plan was developed in order to accelerate the implementation of projects and yielded a positive variance of 2% variance.

4. Human Resources

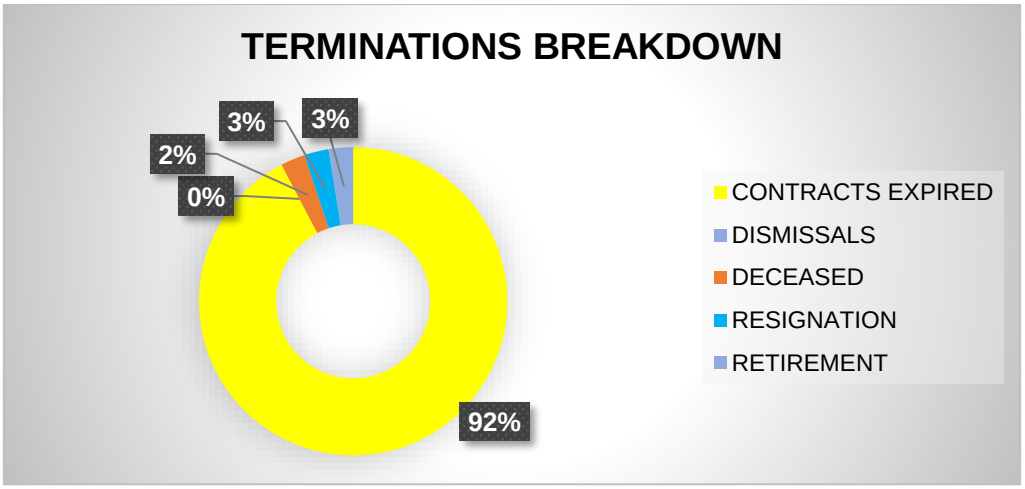
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	0	0	0	0	0	0	0	0	0
Resignations	1	0	0	0	0	0	0	0	1
Retirements	0	0	1	0	0	0	0	0	1
Contract Expired	16	18	0	1	0	0	1	0	36
Dismissals	0	0	0	0	0	0	0	0	0
Deceased	0	0	0	0	0	0	0	1	1
Promotions	4	0	0	0	0	0	0	0	4

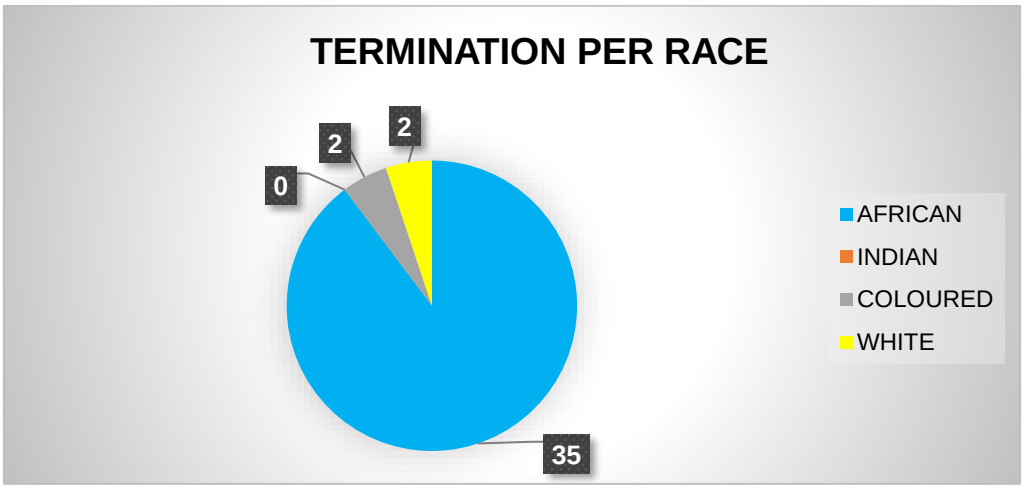
4.1.1 Appointments





4.1.2 Terminations



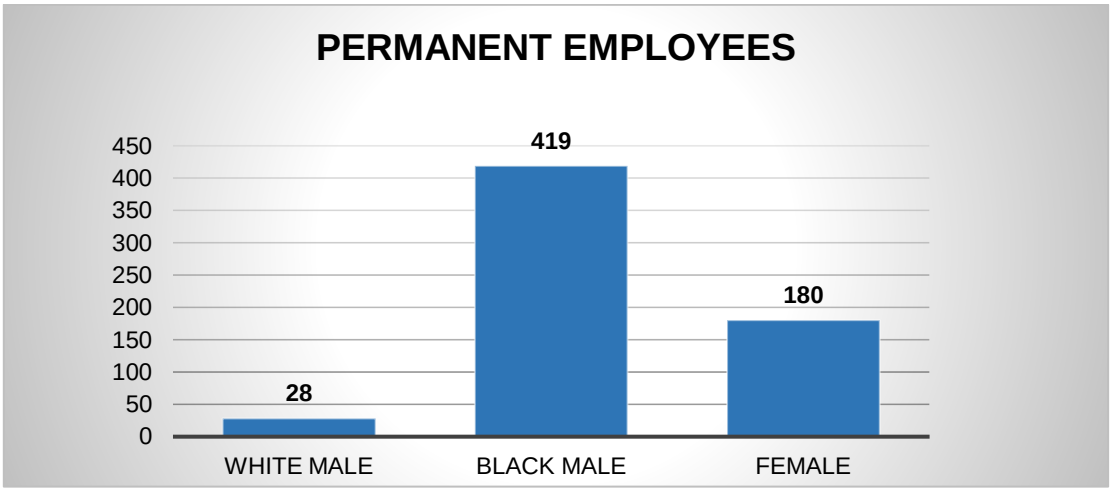


Status Analysis

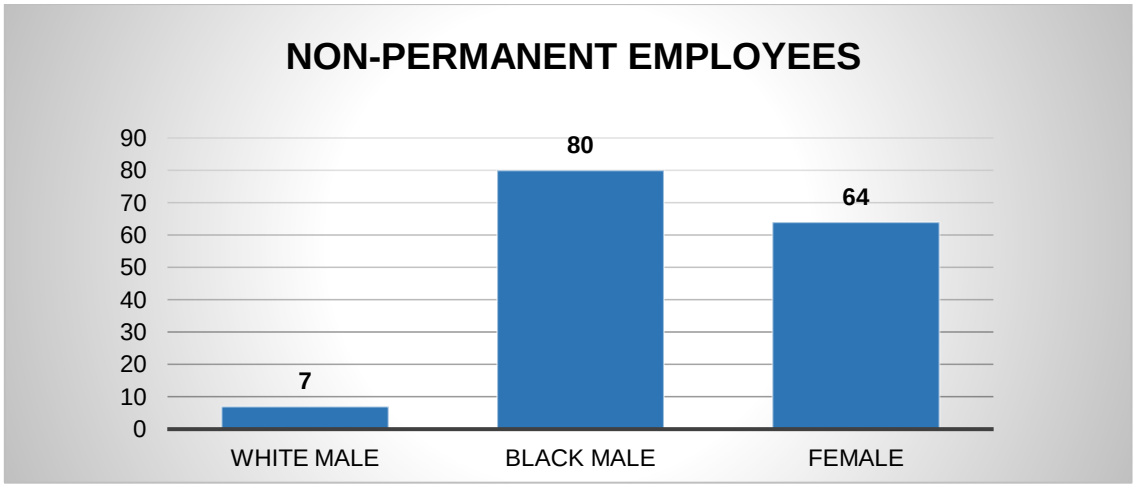
- During the period under review, there were no new appointments made.
- During the period under review, thirty-nine (39) employees exited the organisation for the following reasons;
    - 36 contracts expired;
    - 1 resigned for various reasons;
    - 1 employee went on retirement;

- 0 Dismissals ; and
- 1 employee is deceased

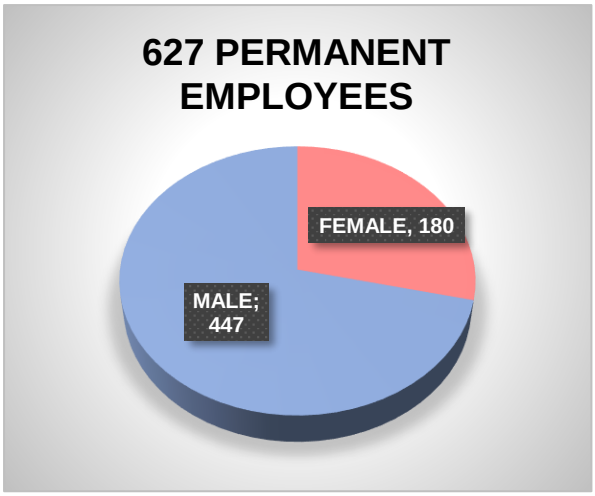
4.2 Employment Equity Demographics

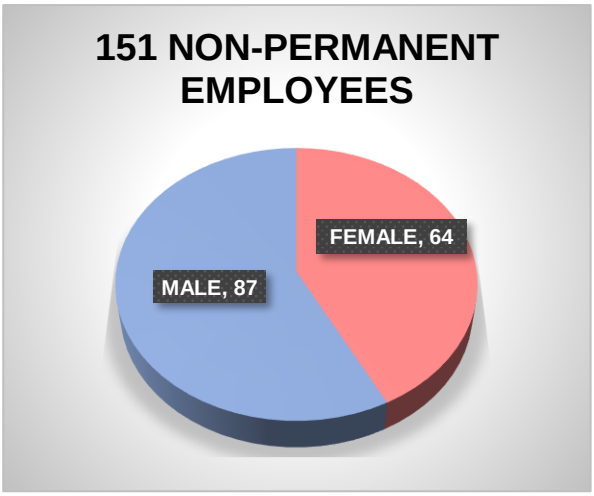


ERWAT has **627** permanent employees;



ERWAT has **151** non-permanent employees.





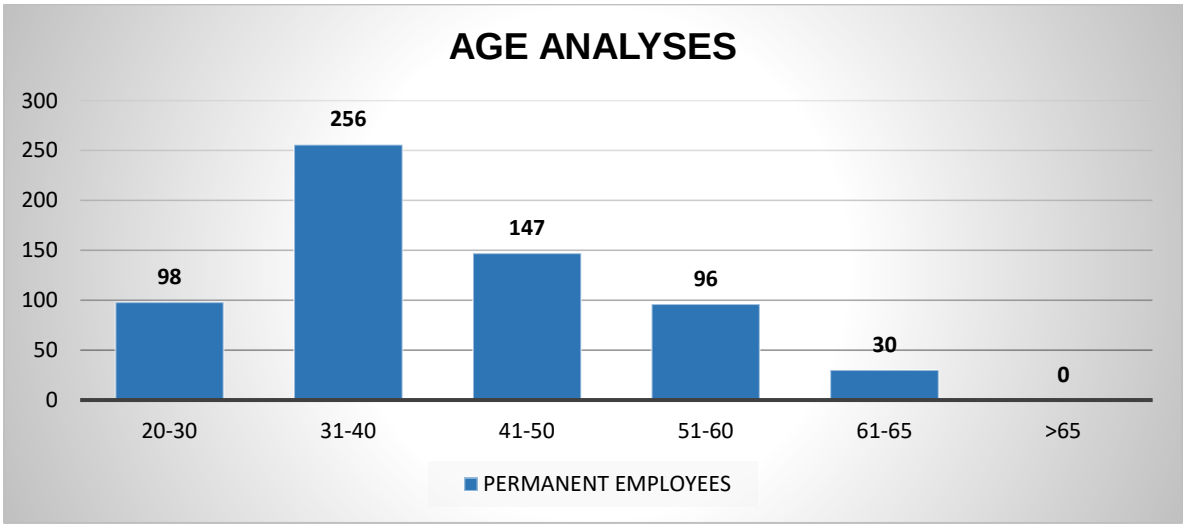
Status Analysis

- The employment demographics of ERWAT as at 30th June 2020 reflects;
  - Females in both permanent and non-permanent positions within ERWAT account for 244 or 31% of total positions filled.
  - Males in both permanent and non-permanent positions within ERWAT account for 534 or 69% of total positions filled.

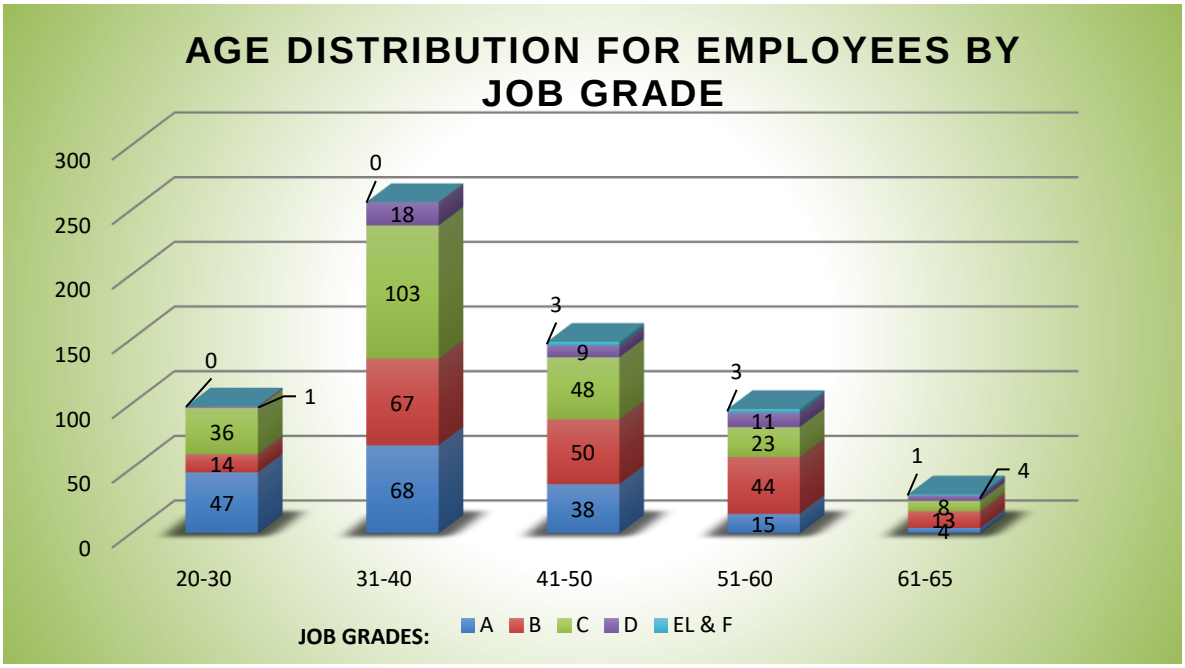
EE Update

- In support of the approved Employment Equity (EE) Plan, ERWAT is in the process of scheduling a refresher course for the EE Committee to commence in Quarter 1 of the 2020/2021 financial year.

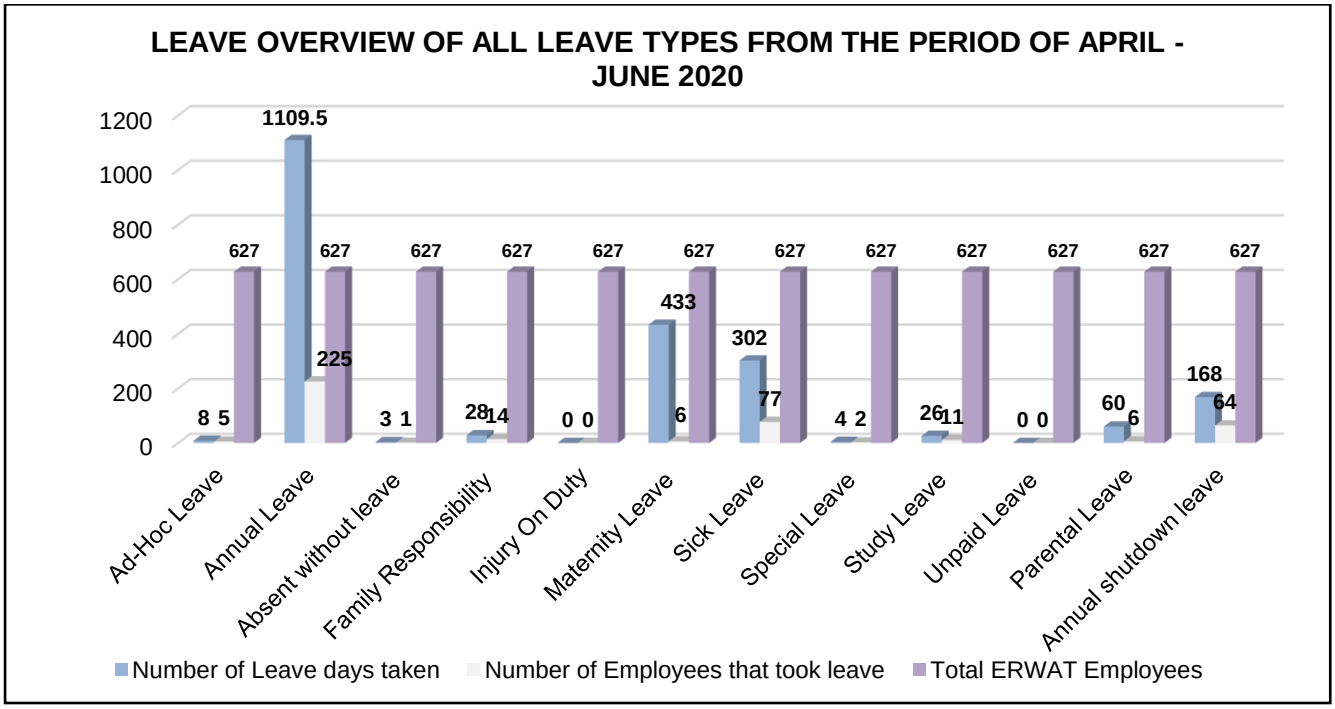
4.3 Age Analysis

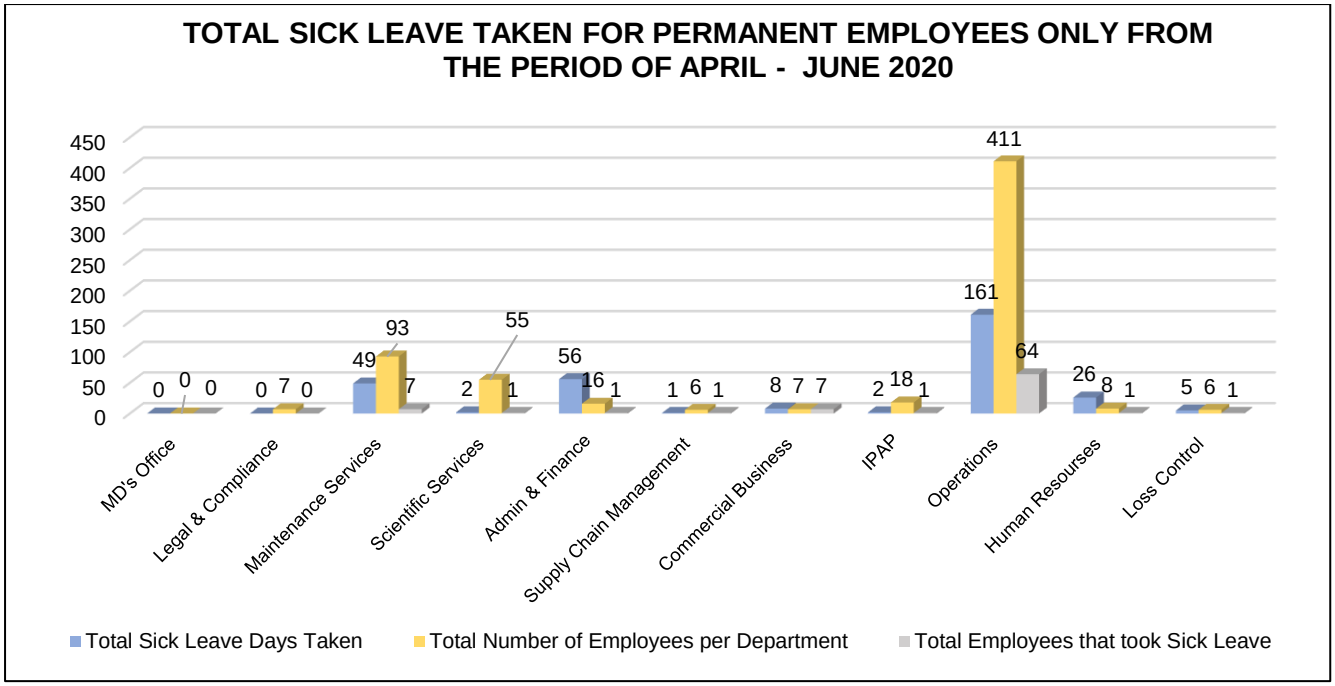


- Average age as at 06/2020 = 39



4.4 Leave Management





Status Analysis

- Total number of employees who took sick leave during the period under review are 84. The total sick leave taken equates to a minimum of 3.7 days per employees

Overtime Trends

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Hours	33 552.41	52 079.83	50 355.50	53 660.50
Total Cost	R 7 040 384.02	R6 991 077.99	R7 131 027.05	R 7 529 902.72

- Overtime is monitored and approved by management, as per the needs of the various business units.

4.5 Training and Development

The 2020/2021 Workplace Skills Plan of was submitted to the EWSETA during the period under review. No training was undertaken during the lockdown period in line with the ERWAT COVID -19 SOP and protocol.

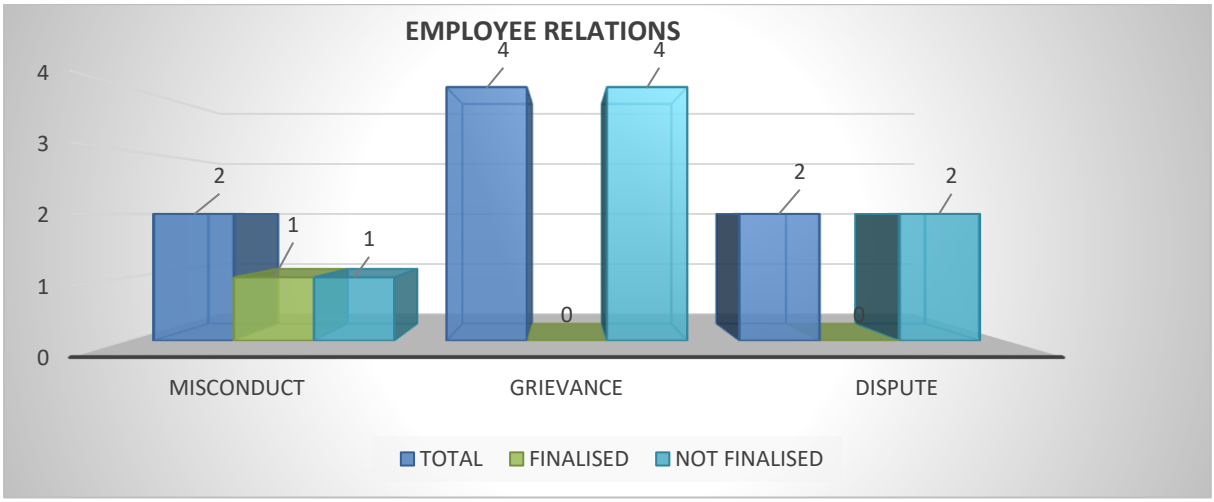
4.6 Performance Management

Status Analysis

- Quarter 4 evaluations will be conducted for all employees (permanent and non-permanent) during July 2020.

4.7 Employee Relations

The HR department, has received, recorded and administered the following processes for the reporting quarter, below is the statistical data of all cases and the analysis thereof.

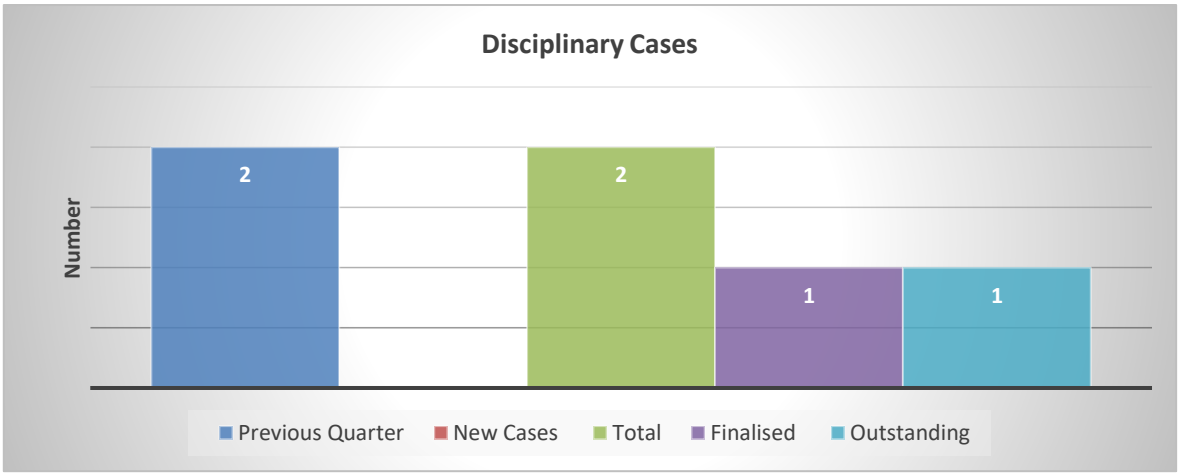


4.6.1. Disciplinary Cases

Two (2) cases were not concluded in the previous quarter hence brought forward.

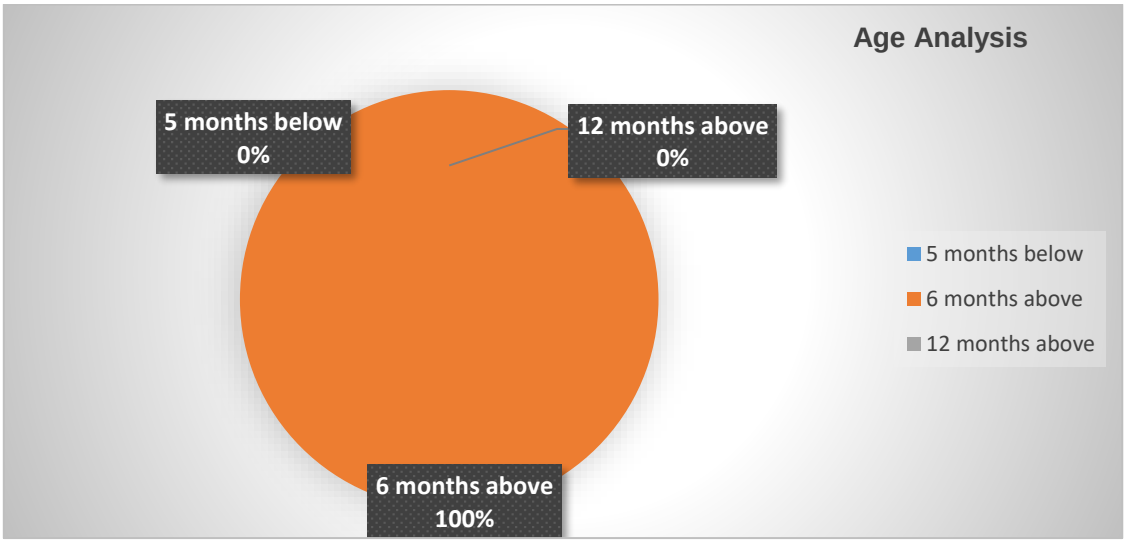
No new cases were received; the total for all disciplinary cases is two (2). Total cases finalized is one (1) with a remaining balance of one (1) case outstanding.

One (1) case was finalised



4.6.2. Age Analysis of Disciplinary cases

The age analysis of the One (1) case outstanding, 0% are below 5 months, 100% above six (6) months and 0% are above 12 months old.



The age analysis of the One (1) outstanding cases is as follows:

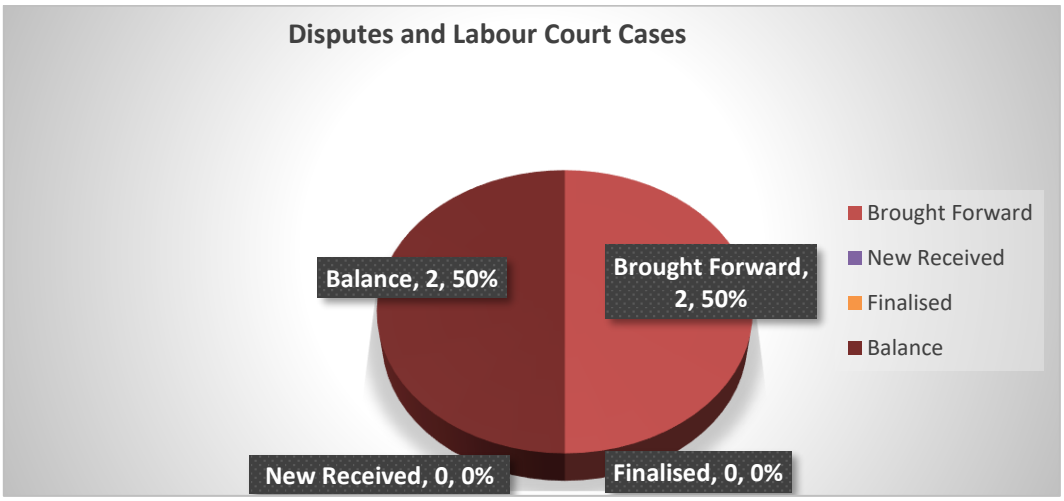
- Cases that are (6) months old =1

4.6.3. Disputes, Arbitrations & Labour Court Cases

Total cases brought forward two (2) as at end of previous quarter.

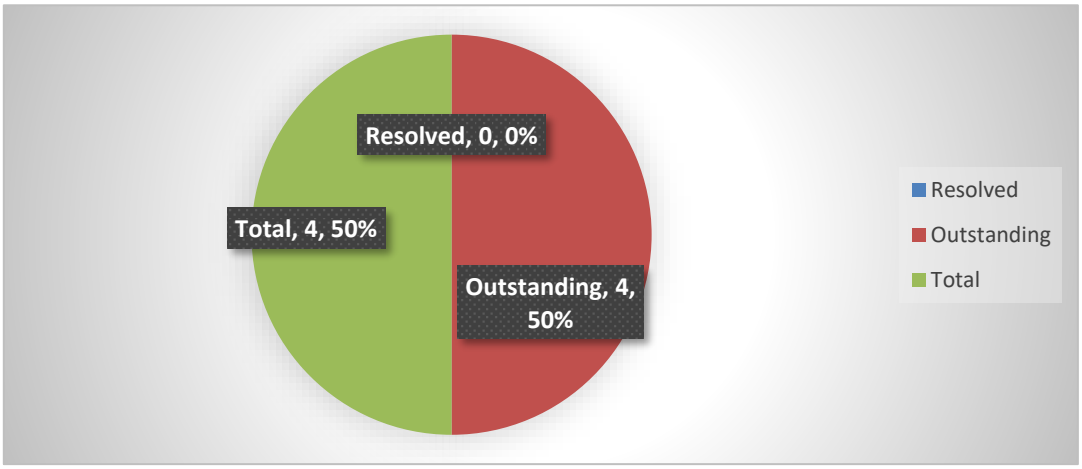
In respect of disputes at the bargaining Council and Labour Court cases, ERWAT is sitting at two (2) cases.

The above cases are pending adjudication at the appropriate forums.



The graph illustrates the statistical data of disputes at the Bargaining Council and Labour Court, as at the end of Q4, Two (2) cases are still pending.

4.6.4. Grievances



Total grievances new Four (4).

4.6.5. Suspensions

There were no suspensions for the period under review.

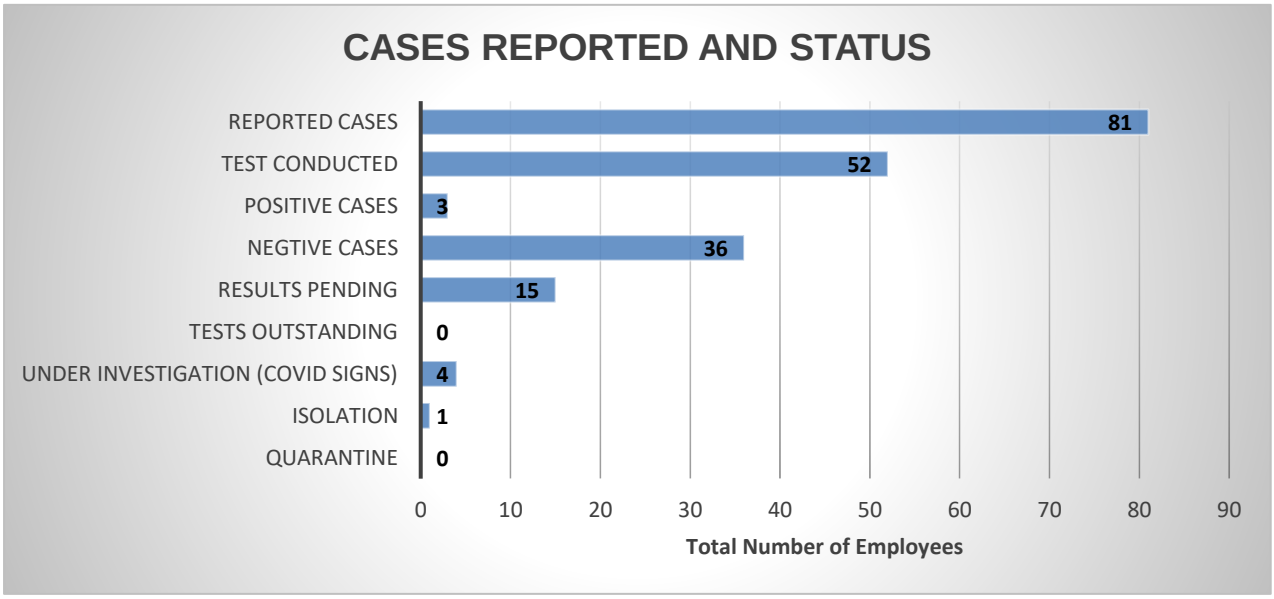
4.8 Employee Wellness Programme & OHS

ERWAT Occupational Health Services offers Wellness Programme as follows:

- ERWAT has 49 Wellness Champions (WC) that are placed on all 19 Plants including the Laboratory and Head Office, during the period under review, 1workshop were conducted.

- The core function of the WC is to assist the Occupational Health Nurse, in identifying any health & wellness concerns amongst employees, monitor absenteeism; they also provide health education in a form of frequently scheduled meetings with employees on site.

4.8.1 COVID-19 Statistics



4.9 Percentage of Salary to OPEX.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD - Actual
Total Manpower Cost	R 82 909 685	R 96 227 583	R 88 962 345	Finance to submit	
Total Operational Expenditure	R 216 087 711	R 262 436 196	R 272 271 616	Finance to submit	
% of Salary to OPEX	**38,37%**	**36,67%**	**32,67%**		

5. Procurement Practices, Job Creation and Mainstreaming

ERWAT awarded tenders to the value of R0 from 51%-99% HDI owned companies and R0 to companies with 01% - 50% black female ownership and R17 505 000 to companies with 100% HDI ownership for Quarter 4 of the 2019/2020 FY (period: 01 April 2020 to 30 June 2020).

Refer to the table below for a summary of the BEE award practices for the 4th quarter and year to date. 100% of total awards were made to HDI owned businesses with more than 93% ownership for Quarter 4 of the 2019/2020 FY (period: 01 April 2020 to 30 June 2020).

ANNEXURE A - SUMMARY OF AWARDS FOR QUARTER 4		
INFORMATION REGARDING BIDS FOR THE PERIOD ENDED 30 JUNE		
CATEGORY	**TOTAL FOR 4th QUARTER**	**% FOR QUARTER 4**
0% HDI / JURISTIC PERSON	-	0%
1-50% HDI	-	0%
51-99% HDI	-	0%
100% HDI	17 505 000.00	100%
TOTAL	**17 505 000.00**	**100%**
SIZE OF COMPANY		**% OF YEAR TO DATE TOTAL**
LARGE	-	0%
MEDIUM	17 505 000.00	100%
SMALL	-	0%
MICRO	-	0%
TOTAL	**17 505 000.00**	**100%**
AWARDS MADE TO:		
FEMALES	-	0%
BLACK FEMALE 30-100%	-	0%
HDI 50-100%	-	0%
100% HDI	17 505 000.00	100%
MILITYARY VETERANS	-	0%
PWD	-	0%
YOUTH	-	0%
	17 505 000.00	**100%**
BBEEE SCORE CARD		**% OF YEAR TO DATE TOTAL**
EME	-	0%
QSE	17 505 000.00	100%
GENERIC	-	0%
TOTAL	**17 505 000.00**	**100%**
AWARD MADE TO		**% OF YEAR TO DATE TOTAL**
COE BASED COMPANIES	17 505 000.00	100%
NON COE BASED	-	0%
	17 505 000.00	**100%**

6. Risk Management

Risk assessment provides an assessment of the relevant and critical risks through a classification and rating system, and mitigating actions and KPIs and targets that can be incorporated in the Balanced Scorecard. The reporting on the risk management into the quarterly reporting process is to ensure that the key risks that may prevent the achievement of the department's strategy are systematically identified and mitigating strategies and actions developed.

Table 11: Risk Assessment

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
ERW1	**Inability of ERWAT to be financially sustainable**	1. Legislative Limitations/MFMA Section 164 Forbidden Activities	1. Financial Loss 2. Limited revenue generation increasing reliance on parent municipality for user charges.	1. Section 78 MSA process	1. 'Request permission from council to conduct business outside City of Ekurhuleni(For Municipal Services Related Project)	1. Action plan completed 100% in quarter 1.
		2. The Entity relies on the parent municipality to finance both Operational and Capital budget requirements through user charges and USDG Grants.		2. 5-year MTREF Budget Cycle Process (USDG)	2. 'Request permission from National treasury to conduct business outside RSA	2. Action plan completed 100% in quarter 1.
		3.Inadequate sales and marketing strategy		3. Annual Industry conferences and Seminar (e.g. Articles in Local Business Magazines, Exhibitions at Conferences)	3, 'Investigate other sources of funding.(e.g. PPP)	3. PPP request for approval has been submitted to the Water and Sanitation Department at CoE. The Water and Sanitation department to submit request for PPP approval to Council. ERWAT will be embarking on an further RFI for new technology and related funding mechanisms process

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
						during the first quarter of 2020/2021.
		4. Inefficient Pricing Model (ERWAT pricing might not be competitive, making current and Competitor reaction to the market		4. ERWAT organisational Strategy	4. 'Request the city for additional Capital funding from other funding sources/grants within the CoE.	4. Action plan completed.
ERW1	**Inability of ERWAT to be financially sustainable**	5. Competitor reaction to the market	1. Financial Loss 2. Limited revenue generation increasing reliance on parent municipality for user charges.	5. (a) Scientific Services pricing model.	5, ' Development and Implementation of Sales and Marketing Strategy.	5. Commercial Business Model reviewed at the Management to guide/inform the development of the strategy.
		6. Inadequate Client Relationship Management (Customer service and after sales management)		6. Pricing Satisfaction Questions in Survey Customer Satisfaction Survey conducted	6, 'Development of an Enterprise wide Financial Model.	6. Action completed 100% in quarter 3.
		7. Inadequate measures by the City to enforce by-laws to deal with industrial pollution		7. Strategic Partnerships with market leader and key role players in the water industry through Memorandum of Understandings and Memorandum of Agreements.	7. 'Development of an Internal Performance management system(KPA's & KPI's) to monitor ERWAT performance against Client expectation/agreement and to enhance continuous improvement	7. Survey conducted for quarters 3 and 4.
		8. Negative publicity about pollution tarnishing the image of the organisation, making potential customers to lose confidence in ERWAT .(Directives)		8. Customer Services Satisfaction Surveys conducted quarterly	8. 'Implement Quarterly Business Reviews	8. Action plan not started to implement Quarterly Business Reviews

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
ERW1	**Inability of ERWAT to be financially sustainable**	9. Level of BBB-EEE Compliance/Inadequate and/or no BBEE certificate		9. Awareness program through the Corporate Social Responsibility 10, BBBEE Compliance Gap Analysis reviews	9. 'Develop and Implementation of the recommendations from the BBBEE Compliance Gap Analysis review	9. Action plan to commence in quarter 2 of the 2020/2021 financial year
ERW2.	**Inadequate infrastructure capacity to treat wastewater.**	1. "Waste Water Treatment Plants (WWTP) operating above their designed Capacity	Compromised service delivery	'1.1 Five (5) Year Capital Expenditure Plan for current and future infrastructure expansion requirements.	1.1 Five (5) Year Capex Plan Major Project (a) Project 1 - Olifantsfontein WCW refurbishment and resuscitation of the plant	**1.1 Phase 1A Scope** – Phase 1A of the project is behind schedule. **Phase 1B Scope** - Supply, delivery, assembly and installation of the Bio Filter Plastic Media. **Progress -** The plastic media has been delivered to Olifantsfontein and is currently being assembled **Phase 1C** - Refurbishment of the balance of Module 3 works. **Progress** The engineers is working on finalising the design drawings.3 **Phase 2 – The** refurbishment of the balance of Module 3 works, **Progress - F**inalising the detail design drawings and tender document for procurement. **Phase 2** Design for the lining of emergency ponds, main Primary Settling Tank, and the upgrading of the C.o.E pump station. **Progress -** The
ERW2.	**Inadequate infrastructure capacity to treat wastewater.**	1. "Waste Water Treatment Plants (WWTP) operating above their designed Capacity	Compromised service delivery			

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
						project is still under investigation and designing stage
					(b) Project 2 - Vlakplaats Flow Distribution	**Project 2 Vlakplaats Flow Distribution -** Water Use License Application approved on condition that ERWAT meet the material specification.
					(c) Project 3 - Waterval: Aeration Blowers	**Phase 1 –** Mechanical & complete. **Phase 2 –** Control and Instrumentation Installation - **Phase 3 –** Training & Commissioning Electrical installation – 100%
				1.2. Wastewater Risk Abatement Plans to draw up budget	1.2. Review of Wastewater Risk Abatement Plans and incorporate action plans into planning	1.2 Action plan completed. Risk Abatement Plans targeted risks budgeted for during the budget cycle.
				1.3. Facilities Development Plan	1.3 Regionalisation 1.3.1 Regionalisation - Conduct the Regionalisation and 50-Year Master Plan Feasibility Study Phase 1	The ERWAT Plants & Conveyancing Regionalisation and 50 Year Master Plan process have been completed. The Final Report has been issued to ERWAT and CoE.
ERW2	**Inadequate infrastructure capacity to treat wastewater.**		Compromised service delivery		1.3.2 Develop the 50-year Master Plan based on the decisions made in phase 1 (feasibility)	50-year masterplan draft report has been submitted for review by CoE and ERWAT for finalisation.

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
ERW2	**Inadequate infrastructure capacity to treat wastewater.**	2.Waste Water Treatment Plants (WWTP) operating above their designed capacity	Compromised service delivery	2. & 3. Long Term Capital Budget Plan (5 years) as part of MTREF Budget allocation from the City outlining the requirements	2. Investigate possible funding through Private Public Partnerships	2. PPP request for approval has been submitted to the Water and Sanitation Department at CoE. The Water and Sanitation department to submit request for PPP approval to Council. ERWAT will be embarking on an further RFI for new technology and related funding mechanisms process during the first quarter of 2020/2021.
		3. Limited capital investment to meet long term infrastructure expansion and upgrades requirements to rehabilitate, replace and expand infrastructure.				
		4. Maintenance plan that is not adequate to deal inadequate asset maintenance planning and execution due to budget constraints.		4.1 Asset Management Policy	4. Asset Management 4.1 Review and update the Asset Management Policy	4.1 Action plan completed in quarter 2. No reporting
				4.2. Asset Management Maturity Assessments	4.2 Develop an Asset Management Strategy	4.2 Action plan completed for the financial year
				4.3 Asset Criticality Assessments and Classification	4.3 Conduct a comprehensive audit to assess the condition of the Entity's infrastructure	4.3 Action Plan included in the 3 year rolling plan starting at 2020/2021 financial year.
				4.4 Asset Care Plans	4.4 Conduct Asset Condition Assessments	4.4 Action plan completed for 10 plants under the BCM program aligned to regionalisation study as planned.
				4.5 Asset Maintenance Plans	4.5 Asset Management re-assessment to be conducted in 2022	4.5 Action planned for 2022

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
ERW2	**Inadequate infrastructure capacity to treat wastewater.**	5. (Infrastructure/Assets are very old and experience breakdowns frequently)	Compromised service delivery	5.1 Reliability Engineering Program	5.1 Review Asset Maintenance Plans	5.1 Action plan completed for the financial year
				5.2 Maintenance Service Master contracts for critical equipment and emergency breakdowns	5.2 Develop Maintenance Standards and Specifications for critical Equipment's	5.2 Maintenance Standards and Specifications - Project did not start in the 2019/2020 financial year due to budget constraints. It is scheduled to start in the 2020 - 2021 financial year
				5.3 Equipment Condition Assessments	5.3 Implementation of the recommendations from Original Equipment Manufacturer assessments.	5.3 OEM Recommendations incorporated into planning.
		6. Technology needed to achieve greater efficiencies outdated/old		6. Installation of Newer Technologies 6.1 Hyback Technology 6.2 Nereda Technology 6.3 Member of Technology Assessment Group(TAG) for advise on newer and researched technology	6.1 Commissioning of the Nereda Technology at Hartebeesfontein Wastewater Treatment Care Works 6.2 Further investigate newer technologies through the TAG group and other means	6.1 Commissioning not yet started. 6.2 No new technologies recommended to management. Ongoing research
		7. Industrial and residential (Population) growth		7. ERWAT Infrastructure 5 Year Planning	Strengthen coordination with City Planning; Water & Sanitation and Human Settlement departments.	Action plan completed for the financial year under review - 2019/2020. 50 Year Master Plan Project
		8. Theft and vandalism of manhole covers leading to storm water and high water table ingress.		8. Replacement of Manholes	No further Mitigations	No reporting

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
ERW3	**Possible failure to achieve Capital Expenditure set target**	1. Planning, SCM processes and systems not fully integrated	Compromised service delivery	'1. An Integrated Procurement Plan has been developed and implemented.	1. Implementation of Enterprise Resource Planning (ERP) systems in collaboration with CoE.	1.1 Business Requirements Specification concluded for the business and ERP Change Management Workshop held in December 2019
		2. Delays in Supply Chain Management processes,		2. Supply Chain Management Policy	2. Integration of Supply Chain Management with the Document Management System as part of the ERP System project	2.1 Business requirements for the document management system is under review
		3. Late submission of invoices by suppliers and late payments by ERWAT		3. Creditors Policy	3. Review Supply Chain Policy to include recommendations as per Governance Maturity Assessment Report 2019	3.1 Action completed for the financial year .
ERW3	**Possible failure to achieve Capital Expenditure set target**	4. Project disruptions by members of the community, local business forums demanding a stake in the projects	Compromised service delivery	4.1 Community engagements and awareness through the Corporate Social Responsibility Office	Community awareness programs to educate communities about the importance of ERWAT mandate	Action plan completed for the financial year under review - 2019/2020.
				4.2 Project Community Liaison Officers appointed from the community 4.3 Sub-contracting local businesses	Appoint community liaison officers for big projects and ensure local sub-contracting	Action completed for the financial year
		5. Strike by employees disrupting project		5. Monthly CAPEX reconciliation between Finance and Projects	6. Develop a Strike Contingency Plan	Action completed 100% in quarter 3. HR Contingency plan developed

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
		6. Contractor's contract price offer poorly under estimated forcing the contractor not accept the awarding of the contract or pull out of the project.		6. No current control	No further mitigation	No reporting
		7. Termination of contract due to poor performance of the contractor		7. Service Level Agreement between ERWAT and the contractor	7. Invoke penalties for poor performance in line with the Supply Chain Management Policy	No penalties invoked for the period under review
		8. Possible liquidation of suppliers.		8. Project monitoring through Weekly Meetings	Continuous project monitoring	Ongoing project team meetings for all running project
ERW4	**Inadequate preparedness in the event of an emergency.**	1.Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems	Pollution	'1.1 Water Bypass System for some plants	Regionalisation feasibility Study	Action plan completed.
ERW4	**Inadequate preparedness in the event of an emergency.**	2.Lack of a comprehensive Business Continuity Management Program		2.1 Business Continuity Management Policy	1. Develop a Business Continuity Management Policy	1. Action completed for the financial year
					2. Business Continuity Management Strategy	2. Action plan completed for the financial year
				Incident Management Protocol (Emergency Response Plans)	3. Conduct Business Continuity Management Risk Assessments at Wastewater Care Works	3. Action plan completed for the financial year
				2.2 Incident Registers	4. Conduct Business Continuity Impact Analysis	4. Action plan completed for the financial year.
				2.3 Disruption Log Registers	5. Conduct Information Technology Readiness for Business Continuity (IRBC) Gap Analysis	5 Action plan complete for the financial year
					6. Develop and Implement Information Technology	6. 1. Actions completed towards the development of

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
					Readiness for Business Continuity (IRBC) Plan	the IRBC plan – Review the (a) Business Impact Analysis(b)IRBC Gap Analysis once the ERWAT ERP System migrate to CoE. The Entity to be included Business Continuity Plan
					7. Developing Business Continuity Management Plans	7. The development of BCM plans is 70% complete.
					8. Develop BCM Exercising Methodology	6. Action plan completed for the financial year.
					9. Develop BCM Maintenance Framework	7. Action completed for the financial year.
					10. Develop BCM Exercising Methodology	10. Action plan completed for the financial year.
ERW5	**Inability to attract and retain key skills.**	'1. Inability to retain the right skills (specialist);	1. Compromised service delivery. 2. Attrition of skilled work force. 3. Low staff morale. 4. Unskilled workforce and skills transfer	1.1. Career and Succession Planning Policy	1. Review of the Competency based Progression Plan to Include all the departments	1. Action plan completed. To be tabled at the HR and Ethics Committee
		2. Remuneration is perceived to be lower than industry norm (departure of critical plant personnel);		1.2. Partial Career Planning Framework	2. Review of the Competency Based Progression (succession) Policy	Action plan completed for the financial year
		3. Succession planning is not optimal;		3. Recruitment Plan	3. Review and Competency Based Progression Strategy	3. Action plan completed for the financial year.
				4. 5-year Training and Development Plan	4. Implementation of 2019/20 annual training plan	4. There were no training done in quarter 4
				5. Employee Benefits Policies	5. Review of Human Resources Policies	5. HR Policies have been reviewed and will be tabled in batches at the Board for approval.

Risk Ref	Risk Title	Contributing Factors	Impact / Consequences	Current Mitigation Controls	Additional Controls Risk Mitigation Plan	Progress Status Q4 2019/20(Narrative)
				6. Remuneration re-structuring	6. Conduct Remuneration Benchmarking	6. Action plan completed for the financial year.
				7. Salary Pay scales	7. Review of current Pay scales	7. Action plan completed for the financial year.
				8. Remuneration policy	8. No further action plan identified	8. No reporting
				9. 2019 Organisational Structure Re-design	9. No further action plan identified	9. No reporting
					10. Develop and Implement Knowledge Management System as part of the ERP system	10. Training conducted for the Knowledge management system.

Emerging Risks (Narrative)

There are 4 risks that are emerging for the Entity

7. The decline in cash flow within the organisation
8. The impact of COVID-19 pandemic on the operations of ERWAT
9. Potential Loss of the ISO 17025 Accreditation
10. Potential loss of, and unauthorised Access to information

The above emerging risks has been incorporated into the 2020/2021 Strategic Corporate Risk Profile

11. Legislative (only if applicable to your department)

Compliance Risk Management forms part of the broader risk management within ERWAT. In order to protect ERWAT from the Risk of non-compliance, management has identified and prioritised 6 key legislation. An additional legislation, the Labour Relations Act has been added to the priority list. Compliance Risk Management Plans has been developed and there are quarterly compliance monitoring and reviews to enhance adherence to the key legislation. The below summarises ERWAT's top ten legislation

1. National Water Act 36 of 1998
2. Municipal Finance Management Act of 2003
3. Companies Act 71 of 2008
4. Occupational Health & Safety Act 85 of 1993
5. National Environmental Act 107 of 1998
6. Labour Relations Act 66 of 1995
7. Basic Conditions of Employment Act 75 of 1997
8. Municipal Systems Act 32 of 2000
9. Protection of Personal Information Act 4 of 2000

Preferential Procurement Policy Framework Act. No.

12. Key Audit Matters and Progress

The annual regularity audit for 2019/2020 is expected to start on the 15th of August 2020 and be completed on 30 November 2020.

In the 2018/2019 regularity audit, ERWAT achieved an unqualified audit with material findings related to compliance and performance information.

In total 16 findings were raised which were classified as follows:

- 3 Matters affecting the audit report
- 13 Other important matters

In the 2018/2019 regularity audit ERWAT managed to maintain the quality of its financial statements as evidenced by the commendation from the Auditor General and also did not incur a non-compliance finding in relation to MFMA Section 122.

ERWAT however regressed on its performance information, whereas the compliance with laws and regulations remained largely unchanged.

The target of ERWAT for the 2019/2020 regularity audit is to achieve an unqualified audit without material findings.