ERWAT: First Quarter Departmental Performance

2023/24 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

1. Executive Summary by the Department

ERWATs performance in Quarter 1 of 2023/2024 was slightly above average, with the entity achieving seven (7) out of the ten (10) reportable indicators for the first term. In total there are sixteen (16) performance indicators in 2023/2024, comprising of five (5) city-wide of which three (3) are reportable in Quarter 1 and eleven (11) departmental indicators of which seven (7) are reportable in this quarter. In comparison with the 2022/2023 reporting period, a new performance indicator was introduced in the current year, measuring the number of wastewater treatment plants that obtained Green Drop Status, both as a city-wide and departmental indicator. The outcome intended with the new indicator is to contribute to improving water quality. The indicator for measuring rand value of surplus realised from revenue generated from external business, was not included in this year's performance measurement.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring					
	Total number of targets	**Total number of targets set for the quarter**	**Achieved**	**Not achieved**	**Variance**
City Wide SDBIP	5	3	3	0	0
Department SDBIP	11	7	4	3	3

The performance results to date demonstrate ERWATs commitment towards reinforcing the strategic direction of City of Ekurhuleni (CoE), through the achievement of the three city-wide indicators. These included the wastewater treatment capacity unused with positive variance of -5% (-45% against a target of -50%), total revenue generated from external business, mainly due to additional walk-in-clients and the achievement of percentage compliance with wastewater treatment works license conditions, and/or exemptions standards (i.e., 78% against a target of 75%) due to an improvement in chemical availability and a decrease in loadshedding events. Although the latter indicator was achieved, serious challenges that are ongoing include industrial pollution, critical equipment failures and loadshedding/power outages. The corrective measures identified are underway and are currently at various stages of implementation, as detailed in the respective sections.

ERWAT is working well towards improving water and wastewater quality through the achievement of the departmental indicators for procurement spend allocated to SMMEs (i.e., 87% against a target of 60%) and ensuring financial management through the achievement of operating expenditure spent on contracted services physically residing in the municipal area (i.e., 26% against a target of 2%), repairs

and maintenance in relation to the property plant investment property (i.e., 1.38% against a target of 1%), and not having any tenders that were cancelled during this period (i.e., achieving target of 0%).

The variance in the performance is due to ERWAT not achieving three (3) of the seven (7) reportable departmental indicators in Quarter 1. The targets for expenditure compared to the budgets for Capital projects, repairs and maintenance and the total operating expenditure, were not achieved. Primarily the under expenditure can be attributed to longer lead times needed to acquire equipment on capital projects, whereas the total operating expenditure was affected by the under expenditure on employee costs, repairs and maintenance and bulk purchases. The corrective actions include the enhancement of the management processes to mitigate the risk of under expenditure and to ensure targets are met.

ERWAT is striving and working hard towards addressing all Mega Catalytic projects to accommodate new developments within the City of Ekurhuleni. The planned capacity upgrade of the Water Care Works needs to be upgraded urgently to cater for the current backlog in capacity and to make provision for future housing and industrial developments. However, there are still a significant shortfall in the Capex funding requirements for ERWAT to implement the upgrade of the Water Care Works.

2. Service Delivery Monitoring

2.1 CITY-WIDE SDBIP

KPI 1 – City-Wide
Percentage of wastewater treatment capacity unused

Method of Measure

The percentage of wastewater treatment capacity unused. Sewer treatment capacity refers to the maximum amount of sewage that a facility is allowed to treat or to direct to a particular reuse or effluent disposal system. This refers to the collective available design capacity of all facilities servicing the municipal area. 'Available design capacity' refers to the overall design capacity that is available on a daily basis. If part of the treatment facility requires refurbishment or is not in operation this should be excluded from 'available design capacity'.

Evidence

Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW) .

Q1 Target

-50

Q1 Actual

-45%

Comment

The target has been met with positive variance of -5%

Reasons for Variance

Water Care Works received less flows.

Corrective Measure

The implementation of the capacity upgrade or extension is subject to the availability of funds. The currently allocated MTREF does not have provision for any Capacity Upgrade or Extension projects, ERWAT require additional funding on the current budget allocation. ERWAT cannot commit to a specific date due to unavailability of budget.

KPI 2 – City-Wide
Total revenue generated from external business

Method of Measure

Increased Commercial Business revenue generated from commercial sources (Absolute Rand Value per quarter). The indicator target is measured across the Quarters Revenue generated from: External Income(none NDA).

Evidence

Invoices - (The invoices to be coupled with sales report with a balance that agree to the amount reported for SDBIP purposes)

Q1 Target

R7 000 000

Q1 Actual

R7 527 214.56

Comment:

The target for the first quarter of R7 000 000 in external revenue was achieved.

Target Exceeded

The target was achieved due to additional revenue generated from walk-in-customers and the department managed to maintain the current projects.

Corrective Measure

Maintain the current client base and prevent attrition.

KPI 3 – City-Wide
Audit Opinion

Method of Measure
The Audit Opinion is defined by the Auditor General. It is given across a qualitative, ordinal scale including: Unqualified with no findings; Unqualified with findings; Qualified with findings; Adverse with findings; and Disclaimed with findings. For those who have not completed the process 'Outstanding audits' are recorded.

Evidence
Dated and signed Audit report from AGSA

Q1 Target
N/A

Q1 Actual
N/A – To be reported in Q2

Comment:
N/A – To be reported in Q2

Corrective Measure
N/A – To be reported in Q2

KPI 4 – City-Wide
Number of Green Drop certified wastewater treatment works (Bi-annually)

Method of Measure
The indicator measures the number of wastewater treatment works that achieved Green Drop certification bi annually. external assessment is conducted by the National Department of Water and Sanitation bi-annually

Evidence
The Green Drop results as published by the National Dept of Water and Sanitation.

Q1 Target

N/A

Q1 Actual

N/A – To be reported in Q4

Comment:

N/A – To be reported in Q4

Corrective Measure

N/A – To be reported in Q4

KPI 5 – City-Wide

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

Method of Measure

The indicator measures the compliance of wastewater works effluent to the requirements of biological and chemical indicators as per the water use license granted by the Regulator.

It is calculated by dividing the number of determinants complying to the Water Use Authorization with the total number of determinants.

Evidence

Water quality Data of each Wastewater Treatment Works (from the Lab) Spreadsheet used to calculate over all compliance. Applicable Water use authorization of each Wastewater Treatment Works.

Q1 Target

75%

Q1 Actual

78%

Comment

KPI achieved. The entity achieved the 75% quarterly target by a 3% variance. This was due to the following reasons:

a) Decrease in the number of loadshedding events.
b) Slight increase in availability of critical chemicals.

It is important to take note that although the target was achieved, serious ongoing challenges remain. These challenges are discussed below as well as under Section 3.3 (hydraulic capacity).

Challenges

1. Industrial pollution
2. Critical equipment failures
3. Loadshedding/power outages
4. Chemical shortages

1. Industrial pollution incidents:

WCW (water care works) that received industrial pollution during Quarter 1 were impacted negatively on the works operations and final effluent compliance. (Listed in the Table below). The total number of industrial pollution incidents increased in in Q1 (dry season) as compared to Q4, due to less stormwater dilution leading to higher concentrations of effluent entering the WCW.
(Refer Section 3.4 for further details of organic loading per WCW)

WCW	Number of industrial pollution incidents in Q1	Number of industrial pollution incidents in Q4
Olifantsfontein	26	19
Hartebeestfontein	26	14
Benoni	1	0
Rynfield	22	3
Esther Park	8	0
Ancor	29	13
Daveyton	22	34
JP Marais	4	1
Jan Smuts	0	6
Welgedacht	10	4
Heidelberg	38	11
Tsakane	0	1
Herbert Bickley	18	12
Dekema	8	1
Ratanda	1	0
Rondebult	20	5
Vlakplaats	1	0
Total incidents	**226**	**117**

Hartebeestfontein WCW was heavily impacted by industrial pollution but improved during the latter half Q4 after interventions from ERWAT and COE.

It should be noted that even though some of the WCW listed above met the compliance target, they are still negatively impacted by industrial pollution on specific days.

Action Plans - Industrial pollution incidents

ERWAT works closely with the CoE and report all incidents as soon as detected to assist in tracing the source of the pollution. However, the pollution source is not often identified as it is difficult to trace in the vast sewer networks. Illegal tanker discharges were however identified to be one of the primary sources of pollution. Subsequently, some of the authorised open manholes used by tanker services were closed by the COE to tighten supervision. The number of serious pollution incidents in DD3 has reduced somewhat, but more interventions are required.

ERWAT and CoE have worked jointly on a concept to develop an improved industrial effluent management model and tariff. The CoE must however appoint a professional service provider (project has not moved forward due to lack of funding from CoE).

2. Critical equipment failures

The following WCWs experienced critical equipment failures impacting directly on the effluent compliance. The critical equipment failures are expressed as a % of the number of critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality.

WCW	% of critical equipment not available Q1 2023/2024	% of critical equipment not available Q4 2022/2023
Ancor	4%	42%
Benoni	31%	13%
Carl Grundlingh	5%	11%
Daveyton	0%	0%
Dekema	16%	18%
Esther Park	17%	11%
Hartebeestfontein	18%	15%
Heidelberg	7%	5%
Herbert Bickley	19%	5%

WCW	% of critical equipment not available Q1 2023/2024	% of critical equipment not available Q4 2022/2023
Jan Smuts	0%	0%
JP Marais	1%	10%
Olifantsfontein	6%	3%
Ratanda	6%	9%
Rondebult	7%	14%
Rynfield	53%	42%
Tsakane	5%	8%
Vlakplaats	13%	19%
Waterval	4%	6%
Welgedacht	14%	2%

It should be noted that several critical equipment failures were not resolved in previous quarters and the impact on compliance are thereof carried over from quarter to quarter.

Action Plans - Critical equipment failures

Asset Care plans for critical equipment were developed but only partially implemented. Breakdowns still occur frequently, and the number of outstanding jobs for critical equipment is significant, impacting the final effluent quality directly. OPEX funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability .

3. Power outages and Loadshedding

The following WCWs experienced frequent loadshedding and/or power failures during Quarter 1 impacting the compliance of the WCWs directly. It must be noted that the impact of loadshedding during ESKOM stages 4-6 have an increasing detrimental impact on the WCW as the processes don't have sufficient time to recover before the next loadshedding event. It can be noted that in total 4803 hours of loadshedding and power failures were experienced on the WCW for Q1, compared to 5613 hours in Q4.

(Some of the WCW do not have installed generators at all critical plant processes whilst others are not operational, awaiting repairs).

Plant		Quarter 1 2023				Total hours without power
		Scheduled Loadshedding	Total hours Loadshedding	Power failures	Total hours Power Failures	
Benoni	DD3	15	31	3	28	76.06
Esther Park	DD3	39	91	2	30	121
Hartebeestfontein	DD3	144	297	0	0	297
Olifantsfontein	DD3	0	0	4	16	16
Rynfield	DD3	186	370	2	8	378
Ancor	DD4	17	38	4	16	54
Daveyton	DD4	160	335	5	12	347
Jan Smuts	DD4	218	436	2	30	466
JP Marais	DD4	151	331	5	23	354
Welgedacht	DD4	0	0	10	154	154
Herbert Bickley	DD5	88	152	0	0	152
Heidelberg	DD5	154	333	6	12	345
Tsakane	DD5	144	315	0	0	315
Ratanda	DD5	164	340	7	15	356
Carl Grundlingh	DD5	0	0	0	0	0
Dekema	DD6	143	335	0	0	335
Rondebult	DD6	38	85	27	312	397
Vlakplaats	DD6	147	330	16	312	642
Waterval	DD6	0	0	0	0	0
Total number of hours without electricity on all Water Care Works for Q1						**4803**

Action Plans - Power outages and Loadshedding

Standby diesel generators were installed at some of the most critical process units of the various WCW; however, a number of WCW have not received new generators yet, they are expected in Q2 of 23/24 as per approved Capex plan.

4. Critical Chemical shortages

Ferric chloride is used in the treatment process to remove ortho-phosphate from the final effluent as well as improving the settleability of solids in the settling tanks.

Due to challenges at the manufacturing plants of the sole producer of the product in Africa, shortages of ferric chloride is experienced from time to time, impacting directly on the quality of the final effluent on some of the WCW.

WCW. **WCW**	**Q4 Ferric chloride shortages (Number of days)**	**Q1 Ferric chloride shortages (Number of days)**
Ancor	66 of 91	52 of 92
Dekema	56 of 91	5 of 92
Rondebult	16 of 91	38 of 92
Vlakplaats	23 of 91	14 of 92
Hartebeestfontein	15 of 91	55 of 92
Rynfield	-	28 of 92

Action plans - Chemical shortages (Ferric chloride)

ERWAT is in daily contact with the supplier to secure product and prioritise deliveries according to the stock levels of the various WCW. The production has stabilised, and product stock levels are improving. ERWAT is currently busy with the procurement process for alternative chemicals to mitigate any future shortages.

KPI 6 – 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

a) Project progress reports (weekly, quarterly and annual reports)
b) Payments certificates
c) Invoices

Q1 Target

35%

Q1 Actual

14.75%`

Reasons for Variance

ERWAT has currently spent 18 823 103,74 (14.75%) of its capital budget at the end of the first quarter. The planned SDBIP target for the quarter has not been achieved with a 20.25% negative variance. Amongst others, below are the reasons for the poor performance in expenditure.

a) Long lead time on delivery of the equipment.

Corrective measures:

a) Accelerate project timelines

KPI 7 – Departmental SDBIP

Percentage of repairs and maintenance budget spent

Method of Measure:

The indicator measures the total budget spent. The indicator target is measured cumulatively across the quarters. The indicator formula is (1) Expenditure year to date / (2) total approved maintenance budget approved.

Evidence

Finance year to date expenditure report (Budget Variance Report)

Q1 Target

25%

Q1Actual

10%

Comment:

Target not achieved

Reasons for Variance

The reason for not achieving our target is that we have commitments of R 25 395 006.38 in the payment process which will be paid in October. The total of payments and commitments adds up to R 40 969 190.11. If we take this into consideration, we will have achieved our target for the Quarter 1 of this financial year.

Remedial Actions:

The commitments will be processed for payment during the month of October 23 and collectively with the payments made we will have exceeded our target.

KPI 8 – Departmental SDBIP

Percentage of procurement spend allocated to SMME's

Method of Measure:

The indicator measures the percentage of procurement spend allocated to SMME's through ensuring appropriate application of the preferential procurement practices. This support will be calculated aa a percentage of the total value paid to Small, Medium and Micro Enterprises either directly or via the principal contractor in terms of a Preferential Procurement Regulation 4 or 9 contractual condition.

The indicator formula is:
(1) rand value of procurement spend allocated to SMME's / (2) rand value of total procurement spend *100

Evidence

Dated and signed Letter of appointment or subcontract with support (contract) amount Award and Listing (Register) of SMME supported with support amount

Q1 Target

60%

Q1Actual

87%

Comment:

Target achieved

Reasons for Variance

Bidders claimed points for SMME as provided for In the MBD 6 and PPP Regulations

KPI 9 – Departmental SDBIP

Number of Repeat Audit Findings

Method of Measure:

The indicator tracks the number of findings made on the same matter as of the last audit cycle. The “Repeat” findings refer to those findings that have persisted from one year of reporting to the next. These are identified as repeat findings by the Auditor-General on the following administrative areas including but not limited to: i) Annual financial statements and annual report.

The formula for the indicator is the (1) Simple count of the number of "repeat" findings itemized in the Auditor-General's report of each municipality

Evidence

AGSA signed management letter

Q1 Target

N/A – To be reported in Q1

Q1 Actual

N/A – To be reported in Q1

Comment

N/A – To be reported in Q1

KPI 10 – Departmental SDBIP

Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)

Method of Measure:

The indicator measures the number of wastewater treatment works that achieved the Green Drop standard bi quarterly.(90%) Internal assessment is conducted by ERWAT Compliance Office (internal assessment.)

Evidence

The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. Assessment

Q1 Target

N/A

Q1Actual

N/A – To be reported in Q2 and Q4

Comment:

N/A – To be reported in Q2 and Q4

Reasons for Variance

N/A – To be reported in Q2 and Q4

Remedial Actions:

N/A – To be reported in Q2 and Q4

KPI 11 – Departmental SDBIP

Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area

Method of Measure:

This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations. Contracted services are inclusive of consultancy services, and refer to services rendered by any entity outside of the municipality secured through a public procurement process

Indicator Formula: (1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services. The indicator is reported quarterly

Evidence

Signed Expenditure report on municipal operating expenditure spent on contracted services

Q1 Target

2%

Q1Actual

25%

Comment:

Target Achieved

Reasons for Variance

3 bids awarded whereof 1 bidder is locally situated as per the CSD report

Remedial Actions

Not applicable

KPI 12 – Departmental SDBIP

Total Operating Expenditure as a percentage of Total Operating Expenditure Budget

Method of Measure:

The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations. Indicator Formula: (1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure This indicator results will be reported quarterly.

Evidence

Signed Excel spreadsheet as extracted from Budget statements for the period

Q1 Target

20%

Q1Actual

16.76%

Comment:

Target not Achieved

Reasons for Variance

Under expenditure on employee costs, repairs and maintenance and bulk purchases

Remedial Actions:

Management to enhance processes to mitigate the risk of under expenditure and to ensure targets are met

KPI 13 – Departmental SDBIP

Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure

Method of Measure:

The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget. Indicator Formula: ((1) Irregular + (2) Fruitless and Wasteful + (3) Unauthorised Expenditure) / (4) Total Operating Expenditure

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end

Evidence

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period

Q1 Target

N/A

Q1Actual

N/A – To be reported in Q3

Comment:

N/A – To be reported in Q3

Reasons for Variance

N/A – To be reported in Q3

Remedial Actions:

N/A

KPI 14 – Departmental SDBIP

Repairs and Maintenance as a percentage of property, plant, equipment and investment property

Method of Measure:

This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative to its asset base. Repairs and maintenance is a group of accounts consisting of labour costs, material costs, secondary costs and etc

Evidence

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,

Q1 Target

1%

Q1 Actual

1.38%

Comment:

Target Achieved

Reasons for Variance

Not applicable

Remedial Actions:

Not applicable

KPI 15 – Departmental SDBIP

Percentage of tender cancellations

Method of Measure:

This indicator measures the percentage of tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed. Indicator Formula: (1) Number of tenders cancelled / (2) Total number of tenders advertised and closed The indicator is reported quarterly.

Evidence

Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed

Q1 Target

0%

Q1Actual

0%

Comment:

Target Achieved. No cancellations approved during period under review

Reasons for Variance

Not applicable

Remedial Actions:

Not applicable

KPI 16 – Departmental SDBIP

Net Surplus /Deficit Margin for Wastewater

Method of Measure:

Wastewater is measured separately to track the extent to which the municipality generates surplus or deficit. Total expenditure, in this context, refers to direct costs, overheard costs and capital financing costs incurred in providing wastewater and sanitation services. Direct costs include employee related costs, bulk purchases, repairs and maintenance, contracted services, debt impairment, depreciation and other costs not grouped under the above-mentioned categories. Overheard costs, also referred to as indirect costs, are costs that are not directly attributable to a service but are incurred in running a municipality as a whole, for example office space or computer software and all charges or recoveries. Capital financing costs are costs associated with financing infrastructure expansion or rehabilitation of existing assets, for example interest and redemption charges.

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end

Evidence

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period

Q1 Target

N/A

Q1Actual

N/A – To be reported in Q3

Comment:

N/A – To be reported in Q3

Reasons for Variance

N/A – To be reported in Q3N/A

Remedial Actions:

N/A – To be reported in Q3

3.1 City-Wide/Institutional SDBIP 2023/24

Refer to the City-wide SDBIP 2023/24.

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	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
IDP Strategic Objective 1: To deliver reliable, affordable and sustainable services and ensure improved infrastructure maintenance															
Ekurhuleni Water Care Company (ERWAT)	Improved quality of water (incl. wastewater)	WS4.31	Percentage of wastewater treatment capacity unused	Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capcity) per WCW for the ERWAT system (total of 19 WCW) .	New KPI	-50%	-50%	-45%	-5%	Target Achieved	-45%	Water Care Works received less flows.	The implementation of the capacity upgrade or extension is subject to the availability of funds. The currently allocated MTREF does not have provision for any Upgrade or Extension projects, ERWAT require additional funding on the current budget allocation. ERWAT cannot commit to a specific date due to	CAPEX	CAPEX

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
													unavailability of budget		
	IDP Strategic Objective 2:TO Build a Clean, Capable and Modernised Local State														
	Improved Quality of water (including wastewater)	ERW 1.1	Total revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported	R 40 547 890	R 35 700 000	R 7 million	R 7 527 214.56	R 527 214.56	R 7 527 214.56	The target was exceeded.	The target was achieved due to additional revenue generated from walk-in-customers and the department managed to maintain the current projects.	Maintain the current client base and prevent attrition	OPEX	OPEX
	To build a clean, Capable and Modernised Local State	ERW 1.2	Audit Opinion	Dated and signed Audit report from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	OPEX	N/A – To be reported in Q2
	Improved Quality of water including wastewater	ERW AT1.5	Number of Green Drop certified wastewater treatment works	The Green Drop results as published by the National Department of Water and Sanitation	New KPI	6	N/A – To be reported in Q4	N/A – To be reported in Q4	N/A – To be reported in Q4	N/A – To be reported in Q4	N/A – To be reported in Q4	N/A – To be reported in Q4	N/A – To be reported in Q4	OPEX	N/A – To be reported in Q4
IDP Strategic Objective 4: To protect the natural environment and promote resource sustainability															
Ekurhuleni Water Care Company (ERWAT)	Improved Quality of water (including wastewater)	ERW 1.3	Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	Water quality analyses results of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet is used to calculate average	85%	75%	75%	78%	3%	78%.	Target Achieved	Decrease in the number of loadshedding events. Slight increase in availability of critical chemicals	N/A	R181 582 642.25	R117 912 151.67

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
				compliance of each of the 3 compliance categories and then the average of the 3 categories gives the overall compliance per WCW and then per ERWAT system(19 WCW). Applicable Water use authorization limits of each Waste Water Treatment Works											

3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2023/24

Table 2: Departmental Entity's SDBIP

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
IDP Strategic Objective 2: To build a clean, capable and modernized local state															
Ekurhuleni Water Care Company (ERWAT)	Improved Quality of Water including Wastewater	1.M	Percentage of Capital Expenditure on Planned Projects	Finance year to date expenditure report	99.56% (20212022)	95%	35%	14.75%	-20.25%	14.75%	Target Not Achieved	Long lead items on current projects	Acceleration plans in place	R44 676 131,85	18 823 103,74
	Improved Quality of Water including Wastewater	2.M	Percentage expenditure on Repairs and Maintenance Budget	Expenditure report from Finance AND Listings of R&M vote numbers and expenditure	89% 2021/2022	95%	25%	10%	15%	10%	Target Not Achieved	The reason for not achieving our target is that we have commitments of R 25 395 006.38 in the payment	The commitments will be processed for payment during the month of October 23 and	R155 813 866,00	R15 574 183,73

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
												process which will be paid in October. The total of payments and commitments adds up to R 40 969 190.11. If we take this into consideration, we will have achieved our target for the Quarter 1 of this financial year.	collectively with the payments made we will have exceeded our target.		
	Improved Quality of Water including Wastewater	3.M	Percentage of procurement spend allocated to SMME's	Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing (Register) of SMME supported with support amount	91.4% 2021/2022	60%	60%	87%	27%	87%	Target Achieved	Bidders claimed points for SMME as provided for In the MBD 6 and PPP Regulations	None	OPEX /CAPEX	R108 196 194.37
	Improved Quality of Water including Wastewater	4.M	Number of Repeat Audit Findings	AGSA signed management letter	8 repeat audit findings noted in the AGSA signed management letter for the 2021/2022 regularity audit	0 repeat audit findings noted in the AGSA signed management letter for the 2022/2023	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	OPEX	N/A – To be reported in Q2

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
						regularity audit									
	Improved quality of water including wastewater	6.M	Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)	The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. Assessment	New KPI	6 (90%)	N/A	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	N/A – To be reported in Q2	OPEX	N/A – To be reported in Q2
	Financial Management	LED 1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	Signed Expenditure report on municipal operating expenditure spent on contracted services	New KPI	8%	2%	25%	23%	25%	Target Achieved	3 bids awarded whereof 1 bidder is locally situated as per the CSD report	None	OPEX	R40 000 000
	Financial Management	FM1. 12	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	Signed Excel spreadsheet as extracted from Budget statements for the period	New KPI	95%	20%	16.76%	3.24%	16.76%	Target Not Achieved	Under expenditure on employee costs, repairs and maintenance and bulk purchases	Management to enhance processes to mitigate the risk of under expenditure and to ensure targets are met	OPEX	OPEX
	Financial Management	FM4. 11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,	New KPI	0%	0%	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	OPEX	N/A – To be reported in Q3

Entity	Outcome	Ref No.	Performance Indicator	Portfolio of Evidence	Baseline (2022/23)	Annual Target (2023/24)	Planned Target Quarter 1	Actual Output Quarter 1	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 1	Actual Expenditure Quarter 1
	Financial Management	FM5. 31	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,	New KPI	4%	1%	1.38%	0.38%	1.38%	Target Achieved	Target Achieved	Not applicable achieved	OPEX	R29 502 019
	Financial Management	FM6. 13	Percentage of tender cancellations	Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.	New KPI	10%	10%	0%	10%	0%	Target Achieved.	No cancellations approved during period under review	None	OPEX	OPEX
	Improved revenue and debtors management	FM7. 33	Net Surplus /Deficit Margin for Wastewater	The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,	New KPI	5%	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	N/A – To be reported in Q3	OPEX	N/A – To be reported in Q3

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

Flows

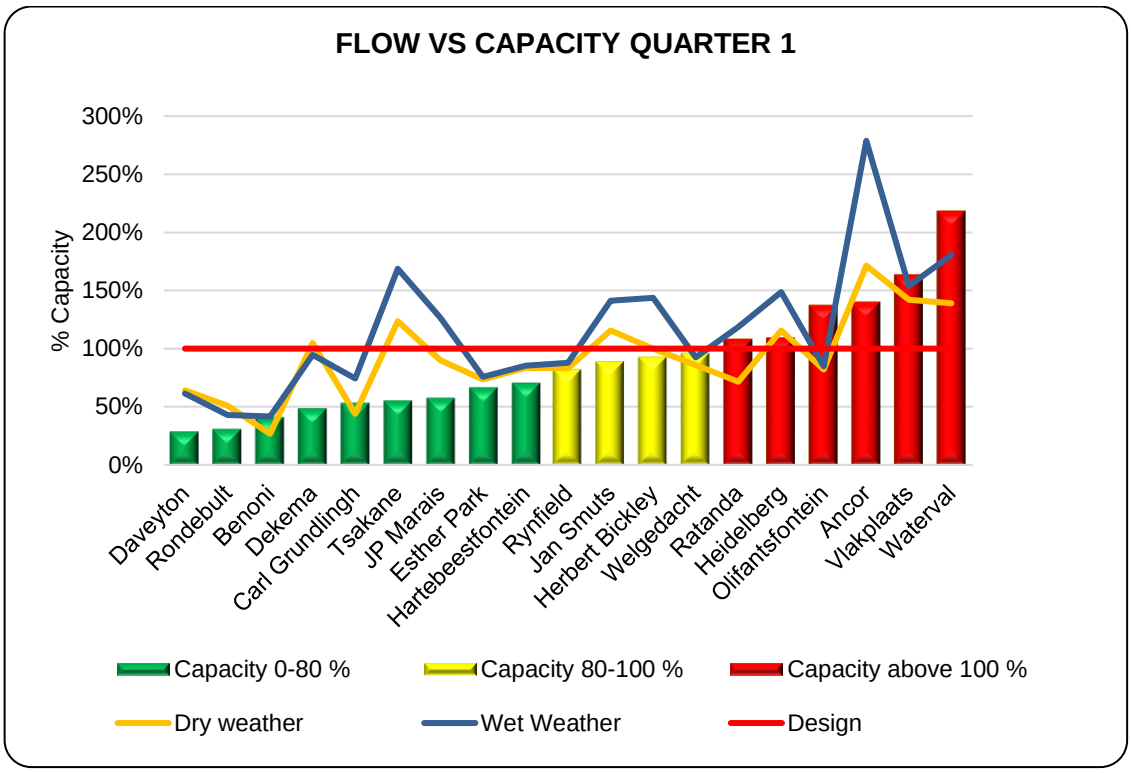


Figure 1

Flow and Rainfall table

	Design Hydraulic Capacity (Ml/d)	Actual Flow Q1Ml/d)	Rainfall Q1 (mm)
Ancor	15.00	21.02	10.00
Benoni	7.50	3.05	0.50
Carl Grundlingh	5.20	2.74	13.00
Daveyton	19.00	5.41	8.80
Dekema	31.00	14.89	4.00
Esther Park	1.40	0.92	18.00
Hartebeestfontein	63.00	43.83	4.00
Heidelberg	5.40	5.91	0.00
Herbert Bickley	15.10	14.03	3.50
Jan Smuts	6.00	5.35	10.00
JP Marais	15.00	8.54	14.00
Olifantsfontein	65.00	89.36	31.00
Ratanda	4.70	5.10	9.00
Rondebult	20.00	6.15	7.00
Rynfield	9.80	8.09	10.00
Tsakane	20.00	10.94	0.00
Vlakplaats	55.00	89.88	7.00
Waterval	170.00	370.80	19.00

	Design Hydraulic Capacity (Ml/d)	Actual Flow Q1Ml/d)	Rainfall Q1 (mm)
Welgedacht	95.00	91.54	5.20
Total	623.10	797.55	174.00

A total of 73394.75. Ml was treated in Quarter 1, at an average of 797.77 Ml/day, utilising 128% of the available capacity as compared with Q4 where 79 106.33 Ml was treated at an average of 869.30 Ml/day, utilising 139% of the available capacity. The slightly reduced overcapacity is due to less rainfall received in Q1 as compared with Q4 (wet season)

As can be noted in the above graph, during Q1 six (6) out of nineteen (19) WCW were operating above their hydraulic design capacity, four (4) operating between 80% and 100% and nine (9) below their hydraulic design capacity.
In Q1 Ancor operated at 140%, Heidelberg at 109%, Ratanda at 108%, Olifantsfontein operated at 137%, Vlakplaats at 163% and Waterval operating at 218% of their capacity.

Until the overloaded WCW are upgraded/extended, serious challenges remain to support the CoE in meeting the Growth Development Strategy (GDS2055) and the development of the Aerotropolis.

Organic Load

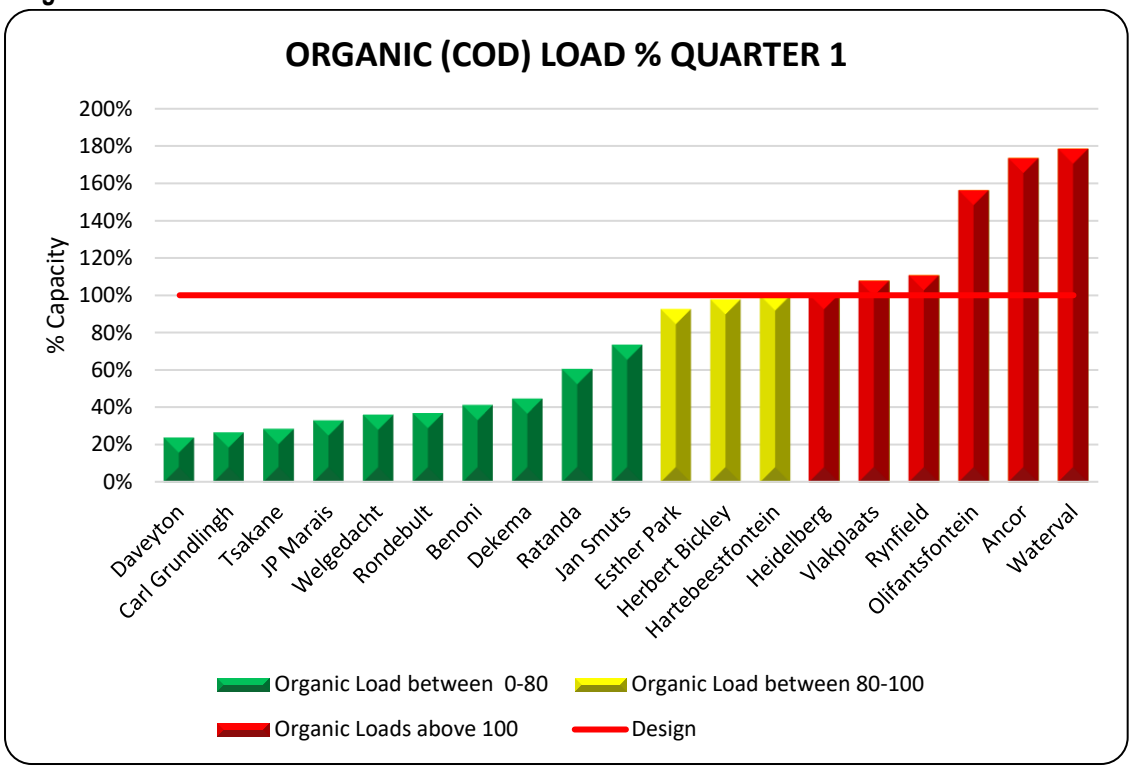


Figure 2

As can be noted, 6 (six) WCW operated above 100% organic load, 3 (three) WCW's operated between 80-100% of the organic design capacity and 10 (ten) below their design capacity during Q1(dry season), as compared to Q4 5 (five) WCW operated above 100% organic capacity, 1 (one) WCW's operated between 80-100% of the organic design capacity and 13 (thirteen) below their design capacity during Q4 (wet season))

3.4. Service Delivery Highlights and Challenges

3.4 Plant Specific Challenges

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
Benoni	Benoni complied with overall WUL effluent standards with compliance of Physical= 97% Chemical= 95 % Micro= 88% The average compliance target of 90% was achieved with the overall compliance of 94%.	Plant operated at 41 % of re-graded hydraulic capacity in Q1	Plant operated at 41% of re-graded organic capacity in Q1 due to high COD received	There were abnormal flow fluctuations in Q1 due to stage 6 load shedding, cable theft from McKenzie pump station and pump not working at Tom Jones pump station	There was 6 high strength of COD from industrial pollution in Q1	5 Level 3 Equipment failures occurred in Q1	There were 18 power outages in Q1 and duration was 58 hrs	Open digesters walls are cracking,	None	None	Dried sludge is stockpiled at the plant.	Unlined sludge paddies and maturation ponds could cause possible ground water pollution in Q1	None	None	Sludge classification on B2b. Sludge Samples were taken to the Laboratory for analysis of the new sludge classification. Screenings and grits that are generated at the plant and are collected by CoE.	Road is accessible	Portable water is available
Esther Park	Esther Park complied with overall WUL effluent standards with compliance of Physical= 95% Chemical= 96 % Micro= 78%	Plant operated at 66 % of hydraulic capacity (Based on regraded capacity of 1.4 Ml/d)	Plant operated at 93% of organic capacity for Q1 2023/ 2024.	0x abnormal flows recorded for Q1 2023/ 2024 above regraded design capacity of 1.4 Ml/d	8x Industrial effluent pollution incidents in Q1 2023/ 2024.	1x critical equipment failure occurred in Q1 2023/ 2024	31x power failure incidents recorded in Q1 2023/ 2024 lasting for total downtime of 74 hours. – Load shedding	Reactor walls are leaking	Not applicable	None	Not applicable	Not applicable	Not applicable	Not applicable	Screenings and grits collected by MCC Security and Projects.	Access road repaired.	Drop in water pressure occasionally that affects chlorine dosing

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	The average compliance target of 84% was achieved with the overall compliance of 90%.																
Hartebeestfontein	Hartebeestfontein did not complied with overall WUL effluent standards with compliance of Physical= 79% Chemical= 43 % Micro= 53% The average compliance target of 50% was achieved with the overall compliance of 58%.	Plant operated at 70% of hydraulic capacity.	Plant operated at 100% of organic capacity	The plant experienced fluctuations inflows in July-September 2023 (Q1) due to continuous load shedding with an average flow of 36.75 Ml/d.	Plant received industrial high strength effluent 3 times out of 92 days during July-September 2023 (Q1).	26 Level 3 Equipment failures occurred in Q1.	There were 24 power outages in July-September 2023 (Q1) for duration of 56 hours.	Aging infrastructure: Ferric plant, chlorine, thickeners, clarifier 1-4 bridge and siphons.	Digester 1, 4,6 and 9 sludge recirculation nozzles blocked. Digester 1-9 feeding lined was blocked.	There were 2 veld fires experienced in July-September 2023 (Q1)	279 000 kg of dry sludge was irrigated to the 200 hectares farm.	Borehole two has high concentration of Nitrates.	Sinkhole next to the fence towards FST 5 & 6 and around the Farm.	License amendment with relaxation on Electrical conductivity, Ammonia, E.coli and COD.	Sludge classification is B2c, not suitable for the intended purpose; this requires further engagement with the farmer.	The grading need to be done around the fence by June 2023. Sampling point access road need to be graded.	There was 2 portable water leakage next to module 1 & 2 MCC room.
Olifantsfontein	Olifantsfontein did not complied with overall WUL effluent standards with compliance of	Plant operated at a hydraulic capacity of 137% in Q1 23-24	Plant operated at 156% of organic capacity for Q1 2023/ 2024.	There were abnormal fluctuations of inflows in Q1 23-24 With ranges of 72-105	Plant received industrial high strength effluent (very high	21 Level 3 Equipment failures occurred in Q1.	There was 4 power failures in Q1 23-24 with a duration of 11 hours in	Module 3 Anaerobic digesters.	Digester 4 of 6 digesters are blocked due to sand	There was no veld fires in Q1 2023	Total sludge of 513 559 kg was produced in Q1 23-24. With 132 559 kg in July, 183 553 kg in August , and 197	Unlined emergency dams contaminating borehole no.2&3. Borehole 1 runs	2 x Sinkholes behind and in front of the old laborator	Olifantsfontein WUL is stringent on Ammonia of <	Sludge is classified into three streams: (1). Dewatering unit(B3a),	Road to upstream sampling point need to be graded and there is high erosion	YES, there is a water leak that is reoccurring and

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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= 62% Chemical= 53 % Micro= 47% The average compliance target of 60% was not achieved with the overall compliance of 54%.			Ml/d in July, 79-99 Ml/d in August , and 79-130 Ml/d in September 2023.	Electrical Conductivity above 100 mS/m) with 60 days in Q1 23-24 (8 days in July 29 days in August and 23 days in September 2023) Plant also experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.		July 2023 and 5 hour in September 2023, 3 genset were not in operation and 1 operational with 1612 L diesel consumption,		accumulation		844 kg in September 2023. Sludge production is affected by frequent FBP breakdowns. Sludge is disposed on different farms around Bapsfontein area and is used for agricultural purposes	dry during dry seasons	y which occurred in Dec 2019 still not rehabilitated	2mg/l, SS of 15 mg/l and EC of < 80 mS/m.	the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A3a), No restrictions and requirements apply 3) Grit and screenings is waste that should be dumped at specialised land fill under strict conditions to ensure ENV compliance , waste management by the city has been affected by lack of collection from site, leading to	on the banks. To be reported to the CoE..	resulting in water loss

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
															stockpiling and odour complaints.		
Rynfield	Rynfield complied did not with overall WUL effluent standards with compliance of Physical= 90% Chemical= 40 % Micro= 53% The average compliance target of 65% was not achieved with the overall compliance of 61%.	Plant operated at 83% of re-graded hydraulic capacity in Q1, which was above the design capacity.	Plant operated at 111% of re-graded organic capacity for Q1	There was low flows received during the Q1 from 05 September 2023 to 22 September due to scheduled stages 4 to 6 load shedding	None	9 Level 3 Equipment failures occurred in Q1.	There were 187 power outages in Q1 with a duration of 378 hrs.	Pavement, Digesters, Reactor tank and Bio- feeder structures are cracked	3 of 4 digesters are blocked due to defective desludging valves	None	Dried sludge is stockpiled at the plant	Unlined sludge paddies and maturation ponds could cause possible ground water pollution	None	None	CoE collects screenings and grits from the inlet works. Dried sludge is stockpiled at the plant	None	None
Ancor	Ancor complied did not with overall WUL effluent standards with compliance of Physical= 79% Chemical= 38 % Micro= 60%	Plant operated at 140% of its hydraulic capacity	Plant operated at 173% of organic capacity	Ancor experienced storm water ingress during heavy rainfall, worsening the overloaded hydraulic capacity.	Plant received high COD industrial effluent on 25 of 92 days. In Q1.	0 Level 3 Equipment failures occurred in Q1.	21 outages occurred (54 hrs. total, loadshedding 17 times and 38 hrs) (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 blocked with sand and are partially in operation. This causes the plant to run out of sludge handling capacity,	No veld fires occurred during Q1 at paddies.	Stockpile area not lined. Stockpiles on plant is a risk due to veld fires and environmental pollution	Unlined sludge paddies pollute underground water	Area around humus tanks and final effluent channel are dolomitic according to Geotech study	N/A	CoE removes solid waste (screenings and grit) and ERWAT appointed a service provider to collect the grit and screenings when CoE	Access road in bad condition with lots of potholes	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	The average compliance target of 50% was achieved with the overall compliance of 59%.								which prevent proper de-sludging and resulting in non-compliances.				performed.		is unable to do so.		
Daveyton	Daveyton complied with overall WUL effluent standards with compliance of Physical= 96.4% Chemical= 97.0 % Micro= 90.2% The average compliance target of 90.0% was achieved with the overall compliance of 94.5%.	Plant operated at 28% of its hydraulic capacity in Q1.	Sufficient capacity. Plant operated at 24% of its organic capacity in Q1.	Numerous sewer blockages in the CoE network, Power supply interruption at Etwatwa ext.10 pump station, pump failures at Etwatwa ext.18 pumpstation and potable water supply interruption to Etwatwa lead to inconsistent and irregular flow to the plant.	N/A. Domestic only.	5 Level 3 Equipment failures occurred in Q1. Diesel pump refill for generator,,Chlorine rotor meter, RAS pumps	169 power failures totaling 344 hours in Q1.	CCT sometimes leaking. Do not have direct impact on the operation of the plant at the moment	N/A	There was a fire at the sludge lagoons on the 18 July 2023 and it extinguished itself on same day. The fire started outside the fence of the lagoons, and some panels of the perimeter fence got damaged	Sludge lagoons are unlined Space for solar drying is in-sufficient	Unlined sludge lagoons pollute the ground water.	N/A	N/A	Screenings is collected by COE for proper disposal.	N/A	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
JP Marais	JP Marais complied with overall WUL effluent standards with compliance of Physical= 100% Chemical= 95 % Micro= 97% The average compliance target of 90% was achieved with the overall compliance of 97%.	Sufficient capacity. Plant operated at 57% of hydraulic capacity	Sufficient capacity. Plant operated at 33% of organic capacity	Blockage of Modderbee outfall sewer line in August, leading to decreased flows received at the plant.	None in Q1	11 Level 3 Equipment failures occurred in Q1, namely: WAS pump 1 x6, WAS pump 2 x1, PST Fine screen x1, WAS pipeline to Welgedacht x1, Disinfection Generator x1, Chemical Clarifier # bridge x1, with 1% ratio impact on compliance	153 load shedding (335 hours) and power failure occurred 5 times (23 hours).	None	N/A	No veld fire incident experienced in Q1	Sludge pumped to Welgedacht, where it is treated.	Some boreholes polluted. Ongoing monitoring of boreholes.	No dolomitic soil	N/A	CoE removes solid waste (screenings and grit) except for PST screenings, due to no screen compactor.	N/A	N/A
Welgedacht	Welgedacht complied with overall WUL effluent standards with compliance of Physical= 98% Chemical= 84 % Micro= 90% The average compliance target of 81% was achieved with the	WCW operated above design capacity of 96% of its capacity	Sufficient capacity WCW operated at 36% organic capacity.	Sewage blockages at old McComb plant line	6 x Colored influent and 4 foreign objects(small plastics)	56 Level 3 Equipment failures occurred in Q1	10 x power outages which lasted for 154 hours due to unplanned power outage at Eskom substation	N/A	N/A	none	None	Unlined De-chlorination channels and Emergency dam	N/A	N/A	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	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.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	overall compliance of 91%.																
Jan Smuts	Jan Smuts did not complied with overall WUL effluent standards with compliance of Physical= 88% Chemical= 65 % Micro= 57% The average compliance target of 70% was achieved with the overall compliance of 70%.	Plant operated at 89% of its hydraulic capacity	Plant operated at 73% of its organic capacity.	36 days of High incoming flows in Q1	Plant received industrial high strength effluent on 2 of the 92 days in Q2.	Q1, no critical equipment failures.	152 Power outages (304 hours total) due to load shedding, Generator backup was operational, 2 (30 hours) unplanned power outage due to 33kV termination blew, at Van Eck Park	Humus Tanks scum boards, digester number 2's wall, drying beds' walls and the bio-filters' feed flow division box/tower.	None	None	Dried sludge is stockpiled on site.	Unlined sludge stockpile area can cause groundwater pollution.	No	No	Screenings incinerated at the plant and the grit buried on site. This practice does not comply with WUL conditions.	Fair	Rand Water
Heidelberg	Heidelberg complied with overall WUL effluent standards with compliance of Physical= 100% Chemical= 77 % Micro= 94% The average compliance	Plant operated at 109% of its hydraulic capacity	Plant operated at 101% of organic capacity	High incoming flows	The plant received 10 high CODs and 30 high NH3s levels that are above the design in the current quarter.	7 Level 3 Equipment failures occurred in Q1.1. including 2x sludge to land PUMP failing to start and 1x Generators failing to start.. Inlet works pumps .4 x inlet screen chain coming off.	Heidelberg had 160 power outages with a duration of 345 hours. Diesel used was 5183 L	The joint sealants of Carousel reactor concrete wall are damaged	None	No veldfires occurred during Q1.	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	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	The access road to Heidelberg works require a new-tarred road is required urgently	Leakage on the pipeline to the inlet works due to a rusted pipeline.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	target of 80% was achieved with the overall compliance of 90%.																
Herbert Bickley	Herbert Bickley did not complied with overall WUL effluent standards with compliance of Physical= 92% Chemical= 92 % Micro= 78% The average compliance target of 80% was achieved with the overall compliance of 87%	Plant operated at 93% of hydraulic capacity	Plant operated at 98% of organic capacity	High incoming were experienced in Q1.	Plant received industrial high strength effluent on 25 of 90 days	6 Level 3 Equipment failures occurred in Q1.2x booster pumps, 1xsludge to land pump, 1x chlorine dosing systems.	Herbert Bickley had 88 power outages which lasted 152 hours Diesel used was 8970L	Anaerobic digesters cracked concrete structures, Biofilter 1 ans 2 have cracked concrete structures,	4 out of 8 digesters not in use due to blockages and leaking digester pipes	1 veldfires occurred during Q1	Sludge used for irrigation at instant lawn	Irrigation of sludge for Instant lawn is a source of pollution Activities are carried out as per Guidelines	None	None	Collected by CoE to a dedicated landfill site	Access road to the plant damaged and requires an upgrade	None
Tsakane	Tsakane did not complied with overall WUL effluent standards with compliance of Physical= 91% Chemical= 60 % Micro= 73%	Sufficient capacity. Plant operated at 55% of hydraulic capacity.	Sufficient capacity. Plant operated at 28% of organic capacity.	Minimal incoming flow was experienced at the plant due to equipment breakdowns and spillages at Reticulation pump stations (Rockville,	Plant received industrial high strength effluent on 0 of 91 days	7 Level 3 Equipment failures occurred in Q1.namely, Mechanical fine screen no.3, ,Blocked RAS pumps discharge line,	Tsakane had 188 load shedding events which lasted 439 hours. Diesel used was 40 981L. 1 x Backup generator available.	Digesters and channel for raw sewage feeding HYBACS concrete structures cracked and leaking	N/A	No veldfires occurred during Q1	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. Unfenced drying paddies	None (There's a dolomitic report that shows none at Tsakane)	None	Screenings and grit collected by MCC Security to a dedicated landfill site	None	Potable water leaks next to Tsakane hostel. It also creates a wetland next to the fence.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	The average compliance target of 70% was achieved with the overall compliance of 74%.			Extension 11 and 22)		Repair a motor for PST bridge, Ground short circuit for anaerobic mixer no.1, Ground short circuit for pre-anoxic mixer no.2, Install.											
Carl Grundlingh	Carl Grundlingh complied with overall WUL effluent standards with compliance of Physical= 100% Chemical= 97 % Micro= 97% The average compliance target of 88% was achieved with the overall compliance of 98%.	Plant operated at 53% of its hydraulic capacity	Plant operated at 27% of organic capacity,	None	No Pollution	None	None	None	N/A	No veldfires occurred during Q1	Land application of sludge is being used	Unlined sludge to land posing ground water pollution	None	None	Collected by a contractor to a dedicated landfill site	Access road to the plant is damaged and requires an upgrade.	None
Ratanda	Ratanda complied with overall WUL effluent	Plant operated at 108% of its hydraulic capacity	Plant operated at 60% of organic capacity,	WCW experienced low flows on 21 to 22 September	None	Aerator no 3, Generator software.	WCW experienced 164 load shedding events and	Drying beds drainage system and chlorine	N/A	No veldfires occurred during Q1	Dried sludge is stockpiled on-site, potential groundwater pollution	Unlined sludge ponds and leaking drying beds, potential	None	None	Screenings and grit generated at the plant are still	The access road to Ratanda Works is severely	No link to the Municipal Potable Water

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
	standards with compliance of Physical= 97% Chemical= 91 % Micro= 95% The average compliance target of 85% was achieved with the overall compliance of 94%.			2023 due to water supply shortage at Ratanda			7 unplanned power outage with the total duration of 345 hours in Q1	contact tanks are badly leaking structures				groundwater pollution			being buried and this practice is not environmentally friendly. Potential groundwater pollution. Quotation sourced for legal disposal site	damaged and a new-tarred road is required urgently	Supply, water transported from Heidelberg Works and borehole water is used for other domestic purposes
Dekema	Dekema did not complied with overall WUL effluent standards with compliance of Physical= 75% Chemical= 52 % Micro= 73% The average compliance target of 75% was not achieved with the overall compliance of 67%.	Plant operated at 48% of hydraulic capacity	Incoming organic concentration exceeded design organic capacity. Plant operated at 45% organic capacity	Plant received high flows on 0 out of 92 days	Plant received inflow that contained industrial effluent with high COD 4 of 92 days and high NH_3 6 of 92 days.	4 Level 3 Equipment failures occurred in Q1.Namely: 2 x PST scrappers, 1 x Compactor and 1 x Ferric chloride dosing line . Three Equiment failures rol over Q4: Namely 2 x Degritter pump and 1x Generator	141 Outages occur (335 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 Q1	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area to be ploughed into land.	Screenings and grit are disposed to suitable landfill that is lawful according to the NEMA.	None	N/A	Screenings and grit generated at the plant are disposed to suitable landfill that is lawful according to the NEMA. A Service Provider screenings and grit transport to authorised landfill site courtesy of CoE	The access road to Dekema WCW needs to be tarred as it gets muddy and slippery during rainy season.	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
Rondebult	Rondebult did not complied with overall WUL effluent standards with compliance of Physical= 88% Chemical= 77 % Micro= 92% The average compliance target of 90% was not achieved with the overall compliance of 85%.	Plant operated at 31% of hydraulic capacity	Exceeded organic capacity. Plant operated at 37% organic capacity	The plant received an average of 6.11 ML/d for Q1 and highest flow recorded was 11.87 Ml/d .Rondebult works treated low flows during the month of September 2023 due to prolonged power outages and the flow was diverted to Vlakplaats during power outages.	Plant received high COD industrial effluent on 20 of 92 days and NH3 on 0 of 90 days	7 Level 3 Equipment failures occurred in Q1. 1 critical equipment reported during the month of July 2023. Namely; 2x Raw sludge pump(failed twice) 2 critical equipment reported during the month of August 2023. Namely; 1x Generators 1x Secondary biofilter feed pump #20 4 critical equipment reported during the month of September2023. Namely:1x Biofilter feed pump #7.	59 Outages with the total hours of 379 occurred during Q1 , 37 power outages were due to loadsheddin g with a total hors of 81. 22 power outages due to CoE power interruption s(cable theft, cable faults, vandalised transformer and electrical substation) with a total hours of 297 (Load shedding is a big concern.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked. Biofilter walls cracked. Brick work of open channels are unstable, collapsing and cracked. The feed pipe from the primary biofilters to the secondary biofilters has collapsed. Anaerobic digester #4 and #5 walls have cracks. Digester #6 dome has open/ visible cracks on the surface	None	No veld fires occurred during Q1	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area and ploughed into land.	Unlined sludge lagoons, Collection and transportation of screenings, grit disposed of at a registered hazardous waste landfill sites	The entire area of the plant are dolomitic	N/A	Collection and transportation of waste (screening and grit) to a waste disposal site done by MCC security and Projects ERW202107/TNDR-003 .	The access road in and around the plant are deteriorating and will need attention	Potable water pipeline rusted and need to be replaced

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
						1x 1 000 kva Genset, 1x Tripped main feed DB(Primary plant section out of power) 1x Secondary biofilter feed pump#20											
Vlakplaats	Vlakplaats did not complied with overall WUL effluent standards with compliance of Physical= 66% Chemical= 28 % Micro= 1% The average compliance target of 47% was not achieved with the overall compliance of 32%.	Plant operated at 163% of hydraulic capacity. Needs to be upgraded	Plant operated at 108% of organic capacity	The plant received an average of 86.91 ML/d for Q1 and highest flow recorded was 121.63 Ml/d .Rainfall measured at the plant was 7 mm. Fluctuation of inflow is due to inconsistent Pump stations.	Plant received industrial high strength effluent on 0 of 90 days	19 Level 3 Equipment failures occurred in Q1. - Namely: 5 x theft electrical cable at main supply ,1 x failure of ferric dosing, 2 x failure of Module 4 Level 3 Equipment failures occurred in Q1. 3x failure of rawsludge pumps 7xfailure of humus pumps 1x failure of inlet works screen.	156 Outages occur (473 hours in total) due to Load shedding and cable theft.	Office building have some cracks.	None	No veld fires occurred during Q1.	Dried sludge is stockpiled on the drying beds. Demand for instant lawn application is seasonal	Unlined Maturation pond.	Area around bio filters at Mod A are dolomitic	N/A	Screenings and grit tender is awarded generated solid waste at the plant is disposed to landfill site starting from the 1 Feb 2023	Access road to DBF dosing station is slippery during rainy season	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	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
						1x failure of Mobile pump.											
Waterval	Waterval complied with overall WUL effluent standards with compliance of Physical= 99% Chemical= 88 % Micro= 90% The average compliance target of 80% was achieved with the overall compliance of 92%.	Plant operated above capacity (operated at 218% capacity)	Sufficient capacity Plant operated at 178% organic capacity.	Average flow of up to 370 Ml/day received due to developments and bypasses for upstream plants.	Plant received industrial high strength effluent on 0 of 92 days. Plant is receiving and treating 30 m^3 of leachate daily from EnviroServ	15 alert level 3 Critical equipment failures occurred in Q1 2023/2024 Mainly from 2x Aerator failures, 1 x BNR mixers and axial failures, 2 x Power dip cuts, 2x blower failures, 5 x Disinfection system failures, 2 x Digested pump and cornel pump failures, 1 x DAF recirculation pump failure,	0 Hours planned blower outage	None	None	2 veld fires at sludge land occurred during Q1	Dried sludge is stockpiled on the plant. Demand for agricultural application is seasonal.	Unlined Emergency dams.	None	N/A	Screenings and grit generated at the plant are now disposed at landfill site, this to prevent underground seepage	N/A	

3.5. Project/Infrastructure Report

This section includes all major projects that will contribute to the Mega Catalytic projects. 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. Below is the summary of these planned and running projects that have been identified to address planned Mega Catalytic Projects within City of Ekurhuleni (CoE).

3.5.1 Running Projects

3.5.1.1 The appointment of service provider/s for the supply, delivery and installation of Generators at ERWAT wastewater care works on 'as and when required' basis for a period of THIRTY-SIX (36 NO.) MONTHS

The project involves the procurement, supply, and delivery of diesel generators to meet the power requirements during load shedding at ERWAT Water Care Works. The purpose of the project is to ensure a reliable and uninterrupted power supply, particularly in areas where grid electricity is unreliable or unavailable. The diesel generators serve as backup power sources during power outages or as primary power supply in off-grid locations.

The project is in the implementation phase

3.5.1.2 The appointment of service provider/s for the supply, delivery and installation of Pumps at ERWAT wastewater care works on 'as and when required' basis for a period of THIRTY-SIX (36 NO.) MONTHS

The project involves the procurement, supply, and delivery of Pumps for the efficient and effective operation of ERWAT Water Care Works, maintaining flow rates ,pressures and mixing for effective treatment and disposal of sludge.

The project is in the implementation phase

3.5.2 Planned Projects

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.

COE and ERWAT undertook a comprehensive "*Wastewater Conveyance and Treatment Systems Regionalisation and 50-year Master Plan*" that will give strategic direction for future wastewater system extensions/consolidation planning, investment and implementation for the next fifty (50) year planning horizon. The plan cover all the Water Care Works operated by ERWAT and conveyance systems within the CoE operational area with the intention to optimize existing WCW systems and wastewater conveyance systems. The proposed "*Wastewater Conveyance and Treatment Systems Regionalisation and 50-year Master Plan*", is to reduce the number of WCWs operated by ERWAT from 19 to 10. The urgent required WCW capacity upgrades to accommodate the short to medium term capacity requirements in line with the Regionalization and 50-year Master Plan is summarized below.

No	**Water Care Works (WCW)**	**CAPEX Requirements**
1	Jan Smuts	R 58 500 000,00
2	Vlakplaats	R 364 000 000,00
3	Waterval	R 3 250 000 000,00
4	Ancor	R 455 000 000,00
5	Herbert Bickley	R 325 000 000,00
6	Olifantsfontein	R 650 000 000,00
7	Welgedacht	R 780 000 000,00
8	Ratanda	R 130 000 000,00
9	Hartebeestfontein	R 494 000 000,00
10	Rondebult	-
		R6 506 500 000,00

3.5.1.1 Ancor WCW

a) The Ancor water care 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. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. Ancor has older trickling filter technology, which is not suitable to treat high strength sewerage containing industrial pollutants. The new Daggafontein Megacity that is currently under construction directly opposite the plant will require a connection to the Ancor outfall were within this financial year.
b) Plans are currently underway to upgrade the plant to 50 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	35 Mℓ/d Plant Upgrade	R 455 000 000,00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The project is currently on Stage 2 (Preliminary Design) .

3.5.1.2 Vlakplaats WCW

a) Vlakplaats water care works 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. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. 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.

b) Plans are currently underway to upgrade and restore its original capacity of 83 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that the plant meet the required standards as stipulated by the department of water and sanitation (DWS).

PLANNED PROJECTS		BUDGET REQUIRED	STATUS /COMMENTS	COMMISSIONING DATE
1	28 Mℓ/d Plant Upgrade	R 364 000 000,00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	Stage 1 (Inception) Completed
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 anticipated to be 2021/2022

3.5.1.3 Welgedacht WCW

a) The Welgedacht water care 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 upgraded to 95 Mℓ/d.

b) Plans are currently underway to upgrade the plant to 155 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	60 Mℓ/d Plant Upgrade	R 780 000 000,00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The project is currently on Stage 3 (Detail Design)

3.5.1.4 Herbert Bickley WCW

a) The Herbert Bickley water care 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.
b) Plans are currently underway to upgrade the plant to 40.1 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	25 Mℓ/d Plant Upgrade	R 325 000 000,00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The commissioning of the project is subject to the availability of funds.

3.5.1.5 Waterval WCW

a) The Waterval water 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 upgraded to 170 Mℓ/d.
b) Plans are currently underway to upgrade the plant to 420 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 250 Mℓ/d Module 5 - Extension	R3 250 000 000,00	The capacity treatment plant upgrade is planned in relation to the 50-year master plan	The project is currently on Stage 2 (Preliminary Design)

Conclusion:

ERWAT is striving and working hard towards addressing all Mega Catalytic projects to accommodate all new developments within the City of Ekurhuleni. As per table above, the mentioned Water Care Works need to be upgraded urgently to cater for the current backlog in capacity and to make provision for future housing and industrial developments. ERWAT does not have enough Capex funds to extend/upgrade the plant.

ERWAT is exploring opportunities to determine appropriate technology solutions for the plant capacity upgrade or retrofit projects through Expression of Interest (EOI) for the water care works that are operating above the design capacity. As funding becomes available the upgrading or retrofitting all the water care works that are operating above the design capacity shall be implemented

4. 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	**484 802 331**		**121 200 583**	**104 261 403**	**(16 939 180)**	**104 261 403**	**(16 939 180)**
Remuneration of Directors	**3 991 959**		**997 990**	**321 794**	**(676 196)**	**321 794**	**(676 196)**
Bad Debts (Provision for Bad Debts)	**1 856 135**		**464 034**	**246 051**	**(217 983)**	**246 051**	**(217 983)**
Depreciation	**103 878 876**		**25 969 719**	**26 972 441**	**1 002 722**	**26 972 441**	**1 002 722**
Repairs and Maintenance	**155 813 866**		**38 953 467**	**15 574 184**	**(23 379 283)**	**15 574 184**	**(23 379 283)**
Interest Expense	**27 929 554**		**6 982 389**	**8 220 075**	**1 237 687**	**8 220 075**	**1 237 687**
Bulk purchases	**400 254 021**		**100 063 505**	**59 900 949**	**(40 162 556)**	**59 900 949**	**(40 162 556)**
General Expenses - Other	**223 102 982**		**55 775 746**	**19 382 496**	**(36 393 249)**	**19 382 496**	**(36 393 249)**
TOTAL OPERATING EXPENDITURE	**1 401 629 724**		**350 407 431**	**234 879 393**	**(115 528 038)**	**234 879 393**	**(115 528 038)**

Expenditure:

Year to date ERWAT has spent 16.76% YTD (R1 401 629 724/R234 879 393) of the total approved budget. The total overall YTD underspending in the 1st Quarter of R115 528 038 is due to the following reasons:

1. Employee costs due to a reduction in overtime spent and the recruitment plan for the financial year was that approved in September 2023 and recruitment drive has commenced for those positions.

2. There was an under expenditure on Director's remuneration as the budget provided for 8 Directors however only 4 Directors are employed during the financial year.
3. Repairs and Maintenance, under expenditure due commitments of R 25 395 006.38 in the payment process which will be paid in October.
4. Interest expense, over-expenditure due to the prime interest rate increases during the year that were not anticipated.
5. Bulk purchases, load shedding significantly impacts the electricity charges, which are included in Bulk purchases (fuel costs increased) and due to the timing of supplier invoices which are paid one month in arrears.

Table 6: Capital expenditure

Project Detail	**Total Original Budget**	Total Revised Budget (applicable only after Adjustment)	**Budget for Quarter**	**Actual for Quarter**	**Variance**	**Total Budget for the year**	**Actual for FY (Yr. to date)**	**Variance for year (Yr. to date)**	**% Completion**
CAPITAL PROJECTS	R127,646,091	N/A	R 44 676 131,85	R18 834 357,25	- R25 841 774,60	R127,646,091	R18 834 357,25	- R25 841 774,60	14.76%

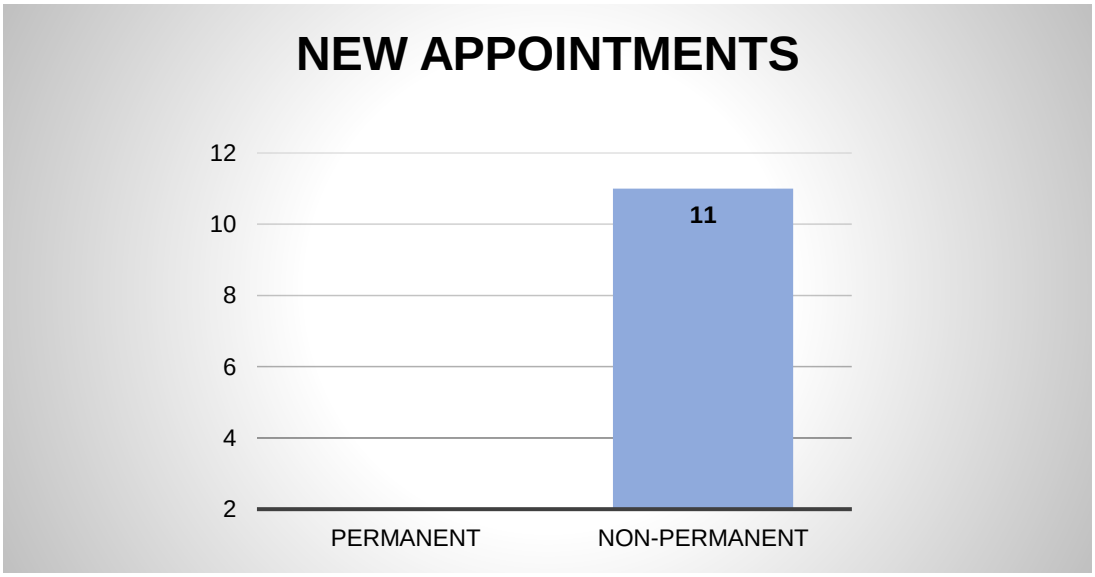
ERWAT has currently spent R18 834 357,25 (14.76%) of its capital budget at the end of the second quarter. The planned SDBIP target for the quarter has not been achieved with a 20.24% negative variance.

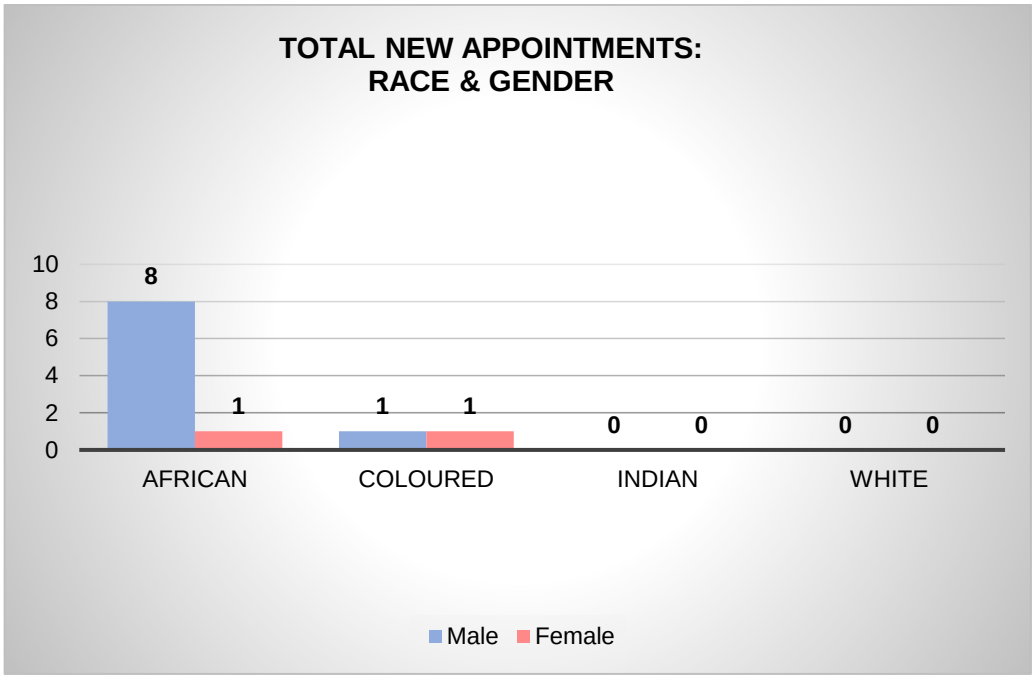
5. Human Resources

4.1 Staff Movements

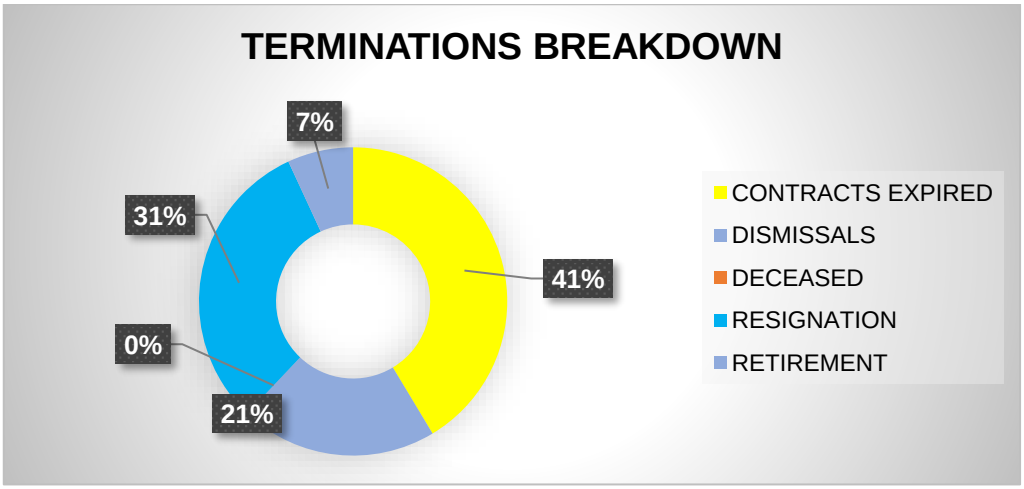
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	8	1	1	1	0	0	0	0	11
Resignations	4	3	0	0	1	0	1	0	9
Retirements	2	0	0	0	0	0	0	0	2
Contract Expired	5	7	0	0	0	0	0	0	12
Dismissals	5	0	0	0	0	0	1	0	6
Deceased	0	0	0	0	0	0	0	0	0
Promotions	5	4	0	0	0	0	0	0	9

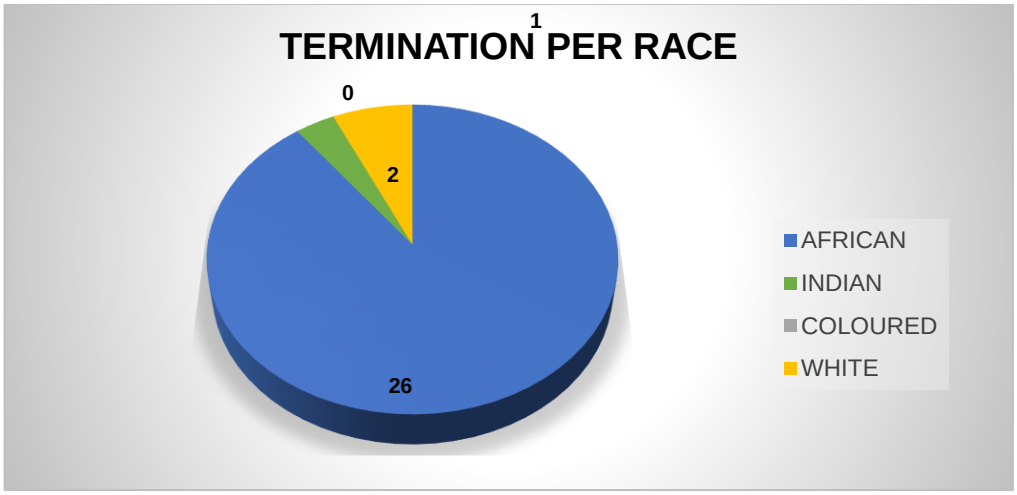
4.1.1 Appointments





4.1.2 Terminations

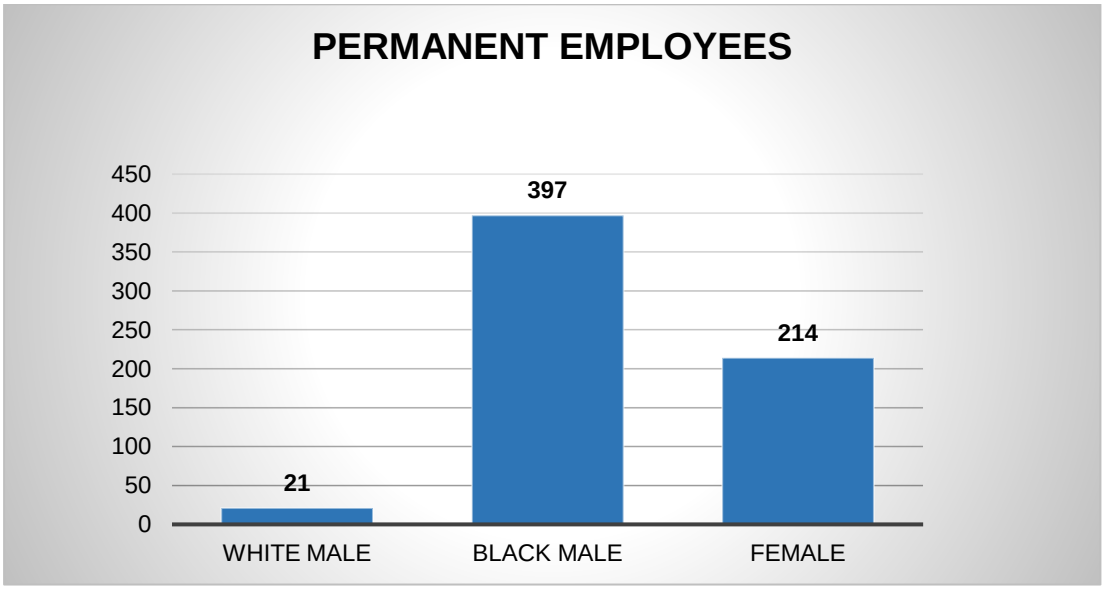




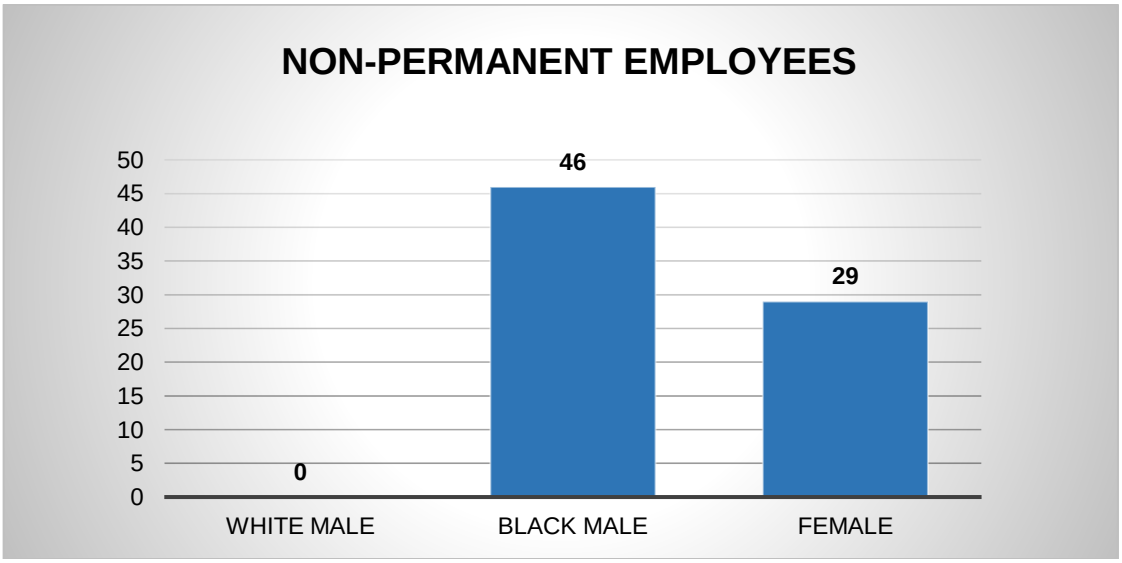
Status Analysis

- During the period under review, 11 employees were appointed.
- During the period under review, 29 employees exited the organisation for the following reasons;
    - 12 contracts expired;
    - 9 employees resigned;
    - 6 employees were dismissed for various reasons; and
    - 2 employees went on retirement during the period under review

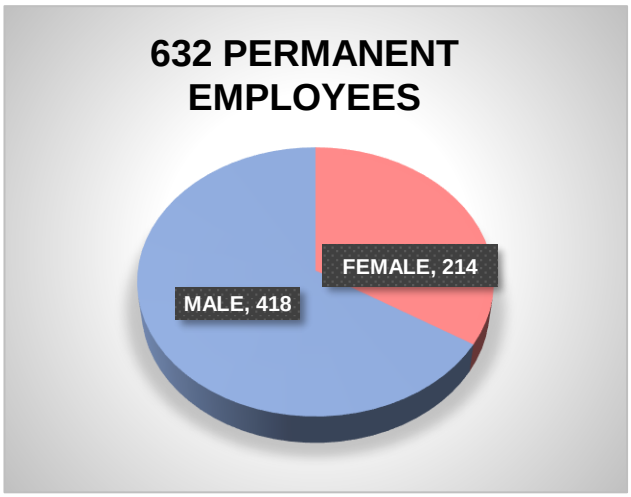
4.2 Employment Equity Demographics

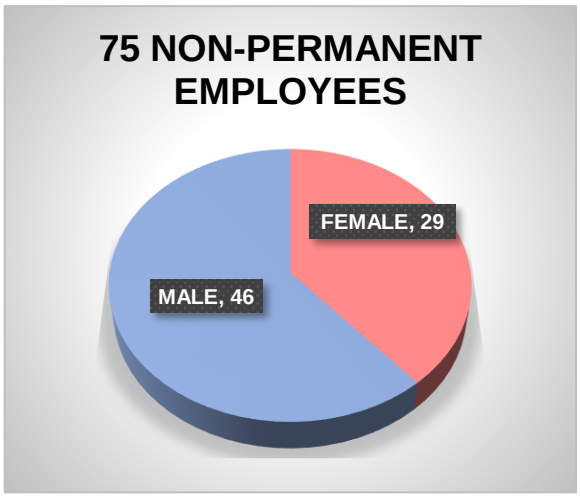


ERWAT has **632** permanent employees.



ERWAT has **75** non-permanent employees.





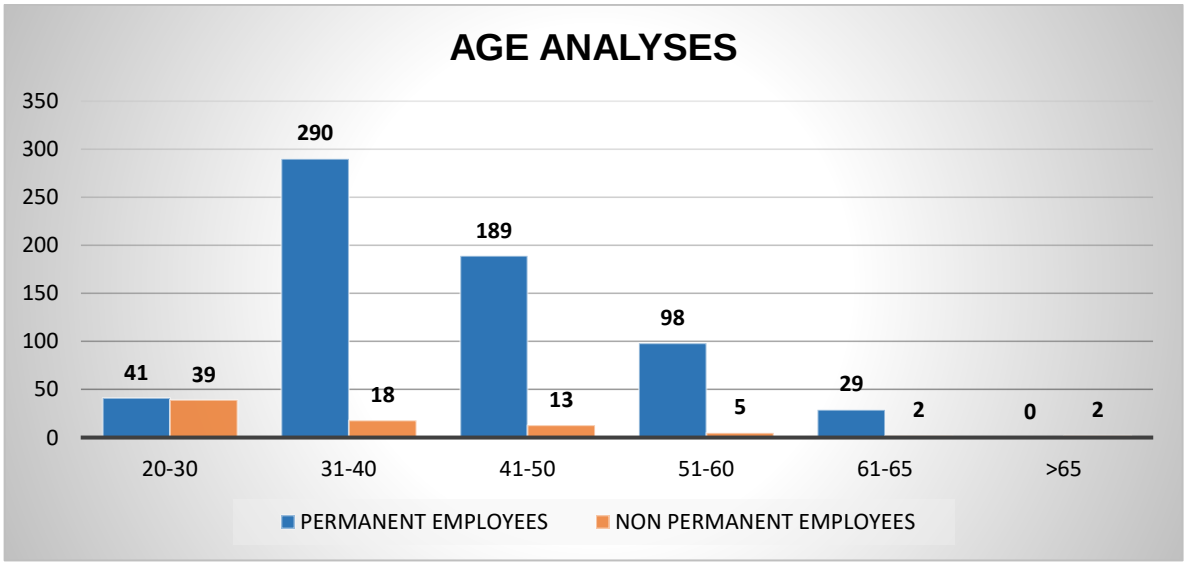
Status Analysis

- The employment demographics of ERWAT as at 30th September 2023 reflects:
    - Females in both permanent and non-permanent positions within ERWAT account for 243 or 34% of total positions filled.
    - Males in both permanent and non-permanent positions within ERWAT account for 464 or 66% of total positions filled.

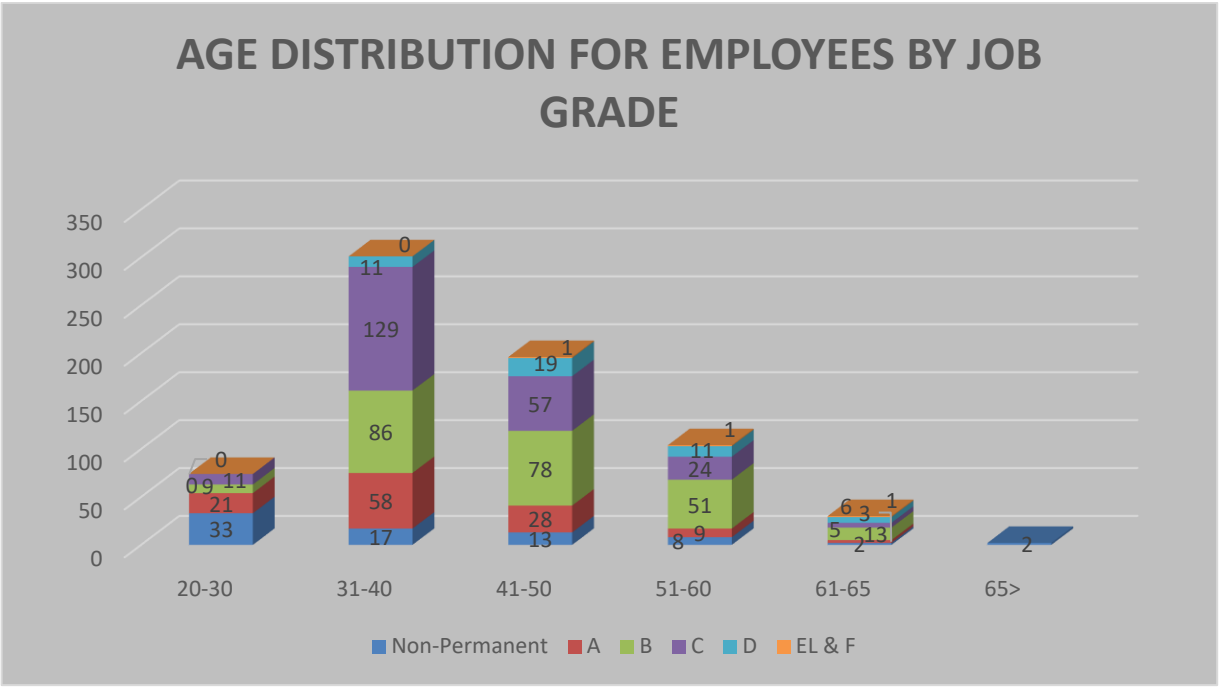
4.3 Employment Equity Update

No Employment Equity Committee meetings were held during Q1. Meetings will be scheduled in Q2 of the 2023-2024 financial year.

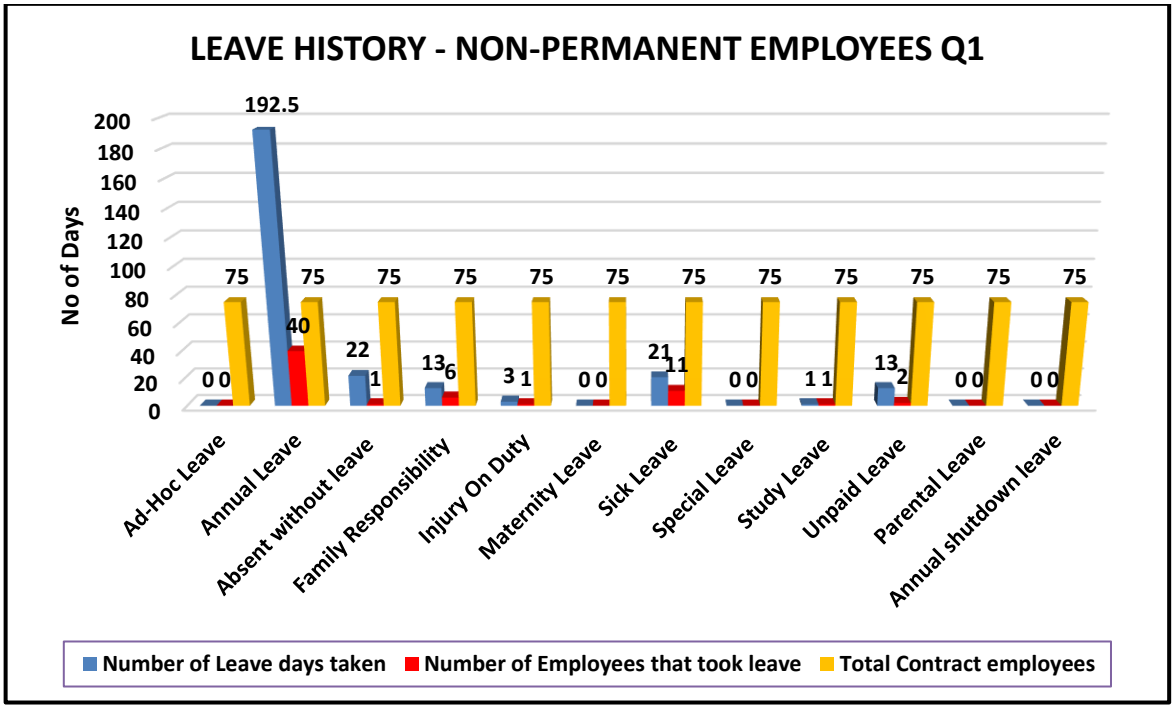
Age Analysis

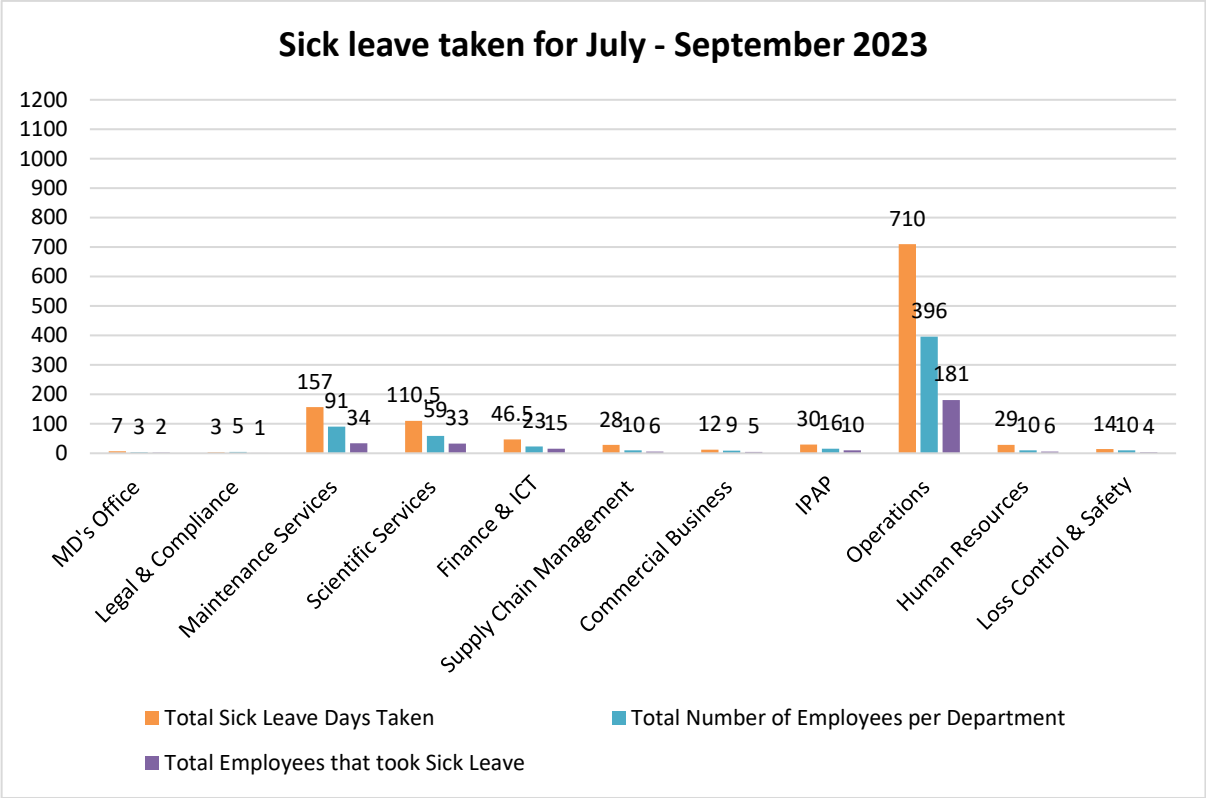


- Average age as at 09/2023 = 36



4.4 Leave Management





Status Analysis

- Total number of employees who took sick leave during the period under review are 297. The total sick leave taken equates to an approximate minimum of 3.86 days per employees.

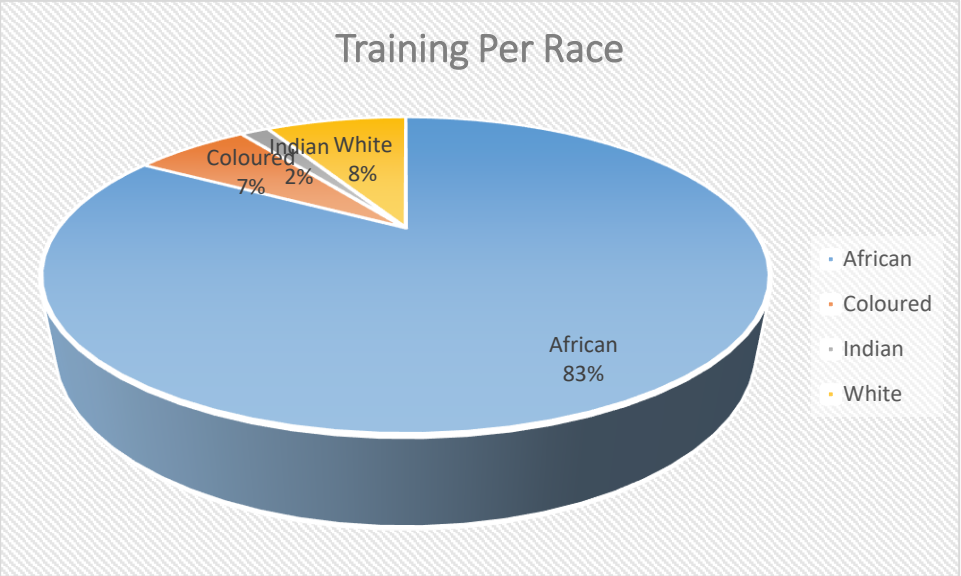
4.5 Overtime Trends

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Hours	54 671.80			
Total Cost	7 337 932.06			
Budget	8 167 624.25			

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

4.6 Training and Development

The reporting period saw **104 employees** attending various training interventions.



Report on performance in respect of the Skills development plans (narrative).

- 30 Employed Learners started the Water and Wastewater Treatment Process Operations: 136 Credits on Level 2, start date 31 July 2023 at Waterval
- 11 Employees started the Advanced Management Development Programme (AMDP) (block 1) on the 11th of September 2023 at Head Office
- 24 Managers and Supervisors attended the Disciplinary Hearing Training on the 19-21 of August 2023 and 28-31 August 2023 at the Head Office
- 40 Bid Committee Members attended the Bid Committee Training on the 17th of August 2023 with National Treasury.

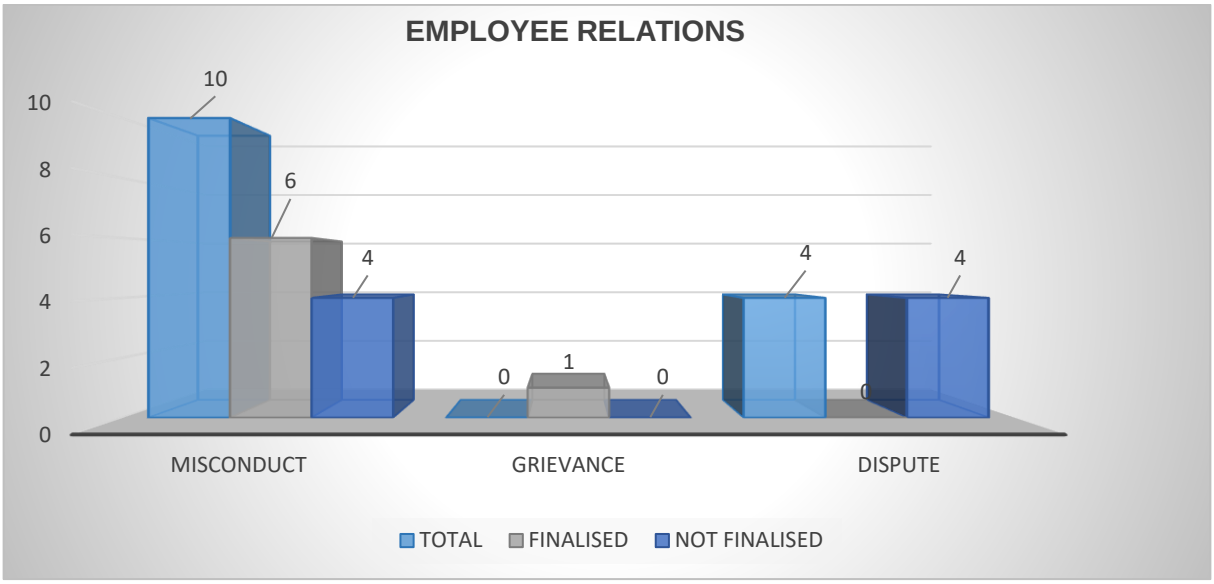
4.7 Performance Management

Status Analysis

Quarter 4 (2022/2023 year-end) evaluation will be completed in Quarter 3 of the 2023/2024 Financial Year.

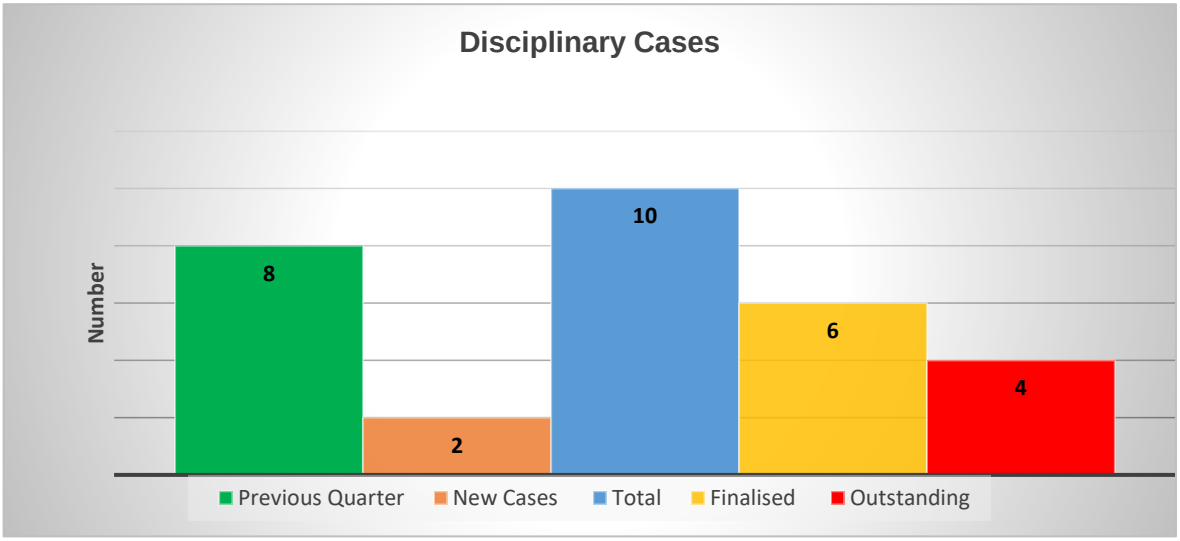
4.8 Employee Relations

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.



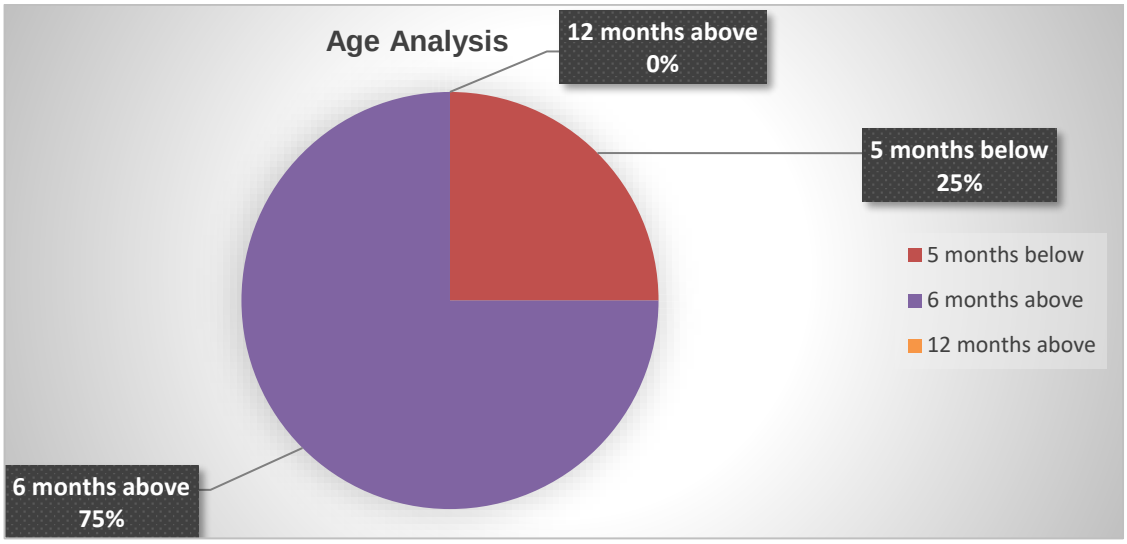
4.8.1. Disciplinary Cases

- Eight (8) cases were not concluded in the previous quarter hence brought forward.
- Two (2) new cases were received; the total for all disciplinary cases is ten (10). Total cases finalized is six (6) with a remaining balance of four (4) cases outstanding.



4.8.2. Age Analysis of Disciplinary cases

- The age analysis of the four (4) cases outstanding, 25% are below five (5) months, 75% above six (6) months and 0% are above twelve (12) months old.

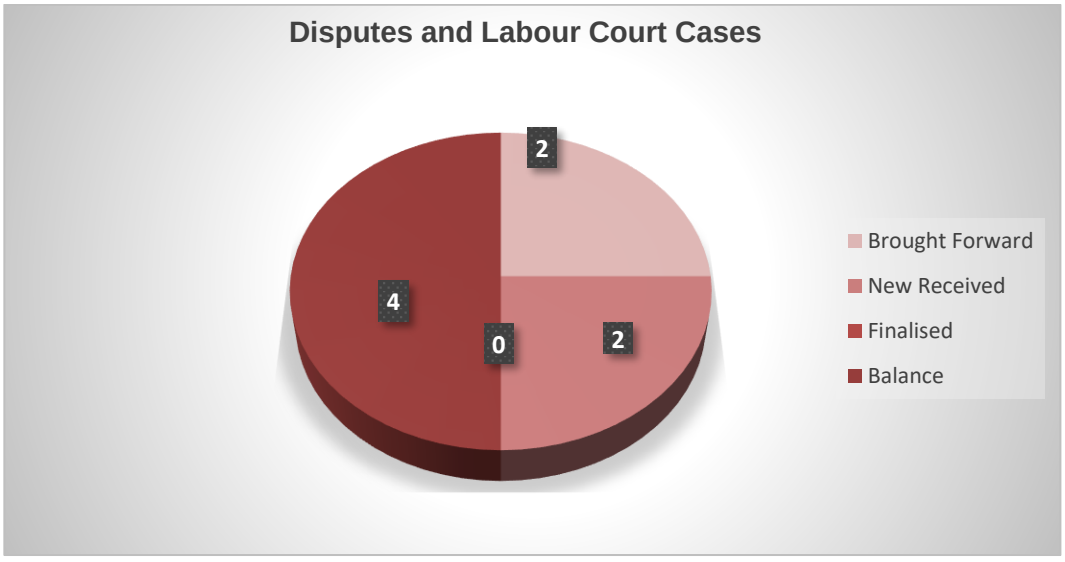


The age analysis of the four (4) outstanding cases is as follows:

- Cases that are less than one (1) month old =1
- Cases that are more than six (6) months old=3

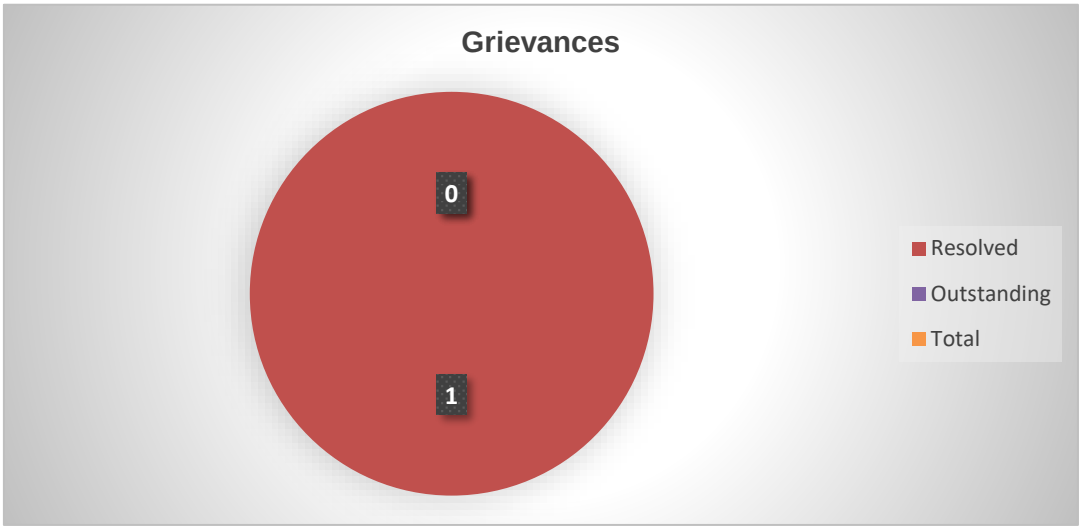
4.8.3. Disputes, Arbitrations & Labour Court Cases

- Total cases brought forward two (2) as at end of previous quarter.
- Two new cases were received.
- No case has been finalised.
- In respect of disputes at the bargaining Council and Labour Court cases, ERWAT is sitting at four (4) cases.
- The above case is 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 Q1, with four (4) cases still pending.

4.8.4. Grievances



Total grievances outstanding is zero (0).

4.8.5. Suspensions

There is only one suspension for the period under review.

4.10 Percentage of Salary to OPEX.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD - Actual
Total Manpower Cost	104 583 197,00	-	-	-	104 583 197,00
Total Operational Expenditure	234 862 061,00	-	-	-	234 862 061,00
% of Salary to OPEX	45%	0%	0%	0%	45%

6. Procurement Practices, Job Creation and Mainstreaming

A narrative is on how the Department has created to Job Creation. The narrative should also reflect contribution: The following should be included in this section of the report:

1. BEE spend in respect of supplier and contractor (PDIs)

2. Job creation is encouraged by including a provision for locally situated bidders within the set criteria in the functionality section where it could be broken down further where bidders could be scored for indicating in the supporting documents and tables their intention to employ new staff from the areas they will be operating from in the event that they are awarded a tender. This is however included on a case-by-case basis where it is practically implementable.

3. ERWAT is not in a position to utilise the EPWP program due to being and Entity and cannot apply directly to National Treasury for this grant through the Division of Revenue Act. Going forward, ERWAT will during its budget cycle identify potential projects where the EPWP can be included and utilised. ERWAT will require access and training on the respective EPWP portal for registration of projects and reporting.

4. GEYODI

	QUARTER 1				
CATEGORY	**JULY**	**AUGUST**	**SEPTEMBER**	**YEAR TO DATE TOTAL**	**% OF YEAR TO DATE TOTAL**
0% HDI / JURISTIC PERSON	R0.00	R0.00	R0.00	R0.00	0%
1-50% HDI	R0.00	R0.00	R0.00	R0.00	0%
51-99% HDI	R0.00	R3 997 694.00	R0.00	R3 997 694.00	3%
100% HDI	R153 000 000.00	R0.00	R0.00	R153 000 000.00	97%
TOTAL	**R153 000 000.00**	**R3 997 694.00**	**R0.00**	**R156 997 694.00**	**100%**
SIZE OF COMPANY	**JULY**	**AUGUST**	**SEPTEMBER**		
LARGE	R0.00	R0.00	R0.00	R0.00	0%
MEDIUM	R153 000 000.00	R3 997 694.00	R0.00	R156 997 694.00	100%
SMALL	R0.00	R0.00	R0.00	R0.00	0%
MICRO	R0.00	R0.00	R0.00	R0.00	0%
TOTAL	**R153 000 000.00**	**R3 997 694.00**	**R0.00**	**R156 997 694.00**	**100%**
AWARDS MADE TO:	**JULY**	**AUGUST**	**SEPTEMBER**		
FEMALES	R0.00	R0.00	R0.00	R0.00	
BLACK FEMALE 30-100%	R153 000 000.00	R0.00	R0.00	R153 000 000.00	
HDI 50-99%	R0.00	R3 997 694.00	R0.00	R3 997 694.00	
100% HDI	R153 000 000.00	R0.00	R0.00	R153 000 000.00	
MILITARY VETERANS	R0.00	R0.00	R0.00	R0.00	
PWD	R0.00	R0.00	R0.00	R0.00	
YOUTH	R40 000 000.00	R0.00	R0.00	R40 000 000.00	
BBEEE SCORE CARD	**JULY**	**AUGUST**	**SEPTEMBER**		
EME	R153 000 000.00	R0.00	R0.00	R153 000 000.00	97%
QSE	R0.00	R3 997 694.00	R0.00	R3 997 694.00	3%
GENERIC	R0.00	R0.00	R0.00	R0.00	0%
TOTAL	**R153 000 000.00**	**R3 997 694.00**	**R0.00**	R156 997 694.00	**100%**
AWARD MADE TO	**JULY**	**AUGUST**	**SEPTEMBER**		
COE BASED COMPANIES	R40 000 000.00	R0.00	R0.00	R40 000 000.00	25%
NON COE BASED	R113 000 000.00	R3 997 694.00		R116 997 694.00	75%
	R153 000 000.00	**R3 997 694.00**	**R0.00**	R156 997 694.00	**100%**

The following table and charts indicate the respective BEE spend and GEYODI expenditure for Quarter 1 (Period: July 2023 – September 2023):

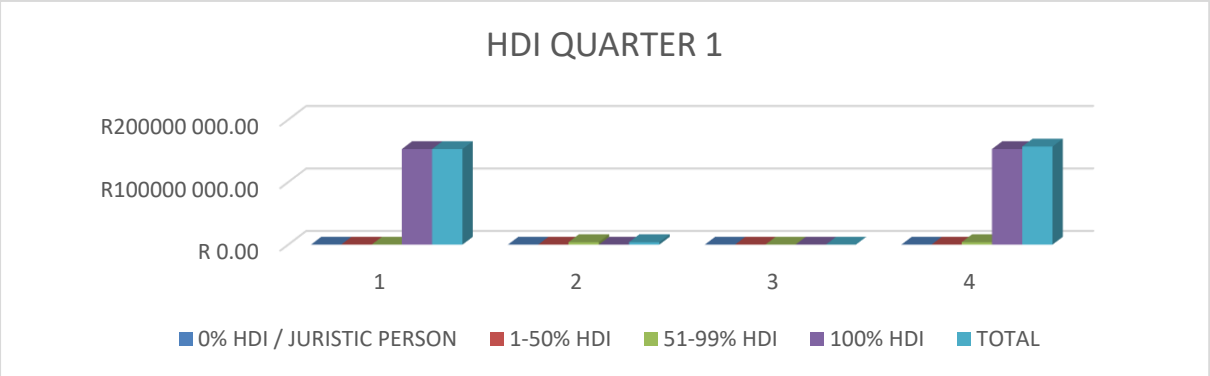


Figure 1

TRANSACTIONS IN SUPPORT OF HDI OWNED BUSINESSES	PAID IN THE RESPECTIVE % CATEGORIES
Service providers with 0% HDI ownership	R0
Service providers with 1 -50% HDI ownership	R0
Service providers with 51 - 99% HDI ownership	R3 997 694
Service providers with 100% HDI ownership	R153 000 000

Figure 2 shows the bids indicating expenditure spent on companies accredited according to the recognized B-BBEE score cards for Quarter 1 (Period: July 2023 – September 2023):

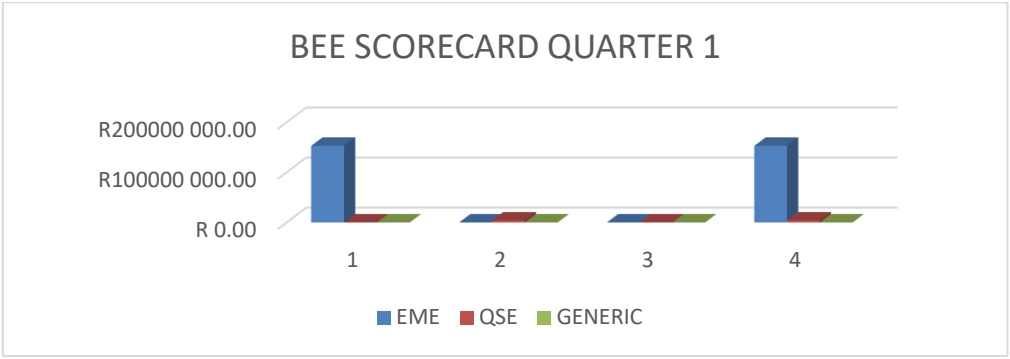


Figure 2

TRANSACTION IN SUPPORT OF THE RESPECTIVE BEE CHARTERS	PAID IN THE RESPECTIVE ACCREDITATION CATEGORIES
Service providers with EME BEE Accreditation	R153 000 000
Service providers with QSE BEE Accreditation	R3 997 694
Service providers with GEN BEE Accreditation	R0

Figure 3 shows the bids indicating expenditure spent on companies owned by GEYODI for Quarter 1 (Period: July 2023 – September 2023):

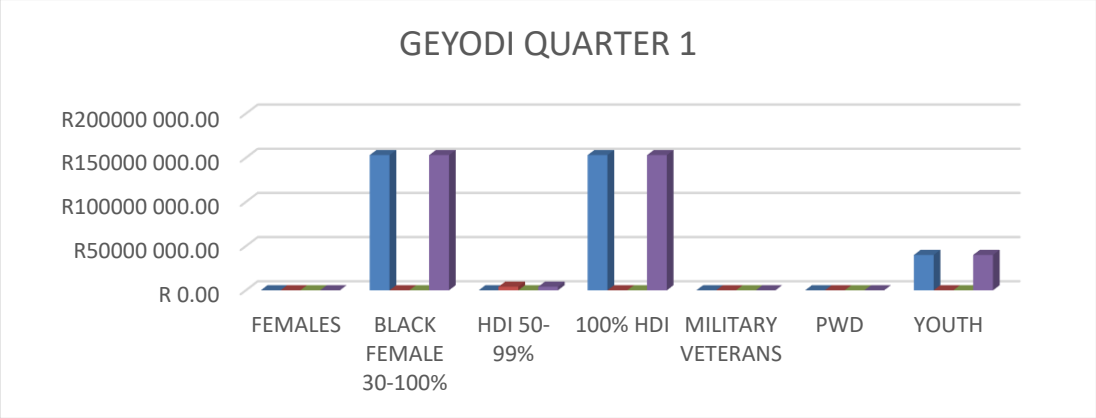


Figure 3

TRANSACTION IN SUPPORT OF GEYODI OWNERSHIP	PAID IN RESPECTIVE % CATEGORIES
Businesses owned by Women	R0
Businesses owned by 1- 100% Black Women	R153 000 000
Businesses owned by 1- 99%HDI	R3 997 694
Businesses owned by 100%HDI	R153 000 000
Businesses owned by Military Veterans	R0
Businesses owned by PWD	R0
Businesses owned by Youth	R40 000 000

Figure 4 shows the bids indicating expenditure spent on companies based in COE and non-COE for Quarter 1 (Period: July 2023 – September 2023):

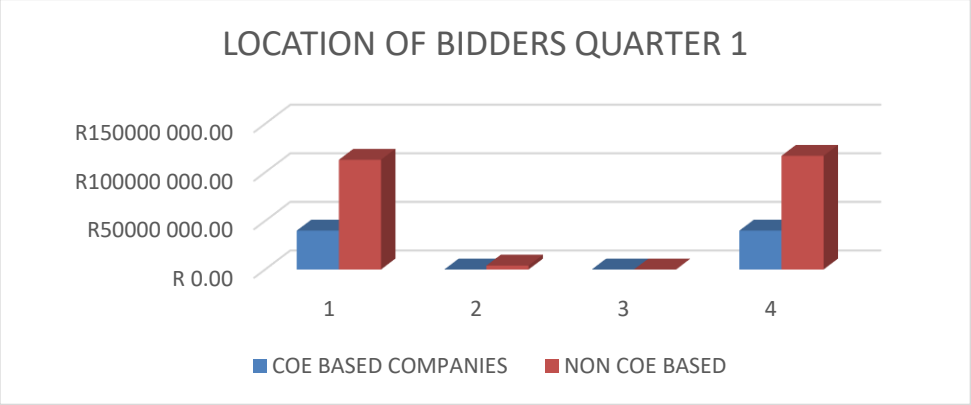


Figure 4

TRANSACTION IN SUPPORT OF BUSINESSES LOCATED WITHIN/OUTSIDE COE AREA	PAID IN RESPECT OF LOCALITY
Service providers located **WITHIN** the COE Area	R40 000 000

Service providers located **OUTSIDE** COE Area	R116 997 694

7. Risk Management

SUMMARY OF RISKS

The department is faced with uncertainty on the achievement of the strategic and performance objectives as set out in this business plan. The uncertainty arises from various internal and external factors and sources. This uncertainty, if not responded to, may lead to the non-achievement of set objectives and failing to take advantage of any opportunities that may be realised in the pursuit of the achievement of objectives.

The management of uncertainty, otherwise known as risk management, is the basis of effectively responding to uncertainty and maximizing opportunities. Risk management is one of the cornerstones of sound and responsible municipal governance, and it is as an indispensable element of all planning, execution and monitoring activities.

The benefits of responding to risk are:

1. Proactive response to performance threats;
2. Better quality decisions;
3. Increased efficiency, effectiveness and economy of operations;
4. Reduced losses;
5. Enhanced compliance with laws, regulations and standards;
6. Continuity of operations;
7. Higher level of assurance on the achievement of objectives.

The department has identified the risks that are associated with its strategic objectives and the inherent nature of its business. The process was in line with the City's Enterprise Risk Management Policy and Framework. The key elements of the process involve the:

(i) The identification of risks;

(ii) The evaluation of risks against drivers and the impact thereof;

(iii) Assessment of risks to determine the residual risk levels;

(iv) Deciding on the appropriate response to risk based on priority; and

(v) Implementing the risk response measures

ERWAT Strategic Risks

The summarised profile of the risks of the department is tabled below.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
ERW1	Inadequate Infrastructure to treat wastewater	CF 1.1	Inadequate integrated planning between CoE and ERWAT	CF1.1	Service Delivery Agreement between the CoE and ERWAT	High	RAP 1.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 1.2	Lack of participation in key decision making forums established by the City such as Capital Investment Forum	CF1.2	City Committees (MMC Senior Management meetings, Technical Cluster)		RAP1.2	Request the H.O.D of the City Planning to invite ERWAT to the Capital Investment Forum meeting	A request was sent to the City for ERWAT to attend the annual Capital Investment Forum meeting. Action plan completed
		CF 1.3	'a) Outdated, aging and inadequate infrastructure to treat high	CC1.3.1	Grant Funding (Urban settlement development grant)		RAP1.3.1	Investigate other potential sources of funding for the upgrading of infrastructure to	Request for Infrastructure funding has been submitted to both DBSA and IDC. Awaiting response and further engagement

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			strength industrial effluent due to lack of budget to implement capacity related projects. Current Capacity (14 WCWs operating above 100% capacity, 3WCWs operating at 80+ to 100% and only 2 WCWs operating below 80%)					increase capacity- Go out into the market to source/borrow additional funding for expansion	
				CC1.3.2	'MTERF Capex Budget Allocation 2023/2024		RAP1.3.2.1	Implementation the 2023/2024 Capex plan	"The total Capex budget for 2023/24 FY is R127 million. - The target for Quarter 1 is R44.68 million, which is 35% of the total Capex budget. The actual capital expenditure for Quarter 1 of 2023/24 FY is R19.00 million, which is 14.89%. The target for the quarter has not been achieved with a negative variance of -20.11%."
							RAP1.	Plant Optimisation Modelling	Facility Development Plans (FDPs) for all WCWs to be developed by the end of 2025/26 financial year.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
							3.2.2		The Water Care Works Process Modelling and Optimization Program plan has been approved by EXCO. A draft report for Hartebeestfontein WCW FDP is available.
				CC1.3.3	Development & Engineering Contribution Policy		RAP1.3.3	Review the Development & Engineering Contribution Policy to include a clause on upfront payment	Development & Engineering Contribution (DC) policy document under review. The current ERWAT policy is to be bench marked with the latest approved C.o.E policy. The upfront payment clause is now included in the Development application's response letters.
				CC1.3.4	Wastewater conveyance and treatment systems regionalisation and 50 year master plan		RAP1.3.4	Five (5) Turnkey Capital Project – 50 Year Master Plan through the City (progress report) 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats	1. Watervaal - Refurbishment and Expansion for an additional 250 megalitres. Stage 1 Complete & Stage 2 in progress 2. Olifantsfontein - Upgrade from the current regraded capacity of 65ML/D to 105 ML/D. Stage 1 Complete & Stage 2 in progress 3. Vlaakplaats - Refurbish and upgrade the existing infrastructure

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								4. Anchor 5. Welgedacht	of the Vlakplaats Water Care Works to unlock and make available 26 MI/day of treatment capacity so that the WCW can be rerated and discharge its original 83 Ml/day of effluent for which it is licensed. Stage 1 Complete, awaiting approval to proceed to Stage 2; Waterval WCW 4. Anchor - resuscitate the plant from the current capacity of 15Ml/D to the original design capacity of 35 Ml/D by means of the refurbishment. Anchor WCW: Stage 1 Complete & Stage 2 in progress; 5. Welgedacht - Refurbishment, Upgrading of the existing modules and the Construction of additional 60 Mℓ/d module for the Welgedacht Water Care Works. Stage 1 Complete & Stage 2 Complete, Stage 3 in progress

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			'b) Outdated, aging and inadequate technology to treat high strength industrial effluent due to lack of budget to implement newer technologies(OPS) .	CC1.3.5	Wastewater Risk Abatement Plans		RAP1.3.5	Review the Wastewater Risk Abatement Plans every 2nd year (2023)	Review of Waste Water Risk Abatement Plans(WRAPs) commenced in August 2023 with the physical identification of risk for the 19 care works and will be completed in quarter 3 with the finalisation of the reports.
				CC1.3.6	Wastewater Research and Development Program		RAP1.3.6	Organic testing of industrial effluent	Organic profiling has been completed on 553 industrial source scans (316 for North East Region and 237 for South West Region). Industries exceeding by laws limits are being screened on a monthly basis.
				CC1.3.7	CoE Schedule A Bylaws Analysis of samples by ERWAT		RAP1.3.7	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
				CC1.3.8	Incident management protocol (IMP).		RAP1.3.8	Tracking of incidents and on a quarterly to assist in planning to build operational resilience and improving compliance	1453 Job Cards were loaded on the CMMS for equipment breakdown incidents , 770 or 53% were closed.
		CF 1.4	'Asset Care Plans inadequately resourced to fully implementation maintenance plans leading to unavailability of equipment	CC1.4.1	Asset Management Policy & Asset Management Strategy		RAP1.4.1	Review the Asset Management Policy and Strategy	The Assets Management Policy was approved by the board in July 2023 – Action plan completed
				CC1.4.2	Asset Care Plans, limited available budget		RAP1.4.2	Implementation of the Maintenance Plan for 2023/2024	The expenditure year to date is R 15 574 183,73 against the target of R 38 953 466.50 for Quarter 1
				CC1.4.3	Implementation of the 2022/2023 Maintenance Plan				
		CF 1.5	Delays in bringing back equipment to services due to long lead time of	CC1.5.1	ERWAT Operational Procurement Plan		RAP1.5.1	Create a Centralised Spares Store to reduce down-time and increase efficiency	Action Plan not yet started

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			spares of spares sourced overseas and inadequate service master contracts	CC1.5.2	'Equipment Operating Manuals		RAP1.5.2	Develop/Review the Maintenance & Operations Standard Operating Procedures	Approved Standard Operating Procedures: 1. Safe Operation & Maintenance Procedure for Medium Voltage Systems 2. Isolation-Lock-Uot-Tag-Out Procedure 3. Safe Operation & Maintenance Procedure for Low Voltage System SOP's Under Review: 2. Asset Scrapping Movement Security & Safe Storage Procedure (SOP subject to review - asset decommissioning and asset transfer procedures to be added on) 3. Work Order Lifecycle Procedure
		CF 1.6	Storm water ingress contributing to the water levels in the plant	CC1.6	No current control - Storm water is managed at City level		RAP1.6	The entity has no control over storm water ingress it is within the boundary of the City	There will be no reporting for the period under review.
		CF 1.7	Rapid population and industrial	CC1.7	Wastewater conveyance and treatment systems		RAP1.7	Request additional Capex funding to	Request for Infrastructure funding has been submitted to both DBSA

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			growth within CoE		regionalisation and 50 year master plan			implement capacity related project	and IDC. Awaiting response and further engagement
ERW2	Inadequate preparedness in the event of an emergency/ natural disaster.	CF 2.1	Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems and emergency dams	CC2.1	Water Bypass System for some Wastewater Care Works and emergency dams	High	RAP2.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 2.2	Some of the Infrastructure built on dolomitic areas	CC2.2	Geo tech studies conducted(annually upon availability of funds)		RAP2.2	Conduct Geotechnical studies	Action plan closed. Any Geotechnical Investigations will be reported under the 5
		CF 2.3	Inadequate Business Continuity	CC2.3.1	Business Continuity Management Policy		RAP2.3.1	Develop an ERWAT Disaster Management Framework	Action Plan not yet started.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			Management Program	CC2.3.2(a)	Business Continuity Management Risk Assessments for Water Care Works and Support Services		RAP2.3.2	Review of Business Recovery Plans for the Core Business	Action Plan not yet started.
				CC2.3.2(b)	BCM Business Impact Analysis				
				CC2.3.2(c)	Business Recovery Plans				
				CC2.3.3	BCM Steering Committee		RAP2.3.3 (a)	Raise awareness on Business Continuity Management through quarterly news flash	Action Plan yet started.
							RAP2.3.3 (b)	Training of BCM Co-ordinators	Action plan not yet started

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
				CC2.3.4	BCM Infrastructure Condition Assessments		RAP2.3.4	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC2.3.5	ICT Disaster Recovery Plan		RAP2.3.5	Move ERWAT Disaster Recovery Site to a location far from Head Office in line with best practice	Draft specification in progress
ERW3	Potential loss of the ISO 17025 accreditation	CF 3.1	Aging instrumentation, scarcity of spares and discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery	CC3.1 (a)	Scheduled maintenance in accordance with ERWAT's Instrumentation maintenance Plan	High	RAP3.1(a)	Scheduled Instrumentation Maintenance Plan	Instrumentation serviced /calibrated as per schedule.
				CC3.1 (b)	Use of obsolete scrapped equipment spares		RAP3.1(b)	Capex 2 items: 2 x Flow injection analysers GC-MS equipment	The tender is at Bid Specification process.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			both internally and externally						
		CF 3.2	Lack of budget for planned maintenance of the laboratory building	CC3 .2	Ad-hoc minor maintenance by the Maintenance Department on a daily, weekly and monthly basis.		RA P3. 2	Implementation of building maintenance plans including power supply loads, building/ roof leaks, etc.	Draft design and specification in progress
		CF 3.3	Lack of control of the laboratory internal environmental temperature resulting in	CC3 .3 (a)	UPS at the Laboratory on certain instruments and central generator at Head office		RA P3. 3	Develop Head Office Maintenance Plan (replacement of UPS batteries and scheduled maintenance on the batteries)	Faulty batteries were replaced but additional Capex is required to replace the whole battery bank
				CC3 .3 (b)	Maintenance department assist with reporting power and water disruptions.				
		CF 3.4	Power and water supply disruption due to load shedding and unstable water supply	CF3. 4	Storage tanks for de-ionised water.		RA P3. 4	The current mitigation controls are deemed to be adequate. Therefore no further risk action	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								plan to be implemented.	
ERW4	Inadequate preparedness in the event of total grid collapse resulting in extended blackouts	CF 4.1	Load shedding challenges facing the South African government	CC4.1	No current control	High	RAP4.1	No further action plan due to the network configuration	There will be no reporting for the period under review.
		CF 4.2	Thirty Six (36) Gensets to power critical processes and UPS for the Laboratory	CC4.2	Gensets and UPS for a few		RAP4.2	Do a feasibility study on alternative energy such as Hydropower, Solar etc	Action plan not yet started
		CF 4.3	Gen-sets do not generate enough to power to operate the entire wastewater care works by its design				RAP4.3(a)	Repair all non-operational Gensets	The tender to repair all non-operational generators is at the Bid Evaluation stage.
							RAP4.3(b)	Procurement of additional Gensets to increase the flee	A contractor for the installation of the new Gensets appointed in September.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
ERW5	Inability to spend in accordance with the allocated budget	CF 5.1	High vacancy rate due to the backlog caused by the previous monotorium	CC5 .1	ERWAT 2023/24 Recruitment Plan	Med	RA P5. 1	Implementation of the 2023/24 recruitment plan	In progress. The following appointments have taken place during the Quarter: Senior Process Controllers Executive Manager Maintenance Executive Manager Commercial Business Executive Manager Strategy, Monitoring and Evaluation Executive Manager IPAP
		CF 5.2	Decline in bulk purchases; Electricity costs due to load shedding	CC5 .2	ERWAT Procurement Plan		RA P5. 2	Enhance the process by having additional chemical suppliers(Ops)	The tender for Aluminium sulphate is at BEC stage
		CF 5.3	Unavailability of chemicals in the market (Unavailability of fuel)	CC5 .3	Variance report(budget vs actual spent)		RA P5. 3	Enhance the budget variance process by sending variance reports to user departments	Budget variance reports are sent to user departments on a monthly basis

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
		CF 5.4	Non award of tenders	CC5 .4	Bid Specification Committee in place		RA P5. 4	User department to ensure that they conduct a proper market research analysis and provide proof thereof	The requirement is on the SCM bid checklist. It is required with new works and not with recurring tenders.
		CF 5.5	Poor Contracts Management	CC5 .5.1	Contracts Management Policy		RA P5. 5.1	Implementation of the Contracts Management policy(reporting and reviewing of the contract register)	Contract management policy was approved on 14/03/2023.The contracts register is reviewed and reports continuously tabled at EXCO. The tracking of contracts an agenda item for EXCO and a Section 32 Report submitted to the City on a quarterly basis for monitoring. In progress
				CC5 .5.2	Contractor performance assessments		RA P5. 5.2	Report(monthly) on monitoring of contractor performance	Reporting on monitoring of contracts performance takes place during Executive Committee meetings. Last report was tabled on 12/09/2023
				CC5 .5.3	Contracts register				
		CF 5.6		CC5 .6.1	Adherence to SOP14 Turnaround time and			SCM workshop on procurement of	SCM Department organised a Bid Committee Training which was

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			Delays in the processing of purchase orders		control administrative measures		RA P5.6	products and services(quarterly)	conducted by National Treasury on the 17/08/2023.
				CC5.6.2	Confirmation of budget prior to processing of purchase orders				
				CC5.6.3	SCM checklist for approval/contracts purchase orders in place				
ERW6	Inadequate revenue generation to supplement the approved budget	CF 6.1	Inability to secure new business due to overhead costs that are higher than that of competitors. (Such as Manpower, laboratory, etc.)	CC6.1.1	Pricing Model. (Scientific Services Price Schedule)	Med	RA P6.1.1	Review of the Pricing Model.	The review of the Pricing Model is depended on the finalisation of the Financial Model by Finance.
				CC6.1.2	Manually Costing Per Project.		RA P6.1.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC6.1.3	Quarterly Business reviews		RA P6.1.3	The current mitigation controls are deemed to be adequate.	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								Therefore no further risk action plan to be implemented.	
				CC6.1.4	Sourcing clients from the networks that ERCOM has built over the years		RAP6.1.4	Development of sales strategy and market penetration plan	The Tender was Re-advertised – it is at Bid Evaluation Committee stage
		CF 6.2	Loss of existing business through insourcing and companies closing down or reducing costs	CC6.2	Customer Satisfaction Survey		RAP6.2	Appointment of an independent service provider to conduct annual customer survey	The project is still at Bid Specification Committee stage
		CF 6.3	Inability to retain clients because there is no flexibility in price increment	CC6.3	Revised Commercial Business Policy		RAP6.3	Review of the Commercial Business Policy to include continuous improvement of policy conditions	The policy is still within its validity period. Next policy review is due in November 2025. Action completed
		CF 6.4	Business requirements limiting of entry	CC6.4	BBB-EE Task team in place		RAP6.4	Planning of all activities related to the requirements of	Committee members already identified, request that the project

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			to new market (Level of BBB-EE Compliance)					the BBB-EE score card Annual review of BBB EE Compliance.	be allocated to the SME department.
		CF 6.5	Expiry of existing customer contracts/non-renewal of expired contracts	CC6 .5	Negotiations are scheduled prior to expiry date		RA P6. 5	Develop a tracking sheet for early negotiation of contracts	Committee members already identified, request that the project be allocated to the SME department.
		CF 6.6	Long lead times from the City to initiate and implement PPP projects	CC6 .6	No current control		RA P6. 6	Tracking of the progress of the projects approvals	Committee members already identified, request that the project be allocated to the SME department.
ERW7	Failure to meet capital expenditure set target	CF 7.1	Delays in Supply Chain processes. (Including the effect of the Pandemic)-IPAP	CC7 .1.1	Annual CAPEX Plan with projected cash flows for each project	Med	RA P7. 1.1	Implementation of the 2023-2024 CAPEX Plan	"The total Capex budget for 2023/24 FY is R127 million. - The target for Quarter 1 is R44.68 million, which is 35% of the total Capex budget. The actual capital expenditure for Quarter 1 of 2023/24 FY is R19.00 million, which is 14.89%. The target for the

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
									quarter has not been achieved with a negative variance of -20.11%."
				CC7.1.2	Standard Operating Procedure 14 Turn Around Time		RAP7.1.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 7.2	Late payment of contractors due to USDG Invoices being paid late	CC7.2.1	Usage of ERWAT funds to pay contractors		RAP7.2.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC7.2.2	Constant communication with CoE		RAP7.2.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								plan to be implemented.	
		CF 7.3	Members of the community and the local business forums demanding to be sub-contracted in the project.	CC7 .3	Supply Chain Management Policy(Sub-contracting)		RA P7. 3	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 7.4	Potential disruptions such as Contractor employees going on strike and/or any other disruption caused by contractor	CC7 .4	Service Level Agreement		RA P7. 4	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 7.5	Denial of contractor's access to ERWAT sites	CC7 .5	Disciplinary Procedure		RA P7. 5	Disciplinary processes to be taken for illegal strikes as and when they arise	No disciplinary process took place during Quarter 1

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			due to labour unrest						
		CF 7.6	Denial of contractor's access to ERWAT sites due to community unrest	CC7 .6.1	Community Liaison Officer Appointed through ward councillors to assist with community engagement.		RA P7. 6.1	Engage CSR office prior to commencement of construction project. (CSR plan to include Projects)	There were no
				CC7 .6.2	Sub-contracting to local business on projects that requires less technical skills.		RA P7. 6.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 7.7	Tender offer declined by the winning bidder	CC7 .7	Supply Chain Management Policy		RA P7. 7	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
		CF 7.8	Termination of contract due to poor performance of the contractor and Unexpected withdrawal from projects by the contractor	CC7 .8	Invoke penalties for poor performance in line with the Supply Chain Management Policy and related Service Level Agreements		RA P7. 8	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
ERW8	Potential loss of key skills	CF 8.1	Unexpected loss of key employees due to the resignation, retirement, death etc.	CC8 .1.1	Recruitment Policy	Med	RA P8. 1.1	Review the recruitment policy to include a section on the recruitment of foreign nationals and compulsory entry and exit medicals	Policy was circulated to Manager Health and Safety for input on medicals. Reviewed policy to be circulated to Management in Quarter 2 for input.
				CC8 .1.2	ERWAT Recruitment Plan		RA P8. 1.2	Implementation of the 2023/24 Recruitment Plan	In progress. The following appointments have taken place during the Quarter: Senior Process Controllers Executive Manager Maintenance

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
									Executive Manager Commercial Business Executive Manager Strategy, Monitoring and Evaluation Executive Manager Infrastructure Planning and Projects.
				CC8.1.3	ERWAT Progression Framework		RAP8.1.3	Review of existing Progression Framework to include other departments	Operations progression table has been reviewed. Core business Progression Frameworks to be submitted to newly appointed Executives for input in Quarter 2.
				CC8.1.4	Skills Audit		RAP8.1.4	Implementation of the skills Audit a plan for the gaps identified in the skills audit	Tender process has commenced and training is planned to commence in Quarter 3.
				CC8.1.5	Covid 19 Standard operating procedure		RAP8.1.5	Develop an ERWAT Epidemic/Pandemic policy	The policy to be tabled at the Remuneration and Ethics Committee on the 20th of October 2023

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
				CC8.1.6	Covid 19 Risk Assessment		RAP8.1.6	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC8.1.7	6-year Training and Development Plan		RAP8.1.7	Implementation of 2023/24 Annual Training Plan	Disciplinary hearing training has been completed as well as the first block for Advanced Management Development Programme.
		CF 8.2	Dissatisfaction in the Working Environment (e.g. not fitting in with the organisation's culture and inadequate working resources)	CC8.2.1	Medical Aid Policy		RAP8.2.1	Review the Medical Aid policy to include pension	Draft Employee Benefits Policy has been finalised. Reviewed policy to be circulated to Management in Quarter 2 for input.
				CC8.2.2	Employee climate survey		RAP8.2.2	Conduct an Employee Climate Survey	Action plan not yet started
				CC8.2.3	Psychosocial support		RAP8.2.3	Implementation of the 2023/24 Employee Wellness Support Programmes	Tender process has commenced. Briefing session was held on the 21/09/2023. Tender closes on 13 October 2023. Will report feedback in Q2. Presently counselling done

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
									in-house by the Occupational Health Nurse Practitioner (OHNP)
				CC8.2.4	Wellness workplace programmes		RAP8.2.4	Implementation of the 2023/24 Wellness Program	Tender process has commenced. Briefing session was held on the 21/09/2023. Tender closes on 13 October 2023. Will report feedback in Q2. Presently counselling done in-house by the Occupational Health Nurse Practitioner (OHNP)
				CC8.2.5	Human Resource Management Roadshows		RAP8.2.5	Go on a Human Resources Road Show to raise awareness on Human Resource activities	Action plan not yet started
		CF 8.3	Individuals not coping with the work challenges, expectations on individuals not met and career advancement	CC8.3.1	Personal Development Plans		RAP8.3.1	Review of Personal Development Plans for the 2023/24 Financial Year	Personal Development Plans for DD3,DD4,DD5,DD6 for the 2023/24 FY has been completed
				CC8.3.2	Exit Interview as and when a need arise		RAP8.3.2	The current mitigation controls are deemed to be adequate. Therefore no	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								further risk action plan to be implemented.	
ERW9	Potential delays in the supply and delivery of critical goods and services as a result of procurement challenges	CF 9.1	Late commencement of bid processes by user department and discrepancies around specifications	CC9.1.1	Supply Chain Management Policy	High	RAP9.1.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC9.1.2	SOP14 Turn Around Time		RAP9.1.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC9.1.3	ERWAT Procurement Plan		RAP9.1.3	Review the 2022/23 Procurement Plan for the 2023/2024 Financial Year	The Procurement plan signed by the CFO. Currently at OoMD for final approval.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
				CC9.1.4	BID Committees		RAP9.1.4	Appointment of Probity Committee to assist the Accounting Officer with compliance.	Probity committee has been appointed and sittings effective from 01/06/2023 and ending 31/12/2023. Action plan completed
				CC9.1.5	BID Committee Charters		RAP9.1.5	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC9.1.6	SCM Document Movement Control Tracking Register implemented		RAP9.1.6	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 9.2	Inadequate monitoring of contract term by	CC9.2 (a)	Contract Management Policy		RAP9.2	Implementation of the Contracts Management	Contract management policy was approved on 14/03/2023.The contracts register is reviewed and

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			the user department	CC9.2 (b)	Contracts Management Register			Policy(reporting and reviewing of the contract register)	reports continuously tabled at EXCO
		CF 9.3	Long lead time to deliver goods/ services due to external factors such as Pandemics, Rise in Logistics Cyber Attacks, Shortage of supplies & Consumables etc.	CC9.3	Service Master Contracts for Maintenance		RA P9.3	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
ERW10	Potential Loss of, and Unauthorised Access Critical Information	CF 10.1	Aging ICT infrastructure leading to higher hardware failure (80%-85%) of the Server Hardware has reached end of life support, leading to	CC10.1	Asset Management Policy, Strategy and Disaster Recovery Plan(Cloud back-up)	High	RA P10.1 (a)	Replacement of server infrastructure	The Specification for appointment of a service provider has been approved at BSC on the 21/03/2023.
							RA P10.1 (b)	Upgrade unsupported operating systems	Action plan not yet started The upgrading of the operating system is dependent on the server infrastructure replacement

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			difficulties in procuring replacement spare, warranties, etc)						
		CF 10.2	Inadequate cyber security awareness and behaviour	CC10.2	ICT security awareness programs: (News Flash, Induction, Cyber security surveys, Mimecast)		RAP10.2	Raise awareness Cyber-Security through quarterly news flash	Quarter 1 Flash on Cyber Security was issued on the 28 September 2023
		CF 10.3	Inadequate Information Security Controls	CC10.3.1	ICT Security Policy and Procedures		RAP10.3.1	Develop a User Access Review Standard Operating Procedure	Action plan not yet started Progress to be reported in Q2
				CC10.3.2	Access control policy		RAP10.3.2	Develop a back-up and restoration Standard Operating Procedure	Action plan not yet started. Progress to be reported in Q2
				CC10.3.3	Logical access policy		RAP10.3.3	Develop a Cyber-Security policy	Action plan not yet started

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
		CF 10.4	Non- adherence to ICT Policies and Procedure	CC10.4(a)	Disciplinary Procedure		RAP10.4	Raise awareness on ICT Policies through quarterly news flash	Quarter 1 Flash was issued on the 29 September 2023
				CC10.4(b)	Induction Program				
		CF 10.5	Inadequate maintenance of Assets that are critical to ICT Environment (e.g. fire equipment in the server room, air conditioning system, UPS, Power Generators, location of server room, etc.)	CC10.5	CC10.5 Maintenance of ICT critical equipment TBC (Who is responsible for executing the maintenance function e.g. servicing of fire equipment, ups, generators)		RAP10.5	Annual Servicing of the Fire Fighting Equipment (Fire Extinguishers & Fire Hydrants)	A Purchase Order was received on Friday (29/09/2023) awarding for the servicing of the fire extinguishers in District Drainage 4 & 5, the supplier is currently structuring the plan to carry out the services. District Drainage 3, Purchase Order is still outstanding. District Drainage 6, paperwork for advert has been submitted to SCM currently awaiting it to be advertised.
		CF 10.6	Inadequate monitoring of	CC10.6(a)	Manually Monitoring of the Environmental		RAP10.6	Implementation of an Environmental Monitoring System	The service provider has been appointed and installation to start on the 04/10/2023.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
			ICT server environment		Conditions			in the server room to control temperature, humility and power	
				CC10.6(b)	Temperature Data Logger				
		CF11.1	Non-Compliance/ disregarding (Knowingly or unknowingly) Occupational Health & Safety policies and Standard operating procedures. (e.g. Inappropriate use of PPE;)	CC11.1.1	Occupational Health & Safety Policy		RAP1 1.1.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC11.1.2	Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety Representative Procedure -MS- SOP-SA003 Accident Reporting and Investigation Procedure		RAP1 1.1.2(a)	Development of Occupational Health Standard Operating Procedures: Employee Assistance Programme	Action plan not yet started. Progress to be reported in Q2

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
					-MS- SOP-SA004 Permit to Work Procedures -MS- SOP-SA005 Confined Space Procedure -MS- SOP-SA006 Excavation Procedure -MS- SOP-SA007 Wearing of Safety Harness -MS- SOP-SA008 Fall Protection Plan -MS- SOP-SA009 Control of contractors working at ERWAT -MS- SOP-SA0010 HSE Plan		RAP1 1.1 .2(b)	Review of Safety Standard Operating Procedures 1. Occupational Health & Safety Procedures (SOPs) 2. MS- SOP-SA002 Health and Safety Representative Procedure 3. MS- SOP-SA003 Accident Reporting and Investigation Procedure 4. MS- SOP-SA004 Permit to Work Procedures 5. MS- SOP-SA005 Confined Space Procedure 6. MS- SOP-SA006 Excavation Procedure 7. MS- SOP-SA007 Wearing of Safety Harness	The following procedures were reviewed and will be presented at the next Central Safety Committee meeting for adoption and approval: 1. MS- SOP-SA002 Health and Safety Representative Procedure 2. MS- SOP-SA003 Accident Reporting and Investigation Procedure 3. MS- SOP-SA004 Permit to Work Procedures 4. MS- SOP-SA005 Lock-out Procedure

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								8. MS- SOP-SA008 Fall Protection Plan 9. MS- SOP-SA009 Control of contractors working at ERWAT 10. MS- SOP-SA0010 HSE Plan	
				CC1 1.1.3	Occupational Health & Safety Committees(Monthly District Safety Committee, Quarterly Central Safety Committee)		RA P1 1.1 .3	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC1 1.1.4	Safety Awareness Program (Tool box talks)		RA P1 0.1 .4(a)	Raise Safety Awareness through quarterly newsflash	Ongoing Safety Awareness through Weekly Flash
							RA P1 1.1	Conduct a Safety Drill to increase safety awareness	Safety Drills were conducted in the following plants:

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
							.4(b)		Benoni, Hartebeesfontein, Olifantsfontein, Rynfield, Dekema, Rondebult, Vlakplaats
				CC1 1.1.5	Safety Induction		RAP1 1.1.5	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
		CF 11.2	Deteriorating workplace condition due to inadequate maintenance	CC1 1.2.1	2022/2023 Maintenance Plan		RAP1 1.2.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC1 1.2.2	Medical Surveillance policy		RAP1 1.2.2	Develop a Medical Surveillance Standard Operating Procedure to expand on the	Action plan not yet started. Progress to be reported in Q2

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
								baseline and categories of employees	
		CF 11.3	Unauthorised entry to ERWAT properties with the aim of vandalising, threat to lives, theft,(armed robberies)	CC1 1.3.1	Security Services Policy		RAP1 1.3.1	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.
				CC1 1.3.2	Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure		RAP1 1.3.2	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	There will be no reporting for the period under review.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 1
					-Security Awareness Procedures				
				CC1 1.3.3	Security Awareness Program(Induction,Newsletters,Flash)		RA P1 1.3 .3	Implementation of the Security Awareness Programs for 2023/2024	Security awareness done through internal Flash for quarter 1.
		CF 11. 4	Unavailability of Fire Detection & Suppression System for the buildings	CC1 1.4	Fire extinguishers and Fire Hydrants		RA P1 1.4	Annual Servicing of the Fire Fighting Equipment (Fire Extinguishers & Fire Hydrants)	A Purchase Order was received on Friday (29/09/2023) awarding for the servicing of the fire extinguishers in District Drainage 4 & 5, the supplier is currently structuring the plan to carry out the services. District Drainage 3, Purchase Order is still outstanding. District Drainage 6, paperwork for advert has been submitted to SCM currently awaiting it to be advertised.

Emerging Risks (Narrative)

The emerging risk identified relates to loadshedding still remain in quarter 1. The entity's preparedness in the event there is a total blackout due to the grid collapsing. The risk forms part of the 2023/2024 Strategic Risk Profile. The current mitigations of Gensets used to generate energy during loadshedding is not adequate due to the size of the wastewater care works

8. Legislative (only if applicable to your department)

Compliance with legislation that applies to the entity is critical to the existence and operations of ERWAT. Management and the board has identified and prioritised seven (7) key legislation for monitoring. Compliance risk management plans are developed to ensure that all the risks are mitigated. Any changes to legislation is aligned with internal policies and processes The Regulatory Landscape consist of the following

1. Companies Act 71 of 2008

2. Municipal Systems Act 32 of 2000

3. National Water Act 36 of 1998

4. National Environmental Management Act

5. Municipal Finance Management 56 of 2003

6. Labour Relations Act 66 of 1995

7. Occupational Health and Safety Act 85 of 1993

8. Disaster Management Act 57 of 2005

9. Personal Protection of Information Act 4 of 2013

9. Key Audit Matters and Progress

ERWAT obtained an unqualified audit opinion from the AGSA for the 2021/2022 financial year.

Twenty-five (25) findings were included in the Management Report, of which five (5) were audit report items. Of these twenty-five (25) findings, twenty-three (23) have been finalized and two (2) findings have been good – going as planned.

2021/2022 OPCA

No	Finding Heading	Status	Action Plan
1	Reasonable steps not taken to prevent irregular expenditure	**Finalized**	a) Perform a gap analysis on all SCM matters policies and procedures to ensure compliance with applicable laws and regulations. b) Update, implement and create awareness on the revised SCM policies and procedures. c) Enhance review processes of procurement processes using the checklists to ensure compliance with applicable laws and regulations prior to awards on bids. d) Review SCM structure and role profiles to ensure role clarity and enhance accountability. e) Develop and implement bid committee charters to clarify and enhance bid committee roles and responsibilities. f) Develop and implement a training plan for SCM officials and committee members. g) Monitor the contract register monthly and communicate contract expiry with end users. h) Develop bid evaluation compliance checklist. Implement and create awareness about the bid evaluation checklist.
2	B-BBEE points allocated to a bidder who did not submit a valid certificate	**Finalized**	a) Develop bid evaluation compliance checklist. b) Implement and create awareness about the bid evaluation checklist. c) Review and assess B-BBEE certificates/ applicable documents submitted by bidders to claim preferential points submitted to confirm validity. d) Appoint a bid probity function. e) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations. Independent review either to be performed by the MD committee or an independent person.
3	B-BBEE points allocated to a bidder who did not submit a valid certificate for the sub-contractor	**Finalized**	a) Develop bid evaluation compliance checklist. b) Implement and create awareness about the bid evaluation checklist. c) Review and assess B-BBEE certificates/ applicable documents submitted by bidders to claim preferential points submitted to confirm validity. d) Appoint a bid probity function. e) Review bid evaluation process prior to award to ensure compliance with applicable

			laws and regulations. Independent review either to be performed by the MD committee or an independent person.
4	Feasibility for sub-contracting not considered for tenders above R30 million	**Finalized**	a) Develop bid evaluation compliance checklist. b) Implement and create awareness about the bid evaluation compliance checklist. c) Appoint a bid probity function. d) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations. Independent review either to be performed by the MD committee or an independent person. e) Review SCM Policy to include 2022 PP Regulations. f) Standard bid document will be reviewed to include all the mandatory requirements in line with the BSC Compliance checklist including a draft SLA.
5	Amount of the contract awarded is not in line with the CIDB grading requirements	**Finalized**	a) Develop and implement bid evaluation compliance checklist. b) Appoint a bid probity function. c) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations. d) Perform risk assessment for emerging contractor who is registered on a grade which is one level lower than the required. e) Perform CIDB notification based on the nature of the financial or management support.
6	Misstatements identified in the notes to annual financial statements submitted for audit financial instruments and Fruitless and wasteful expenditure note	**Finalized**	a) Agree the disclosure note to the financial statement to ensure accuracy. b) Enhance review of the disclosure note to the financial statements.
7	Incorrect disclosure of deviations in the note to the financial statements	**Finalized**	a) Enhance the deviation register to align it to Regulation 36. b) Enhance the review of the deviation register note in the financial statement.
8	Misstatements identified in the notes to annual financial statements submitted for audit Related party disclosure note	**Finalized**	a) Agree the disclosure note to the financial statement to ensure accuracy. b) Enhance review of the disclosure note to the financial statements.
9	Disclosure of principal-agent arrangement not in compliance with GRAP 109	**Finalized**	a) Agree the disclosure note to the financial statement to ensure accuracy. b) Enhance review of the disclosure note to the financial statements.
10	Reported performance information not consistent with the approved business plan	**Finalized**	a) Management will consider a dedicated person to conduct quality assurance on SDBIP & Annual Performance Information. b) Management will enhance the reviews to ensure the accuracy, validity and completeness of the performance information reported.
11	The amount of fruitless and wasteful expenditure as per the register submitted for audit does not agree with the amount disclosed in the financial statements	**Finalized**	a) Enhance the fruitless and wasteful expenditure register. b) Enhance the review of the fruitless and wasteful expenditure note in the financial statement.
12	Reasonable steps not taken to prevent fruitless and wasteful expenditure	**Finalized**	a) Perform a gap analysis on all SCM matters policies and procedures to ensure compliance with applicable laws and regulations. b) Update, implement and create awareness on the revised SCM policies and procedures.

			c) Enhance review processes of procurement processes using the checklists to ensure compliance with applicable laws and regulations prior to awards on bids.
13	The amount of irregular expenditure as per the register submitted for audit does not agree with the amount disclosed in the financial statements	**Finalized**	a) Enhance the irregular expenditure register. b) Enhance the review of the irregular expenditure note in the financial statement.
14	Information for losing bidders to tenders awarded has not been provided	**Finalized**	a) Develop and Implement document register, to ensure that all documents movement is accounted for. b) Request hard copy file and electronic bid proposal submission. c) Management will ensure that all bids (unsuccessful) are kept with the external storage (AGS) and proper records are in place.
15	Some information supporting contract management has not been provided	**Finalized**	a) Develop and Implement document register, to ensure that all documents movement is accounted for. b) Request hard copy file and electronic bid proposal submission. c) Management will ensure that all bids (unsuccessful) are kept with the external storage (AGS) and proper records are in place.
16	Site visit observations	**Good – going as planned**	a) Prioritise the implementation of asset replacement to renew of ageing infrastructure on MTREF. b) Implement WCWs capacity upgrade and extension projects, to ensure that WCWs operate within their design capacity, to prevent overloading and equipment failure.
17	Compliance with license conditions	**Good – going as planned**	a) Prioritise the implementation of asset replacement to renew of ageing infrastructure on MTREF. b) Implement WCWs capacity upgrade and extension projects, to ensure that WCWs operate within their design capacity, to prevent overloading and equipment failure.
18	Prior period error note 32 has been overstated	**Finalized**	a) Agree the disclosure note to the financial statement to ensure accuracy. b) Enhance review of the disclosure note to the financial statements.
19	Expenditure transactions incorrectly classified	**Finalized**	a) Review the general ledger accounts to ensure that transactions are correctly classified. b) Process correcting entries for errors identified.
20	CIDB Grading requirements advertised in the newspaper is not the same as the requirement per the approved specifications	**Finalized**	a) Develop and implement bid committee Compliance Checklist. b) Bid advertisement will be reviewed and signed off by the SCM Manager prior to placing advertisement.
21	The tender was awarded to a different service provider than the one who was initially recommended by BAC	**Finalized**	a) Develop and implement bid evaluation compliance checklist. b) Appoint a bid probity function. c) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations. d) Develop and implement bid committee charters. e) Appoint bid committee scribers for each committee and ensure that the role of the secretariat is clearly defined.
22	Tender award to the service provider is not economical	**Finalized**	a) Develop and implement bid evaluation compliance checklist. b) Appoint a bid probity function.

			c) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations.
23	The winning bidder not disqualified for failing pre-qualifying condition	**Finalized**	a) Develop and implement bid evaluation compliance checklist. b) Appoint a bid probity function. c) Review bid evaluation process prior to award to ensure compliance with applicable laws and regulations.
24	Incomplete contracts register and RFQ register	**Finalized**	a) Review and update the contracts register to ensure completeness of the register. b) Implement the contract management policy.
25	Tender awarded to a supplier who submitted a partially completed bid document	**Finalized**	a) Develop and Implement document register, to ensure that all documents movement is accounted for. b) Request hard copy file and electronic bid proposal submission. c) Management will ensure that all bids (unsuccessful) are kept with the external storage (AGS) and proper records are in place.