

FINANCIAL RECOVERY PLAN

for the

THEEWATERSKLOOF LOCAL MUNICIPALITY

AUGUST 2025



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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ABBREVIATIONS

| | |
|--------|---|
| AGSA | Auditor General of South Africa |
| AFS | Annual Financial Statements |
| AMD | Average Maximum Demand |
| BAC | Bid Adjudication Committee |
| BFP | Budget Funding Plan |
| COS | Cost of Supply Study |
| CPI | Consumer Price Index |
| CRO | Chief Risk Officer |
| DB | Disciplinary Board |
| DCAS | Department of Culture Affairs and Sports |
| DLG | Department of Local Government |
| DWS | The Department of Water and Sanitation |
| EEDSM | Energy Efficiency and Demand Side Management. |
| FAR | Fixed Asset Register |
| GDP | Gross Domestic Product |
| GIS | Geographical Information System |
| GPS | Global Positioning System |
| GVA | Gross Value Added |
| GRAP | Generally Recognised Accounting Practices |
| FBS | Free Basic Services |
| FRP | The Financial Recovery Plan |
| HR | Human Resources |
| ICT | Information and Communication Technology |
| IDP | The Integrated Development Plan |
| INEP | Integrated National Electrification Programme |
| ILGMSA | Institute for Local Government Management of South Africa |
| IWMP | Integrated Waste Management Plan |
| IMATU | The Independent Municipal and Allied Trade Union |
| KPI | Key Performance Indicator |
| LED | Local Economic Development |
| LLF | Local Labour Forum |
| LTFP | Long-Term Financial Plan |
| LUPA | Land Use Planning Act |
| MFMA | The Municipal Finance Management Act (Act 56 of 2003) |
| MFRS | The Municipal Finance Recovery Service in the National Treasury |
| MIG | Municipal Infrastructure Grant |
| MISA | The Municipal Infrastructure Support Agency |
| MM | The Municipal Manager |
| MMC | Municipal Minimum Competency |
| MPAC | Municipal Public Accounts Committee |
| MTREF | Medium Term Revenue and Expenditure Framework |
| NERSA | The National Energy Regulator of South Africa |
| NMD | Notified Maximum Demand |
| NMT | Non-motorised Transport |
| NRW | Non-revenue Water |
| NT | The National Treasury |
| OPCAR | Operation Clean Audit |
| ODM | Overberg District Municipality |
| O&M | Operations and Maintenance |
| PMS | Performance Management System |
| PT | The Provincial Treasury |
| RDP | Reconstruction and Develop Program |
| RRAMS | Rural Road Asset Management Systems |
| SALGA | South African Local Government Association |
| SAMWU | The South African Municipal Workers' Union |
| SCM | Supply Chain Management |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SDF | Spatial Development Framework |

| | |
|--------|---|
| SPLUMA | Spatial Planning and Land Use Management Act |
| SQA | Status Quo Assessment |
| TASK | Tuned Assessment of Skills and Knowledge |
| TWK | The Theewaterskloof Local Municipality |
| UIF&WE | Unauthorised, Irregular, Fruitless and Wasteful Expenditure |
| VAT | Value-Added Tax |
| WCDM | Water Conservation and Demand Management |
| WCG | The Western Cape Provincial Government |
| WCPT | The Western Cape Provincial Treasury |
| WSDP | Water Services Development Plan |
| WSMP | Water Services Master Plan |
| WUA | Water Users Association |
| WTW | Water Treatment Works |
| WWTW | Waste Water Treatment Works |

1. EXECUTIVE SUMMARY

The Theewaterskloof Local Municipality (TWK) is a Category B municipality in the Overberg District of the Western Cape Province. Although the municipality received an unqualified audit opinion with matters in 2023/2024, material non-compliance was identified by the Auditor General of South Africa (AGSA). The municipality is challenged with service delivery issues as well as a substantial debt burden to creditors, e.g. Eskom, Auditor General, ASLA Construction Pty Ltd.

The Western Cape Provincial Treasury (WCPT) conducted an assessment which concluded that the municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to meet its financial commitments in terms of section 140 of the Local Government: Municipal Finance Management Act. No. 56 of 2023 (MFMA). The Western Cape Provincial Executive Council (PEC) subsequently resolved to intervene by invoking a mandatory intervention in terms of section 139(5)(a) of the Constitution of South Africa, 1996, read with Chapter 13 of the MFMA by imposing a Financial Recovery Plan (FRP) at the municipality.

Section 141(2) of the MFMA provides that only the Municipal Finance Recovery Service (MFRS) in the National Treasury (NT) may prepare a FRP for a mandatory provincial intervention. The PEC requested the NT MFRS to:

- Determine the reasons for the crisis in the financial affairs.
- Assess the municipality's financial state.
- Prepare an appropriate recovery plan for the municipality.
- Make appropriate changes to the municipality's budget, spending limits and revenue-raising measures that will give effect to the recovery plan; and
- Submit these to the MEC for Finance in the province.

From the status quo assessment conducted, it was found that even though the acting Municipal Manager and his senior management team are working to improve the affairs of the municipality, there are still significant challenges across the four pillars of municipal sustainability: Governance, Institutional Development, Financial Management and Service Delivery. The following are a high-level summary of challenges identified per pillar:

a) Financial Management: The municipality is facing severe financial strain, marked by unfunded

budgets for the 2024/25 and 2025/26 financial years, without credible funding strategies. Revenue enhancement plans are lacking, and persistent cash flow issues have led to high creditor balances. Weak credit control, especially in Eskom-supplied areas, and non-cost-reflective tariffs puts a further strain on the municipality's finances. Additionally, poor Supply Chain Management (SCM) capacity contributes to high irregular expenditure, poor management of conditional grants, regressing audit outcomes and an overall decline in financial governance.

b) Service Delivery: Sections 152, 153, and 156 of the Constitution outline the service delivery responsibilities and operational principles that municipalities must uphold. Theewaterskloof Local Municipality (TWK) is faced with a range of complex challenges that hinder effective service delivery. These include infrastructure deficiencies, financial constraints, and growing social pressures such as housing demand and the expansion of informal settlements. Overcoming these obstacles requires a coordinated, and integrated approach involving all government sectors and key stakeholders. The primary factors impacting service delivery in TWK are as follows:

- i. Ageing infrastructure, especially in water, sewerage, roads, and stormwater systems, will increase capital replacement costs over time.
- ii. Limited funding across all infrastructure categories limits new projects, maintenance, acquisition of new vehicles, and the yellow fleet for service delivery.
- iii. Infrastructure vandalism and theft divert funds that could be used to expand or replace old infrastructure.
- iv. Rapid and unregulated expansion of informal settlements strains infrastructure and limits service revenue.
- v. Electricity losses due to meter tampering and illegal connections negatively affects revenue collection.
- vi. Non-revenue water is 43 per cent and above acceptable norms (< 30 per cent DWS Benchmark/Ideal) - loss of potential income.
- vii. Maintenance is reactive, not preventative, leading to higher maintenance and repair costs.
- viii. Weak law enforcement causes revenue leakage from illegal connections and land use violations.
- ix. Assets are underutilised to generate alternative income streams.
- x. Growing unspent grants risk future funding allocations.
- xi. Staff shortages are reducing operational efficiency.

c) Governance: The municipality faces significant governance, administrative, and operational challenges. These include inadequate capacity for investigating and managing Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&WE), outdated by-laws and Information Communication Technology (ICT) systems, a weak complaints mechanism, and poor performance management of procurement contracts. Additionally, the Audit Action Plan is poorly maintained, there is no strategy for litigation or consolidated property management, and rentals of municipal properties levied are not market related. The library and licensing services are performed on behalf of other provincial government institutions, and the services rendered may not be cost-reflective, which can cause the function/s to be under-funded. The Municipal Public Accounts Committee (MPAC) will have to be capacitated to manage the backlog of the UIF&W expenditure cases. This also applies to the Disciplinary Board (DB) and it must further be established if the DB members are officially nominated and elected by the Council to perform their duties.

- d) Institutional:** The TWK employs a decentralised service model and a structured Human Resource (HR) strategy. The status of the HR strategy remains unclear. Business process re-engineering is not done systematically. TWK must prioritise reviewing their HR strategy and business process re-engineering to align with its operating model. These actions will inform strategic operational decisions, including:
- i. Strategy misalignment,
 - ii. Process inefficiencies,
 - iii. Cost improvement processes (reducing the costs of doing business),
 - iv. Areas of technological improvements,
 - v. Financial irregularities (waste) associated with process improvement,
 - vi. Employee capacity,
 - vii. Institutional capability.

2. PART ONE: SETTING THE SCENE

2.1. BACKGROUND

The Western Cape Provincial Government (“the WCG”) has been closely monitoring and supporting the TWK Local Municipality, which has been experiencing financial difficulties for an extended period of time. On 16 September 2024, the Provincial Minister of Local Government, Environmental Affairs and Development Planning addressed a formal written correspondence to the municipality, in terms of section 136(1)(a) of the MFMA, the due to seriousness of the financial problems in the municipality.

The PEC subsequently assessed the seriousness of the crisis within the municipality to determine whether the situation justifies or requires an intervention in terms of section 139 of the Constitution. The assessment concluded that the municipality, as a result of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to meet its financial commitments and complies with the criteria set in section 140 of the MFMA .

The TWK Local Municipality was placed under mandatory intervention in terms of section 139(5)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003, on 11 November 2024 due to the serious or persistent material breach of its obligations to meet its financial commitment.

The PEC resolved to request the Minister of Finance to grant permission for the MFRS to prepare a financial recovery plan for the municipality, and the Minister of Finance, on 17 December 2024, approved the PEC’s request . The FRP is preceded by a Status Quo Assessment (SQA) which was submitted to the MEC for Finance in the Western Cape.

2.2. STATUTORY AND LEGISLATIVE CONTEXT

THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 (ACT NO.108 OF 1996)

The intervention was instituted in terms of S139 (5)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read in conjunction with Section 139 of the MFMA .

Section 139(5)(a) of the Constitution reads as follows: “the provincial executive must impose a recovery plan aimed at securing the municipality’s ability to meet its obligations to provide basic services or its financial commitments, which:

- i. is to be prepared in accordance with the national legislation; and
- ii. binds the municipality in the exercise of its legislative and executive authority, but only to the extent necessary to resolve the crisis in its financial affairs”

THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003)

Chapter 13 of the MFMA deals with the resolution of financial problems and crisis in municipalities and outlines the processes that must be followed for mandatory interventions invoked in terms of S139(5)(a) of the Constitution.

- Section 139(1) of the MFMA places the responsibility on the PEC to request the MFRS unit in the NT to prepare a FRP, which considers the reasons for the financial crisis and an assessment of the municipality's financial status (status quo assessment).
- Only the MFRS may prepare a FRP for a mandatory provincial intervention referred to in S139.
- S139(1)(a)(iv) also empowers the MFRS to recommend appropriate changes to the budget and revenue-raising measures that will support the implementation of the recovery plan.
- In terms of S139(1)(b), the mayor of the municipality must be consulted on the recovery plan to obtain cooperation for the implementation and ensure that the budget and any other legislative measures to support the implementation of the recovery plan are approved.

Section 142 of the MFMA specifies the criteria for financial recovery plans irrespective of whether the plan is discretionary or mandatory in nature. In this regard, the following subsections are important:

Section 142(1) of the MFMA provides that a FRP must be aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention –

(a) Must –

- i. Identify the financial problems of the municipality;
- ii. Be designed to place the municipality in a sound and sustainable financial condition as soon as possible;
- iii. State the principal strategic objectives of the plan, and ways and means for achieving those objectives;
- iv. Set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;
- v. Identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;
- vi. Describe the anticipated timeframe for the financial recovery, and the milestones to be achieved; and
- vii. Identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken by the municipality and actions to be taken by other parties.

Section 142 (2) states that in addition, a financial recovery plan –

For a mandatory intervention must –

- i. Set spending limits and revenue targets;
- ii. Provide budget parameters which bind the municipality for a specified period or until stated conditions have been met; and
- iii. Identify specific revenue-raising measures that are necessary for financial recovery, including the rate at which any municipal tax and tariffs must be set to achieve financial recovery.

The municipality's attention is drawn to the following provisions of S146 of the MFMA on the implementation of the financial recovery plan in mandatory provincial interventions:

In terms of section 146(1) of the MFMA, if the recovery plan was prepared in a mandatory provincial intervention referred to in section 139 of the MFMA: –

- (a) The municipality must implement the approved recovery plan;
- (b) All revenue, expenditure and budget decisions must be taken within the framework of, and subject to the limitations of, the recovery plan; and
- (c) The municipality must report monthly to the MEC for Finance in the province on the implementation of the plan in such manner as the plan may determine.

2.3. PREPARATION, CONSULTATION AND APPROVAL OF THE MANDATORY FINANCIAL RECOVERY PLAN

OVERVIEW OF THE FINANCIAL RECOVERY PLAN

To ensure buy-in and a holistic approach, the MFRS coordinated the preparation of the FRP in consultation with the Municipal Manager, his senior staff, the Provincial Treasury, and other stakeholders.

The FRP preparation process was conducted using the four pillars of sustainability, namely (1) Governance, (2) Institutional and Organisational Development, (3) Financial Management, and (4) Service Delivery. This is depicted in the table below:

| GOVERNANCE | INSTITUTIONAL | FINANCIAL MANAGEMENT | SERVICE DELIVERY |
|---|--|--|---|
| <ul style="list-style-type: none"> Governance Model (Council/ Committees) System of Delegations By-Laws Customer Care Communication Plan Internal Audit Procurement Planning Litigations Contingent Liabilities UIFW & Consequence Management Consequence Management Audit Action Plans Risk Management Immovable Property Disciplinary Board Powers and Functions Contract Management ICT Management | <ul style="list-style-type: none"> Operating Model Organisational Structure Employee Cost Labour Relations Leave Management Skills & Competencies Staff Discipline Performance Management Consequence Management Key HR Policies Business Processes HR Strategy Physical Verification of staff and vetting of qualifications Records Management Change Management | <ul style="list-style-type: none"> Funded Budget Budget Related Policies Revenue Management Customer Care and Data Integrity Cost-reflective tariffs Indigent Management Supply Chain Management Cash Flow Management Cost Containment Expenditure Management Financial Control Environment Debt Restructuring/ Borrowing Asset Management Entities MFMA Circular 71 Financial Ratio Analysis | <ul style="list-style-type: none"> SDF and Master Plans Loss Control (Electricity and Water) Non-technical losses Unmetered consumption Need for meter audits and 'SMART' technologies. Revenue Assets (Provision and maintenance (bulk meters and meters) Water & Sanitation: Bulk and provision Electricity Provision and Eskom Debt Fleet Management Bulk Meters Planning and Building Control Housing Delivery Capital Projects and Grant-funded projects Waste and Refuse Removal Roads and Stormwater Recreational Facilities, Parks and Cemeteries |

The status quo assessment was submitted to the MEC for Finance in the Western Cape on 22 July

2025, in which several challenges were identified. This report highlights findings from the status quo assessment report and the root causes of the financial crisis that the municipality is facing.

The FRP is prepared according to a phased approach, distinguishing between short, medium, and long-term objectives. Under each phase (rescue, stabilisation, and sustainability), specific activities are identified to assist the municipality in resolving the identified challenges. The phases are time-bound to ensure swift progress and recovery. Therefore, the municipality must fully implement all activities identified by the stipulated timeframes.

Rescue Phase (Phase 1) focuses primarily on cash and restoring the cash position of the municipality. The indicators for the rescue phase include a funded budget (or demonstrating that the municipality is on a credible path to a funded budget), monitoring of the daily cash and cash balances, cost containment measures, focusing on improving the debtor's collection rate, the ring-fencing of conditional grants and ensuring that creditors are paid timeously and that negotiations are entered into to settle any outstanding debt. There is some focus on service delivery and governance matters, however, these are limited to addressing the most visible and easy to resolve issues. However, as resources become available through better cash management, the collection of outstanding debt and the prioritisation of expenditure, service delivery issues can be addressed more comprehensively to secure the revenue base. This is a short-term phase and is anticipated to last up to eight months from the date of approval of the FRP.

Stabilisation Phase (Phase 2) expands on the financial indicators to be monitored and emphasises key governance and institutional issues which must simultaneously be addressed. The bulk of the recovery process takes place in the second phase of the recovery plan. This phase is referred to as the stabilisation phase. In this phase, a strong focus on cash, finances and financial management is still maintained but greater attention is placed on the underlying service delivery, governance and institutional matters perpetuating the financial problems in the municipality, such as the design of a fit for purpose organogram, plans to address the repairs and maintenance and renewal of infrastructure for the water and electricity network through which the municipality loses significant revenues, ensuring that the property valuation roll is updated and that all customers are billed accordingly and other similar measures. This phase is expected to last between 9 to 24 months or longer, depending on progress made by the municipality.

Sustainability Phase (Phase 3) aims to develop indicators that will give effect to the municipality's long-term financial sustainability. Before concluding the intervention, there must be a reasonable assurance that measures implemented in Phases 1 and 2 are sustainable, that the municipality is committed to ensuring the implementation of good practices. In this phase, it is also important to include indicators that affects the long-term financial sustainability of the municipality. These would be derived from the strategic performance review of the municipality and the long-term financing strategy.

In each of the phases and each of the pillars, appropriate targets have been selected to guide the recovery process. These targets have been identified as most appropriate given the nature of issues confronting the municipality. These targets indicate high-level outcomes that must be achieved, but do not specify the methods to be used to achieve those outcomes.

PREPARATION

A holistic process was followed in the preparation of the mandatory financial recovery plan as guided by the MFMA. Firstly, a Status Quo Assessment (SQA) was performed, which involved a comprehensive diagnostic assessment, identification of the key findings that resulted in the municipality being in financial crisis, and the root causes. The preparation of the SQA was conducted in 4 functional workstreams composed of officials from CoGTA, NT, PT, Provincial CoGTA, SALGA, the relevant sector departments and officials from TWK. All information in the SQA is based on verifiable documentation submitted by the municipal administration. An Implementation Plan (IP) (refer to Annexure A) was developed for all three phases, which are the Rescue Phase, Stabilisation Phase and Sustainability Phase.

Furthermore, a financial model was developed, setting spending limits, budget parameters, as well as proposing strategic revenue-raising measures. The financial recovery plan was then developed to improve the financial viability of the municipality.

CONSULTATION

Consultations with the municipality, stakeholders, creditors, and organised labour were conducted throughout the process in line with the requirements of the MFMA. Initial discussions were held between the National Treasury's Municipal Financial Recovery Service (MFRS), Provincial Treasury, CoGTA, SALGA, and MISA. This was followed by workshops with the municipality and stakeholders on 12 & 13 March 2025. Further workstream meetings with the municipality and stakeholders were held on 6 May 2025, where the participants were reminded that they could submit further comments in writing.

In the finalisation of the FRP and IP, consultation meetings (in person and virtually) attended by inter alia TWK Council and Senior Management, Provincial Treasury, Provincial CoGTA, the South African Local Government Association (SALGA) and sector departments were held on 2 June 2025. A working session was held with TWK's main creditors on 3 June 2025, including Eskom and Kaap Agri.

APPROVAL

The MEC for Finance must first verify that the process set out in section 141 of the MFMA has been followed and that the criteria contained in section 142 of the MFMA are met before approving the financial recovery plan in terms of section 143 of the MFMA.

Once approved by the MEC for Finance, the approved plan will be submitted to:

- The Municipality;
- The Minister and the Cabinet member responsible for local government;
- The Auditor-General; and
- Organised Local Government in the province.

2.4. IMPLEMENTATION OF THE INTERVENTION AND FINANCIAL RECOVERY PLAN

In terms of section 146 of the MFMA:

- The municipality must implement the approved recovery plan;
- All revenue, expenditure and budget decisions must be taken within the framework of, and subject to the limitations of, the recovery plan; and

- The municipality must report monthly to the MEC for Finance in the province on the implementation of the plan in such manner as the plan may determine.

The financial recovery plan binds the municipality in the exercise of both its legislative and executive authority, including the approval of a budget and legislative measures giving effect to the budget, but only to the extent necessary to achieve the objectives of the recovery plan.

2.5. RISKS ASSOCIATED WITH THE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN

The following risks have been identified, which must be mitigated for the successful implementation of the financial recovery plan. These risks relate primarily to financial administration, budgeting, financial discipline, and governance. It is proposed that a risk matrix be developed and that appropriate mitigation measures be instituted. The risk management matrix must be maintained by the municipal Chief Risk Officer [CRO].

The emerging risks identified include, amongst others:

- 1) Lack of political and administrative stability.
- 2) Lack of political and administrative support to implement the identified intervention activities.
- 3) Lack of consequence management impact negatively on the morale of municipal staff members
- 4) Insufficient communication on intervention activities to ensure commitment.
- 5) Potential resistance to change by certain internal and external stakeholders.
- 6) Non-commitment to stringent expenditure controls and non-implementation of the revenue enhancement initiatives.
- 7) Inability to implement credit control and debt collection in Eskom-supplied towns
- 8) Litigation and SCM challenges.
- 9) Inadequate implementation of internal controls.
- 10) Uncontrolled influx of people placing increased pressure on services, and loss of potential revenue.

2.6. COMMUNICATION PLAN

It is proposed that the municipal manager draft an internal and external communication plan to support effective communication throughout the intervention. The communication plan must seek to address and strengthen the relationship between the municipality, stakeholders, beneficiaries, and role-players. This plan needs to be executed in the context of a change management process.

3. PART TWO: STATUS QUO

STATUS QUO ASSESSMENT

In the status quo assessment, the information provided during the consultation session, as well as a total number of 564 information sources, were reviewed and considered, as reflected in Annexure B.

KEY ISSUES IDENTIFIED

The key issues identified from the status quo assessment will be presented in terms of the following 4 municipal sustainability pillars:

1. Governance.
2. Institutional and Organisational Development .
3. Financial health.
4. Service Delivery.

3.1. GOVERNANCE STATUS QUO ASSESSMENT KEY FINDINGS

The critical key issues identified from the status quo assessment regarding governance matters, are the following:

| FOCUS AREA | DIAGNOSTIC FINDING |
|---|---|
| Governance model – Council meetings | <ul style="list-style-type: none"> Council meetings occur as scheduled. |
| Governance model – Executive Mayor position | <ul style="list-style-type: none"> The status of the Executive Mayor is currently unresolved, i.e., being interim or acting Mayor. |
| Governance model – Senior management positions | <ul style="list-style-type: none"> Key positions are currently filled by acting staff, who rotate every 3 months. Recruitment concluded, planning to finalise appointments in the next 3 months. Acting appointments of MM and Director: Economic Development and Planning, lapsed. The MM was appointed during May 2025. Extensive delays in the appointment of key senior managers. Delays in obtaining concurrence from MEC pose a risk of acting incumbents not being lawfully appointed. |
| Governance model – Section 79 and 80 committees | <ul style="list-style-type: none"> Relevant Committees recently established by the Council. Awaiting nominations from the ANC for representation on relevant committees. Frequent member changes disrupt continuity and create instability. Ineffective oversight and decision-making due to inadequate representation on committees or no quorum. |
| Governance model - MPAC | <ul style="list-style-type: none"> MPAC is established and meets as scheduled. MPAC composition (only 3 members of which 2 are DA and 1 from a coalition partner). The MPAC terms of reference were reviewed and updated by the Council on 25 February 2025. MPAC, not being fully representative, poses a risk. No dedicated support staff allocated to MPAC results in negative audit findings and delays in finalising matters. |
| Governance model – Ward committees | <ul style="list-style-type: none"> During January to February 2025, various Ward Committee meetings were held with the public. Not all Ward Committees are functional. Only 9 of the 14 Ward Committees are functional and have Ward-Based Business Plans and Action Plans. A new Ward Committee Policy was presented to the Council and adopted on 25 February 2025. Workshops will be held once all Ward Committees are established, which is planned for July 2025. The intention is to fill all vacancies by 30 June 2025. |
| System of delegations | <ul style="list-style-type: none"> System of Delegations reviewed and updated in 2024. Management is in the process of reviewing and updating delegations to be completed by 30 June 2025. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|------------------------------------|---|
| By-laws | <ul style="list-style-type: none"> • 33 By-laws of which 4 predate 2015, 19 were adopted and last reviewed in 2015, and 10 were reviewed and/or promulgated between 2016 and 2024. • The municipality is in the process of conducting a By-law audit. • By-laws are enforced via the Municipal Court, with limited enforcement from the community services department. • Poor oversight to ensure the by-laws are regularly reviewed for relevance. |
| Customer care | <ul style="list-style-type: none"> • Currently, there is a dual manual complaint lodging and automated distribution mechanism as well as a digital citizen application. • The community services department does not monitor and prepare trend analysis and exception reports to proactively address trends and give feedback to citizens. • The communication department facilitates communication to the public and directs citizens to relevant departments to deal with complaints/enquiries. • There is a functional toll-free number. • The municipality intends to pursue its IDP commitment to establish a Multi-Purpose Government Integrated Facility. |
| Communication Plan | <ul style="list-style-type: none"> • The communication plan for 2015 is being revised and will be submitted to the Council in June 2025. • Inadequate communication with the public, other intergovernmental partners and internal in the institution. |
| Internal Audit and Audit Committee | <ul style="list-style-type: none"> • The Audit Committee (PAC) is established and has already met 12 times during the 2024/2025 financial year. • According to the AGSA, the municipality has a functioning internal audit unit, which is independent from management. It has had a positive impact on effectively recommending corrective action to improve the effectiveness of risk management, control, and governance processes. • The internal audit has been able to complete all of its planned reports for the financial year. All the internal audit reports were presented to the PAC. • The Internal Audit Charter was approved on 9 June 2023. |
| Audit Action Plan | <ul style="list-style-type: none"> • AGSA reported in 2024 that, despite receiving a qualified audit opinion, management failed to implement corrective measures, as reflected by the fact that its audit findings regressed from the previous financial year. • Audit action plans failed to address critical issues or were not adhered to by management. • Management is currently considering adopting an OPCAR (Operation Clean Audit). |
| Risk management | <ul style="list-style-type: none"> • The Risk Management Committee meet as scheduled. • Risk registers are not yet fully completed as certain departments' information is lacking. • The AGSA found that risk management effectiveness regressed in implementing appropriate risk management activities. • The CRO position is not yet filled, and the current unit consists of 1 senior practitioner and 1 assistant. |
| Procurement planning | <ul style="list-style-type: none"> • In the past few years, the municipality made purchases on an ad-hoc basis and not on 3-year contracts. Ad-hoc purchases increase costs and may also cause unauthorised or irregular expenditures. • Abuse of the SCM System due to an over-reliance on deviation procurement. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|------------------------|--|
| Litigation | <ul style="list-style-type: none"> • The municipality instituted 6 cases, and 15 cases were instituted against the municipality. • There is currently only a list of litigation cases reflecting the description of the case, and no information related to its status, potential liability, the attorneys/lawyers on record and related matters. • There is no litigation strategy. • Currently, there is no panel of lawyers, though there is an intention to issue a tender in this regard. |
| Contingent liabilities | <ul style="list-style-type: none"> • For 2023/2024, the municipal AFS reflected that the municipality were not exposed to any significant contingent liabilities at year end. |
| UIF&W expenditure | <ul style="list-style-type: none"> • Irregular expenditure now at R 353 249 767. • Increased from R 188 million in 2022/23 with an additional R 262,3 million in the current year. |
| | <ul style="list-style-type: none"> • Unauthorised expenditure increased to R153,7 million from R104.3 million in 2022/23. • Fruitless and wasteful expenditure reduced slightly from R18,386 to R13,954. |
| Consequence management | <ul style="list-style-type: none"> • The AGSA is of the opinion that the municipality failed to investigate unauthorised and irregular spending to determine individual liability, violating MFMA sections 32(2)(a) and 32(2)(b). • Of concern is that all 16 of the submitted MPAC investigative reports and recommendations were recently referred back by the Council for further investigation and more detailed reports. |
| Disciplinary board | <ul style="list-style-type: none"> • The Disciplinary Board Terms of Reference were adopted in 2015. • The Municipality is in the process of reviewing the membership and the Terms of Reference. • The initial appointment of the DB members was for 3 years. No evidence has been provided that the DB Board has been appointed since June 2017. Attendees of the 6 May 2025 engagement reported that the appointment of new members is in process. |
| Immovable property | <ul style="list-style-type: none"> • The IDP reflects that there is limited progress on municipal property development projects. • Operational properties are managed by each town individually. • Selling, leasing and usage are managed by the Property Management department. • The relevant manager was only appointed in February 2025. • The Property Management Policy is in draft format and still requires extensive review. • The Municipal Land Disposal Policy was adopted in 2013 and requires review. • Rental properties are managed on a manual basis on an Excel sheet. An analysis reflected that there are currently 67 rental properties with a revenue of only R1,2m per annum. Most properties are leased far below market-related values. • The Portfolio Committee visited potential investment properties early in 2025 and made various recommendations to determine development proposals that can be further explored. |
| Powers and functions | <ul style="list-style-type: none"> • The council is performing library services, which are the functions of the provincial government, at about R12.6 m (2023/2024). The services rendered have been done at a subsidised cost (i.e. ranging between 21 per cent and 29 per cent) for the last 3 years. The municipality also incurs indirect costs to render the library services, which are not subsidised, such as human resources, IT services, audit fees, etc. • The municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licenses for a commission (R 2 636 |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| | 601 in 2023/2024). It is not clear whether the commission payable is reflecting the actual costs of rendering the service. |
| Contract management | <ul style="list-style-type: none"> AGSA reported poor contract performance evaluation as per Section 116(2) of the MFMA. Quarterly performance assessments are conducted and submitted to the Council. The electronic contract management mechanism is in place, though it does not provide clear guidelines on how to treat and enforce contract performance. |
| ICT Management | <ul style="list-style-type: none"> Draft ICT Contingency plan is in the process of consultation. The ICT Manager position was filled with the commencement date of 1 June 2025. The municipality needs new computers and requests DLG for funding. Council needs a Risk management software system, such as 'Barnowl' |

3.2. INSTITUTIONAL STATUS QUO ASSESSMENT KEY FINDINGS

The critical key issues identified from the status quo assessment regarding institutional matters, are the following:

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Organisational structure and operating model | <ul style="list-style-type: none"> TWK's macro structure comprises of the Municipal Manager and five directorates, each with functional areas and business units reporting to executive management. The approved staff structure date is 30 June 2022. TWK employs 636 people dedicated to local government goals (S152 Constitution) and the IDP's strategic objectives. The org structure adapts to fulfil IDP delivery requirements. To meet staff regulation requirements, a restructuring is underway, scheduled for completion by 2024/25. TWK has 67 unfilled positions, representing a 15 per cent vacancy rate against its approved staffing. The latest review period showed a 7.8 per cent turnover rate, representing 50 positions. Essential positions like the accounting officer, chief financial officer, and supply chain management director experience significant delays in recruitment. In TWK, functions are being decentralised; service level agreements are in place for all major hubs within WC031. |
| Filling of vacant and critical posts | <ul style="list-style-type: none"> Vacancies in senior management hinder effective decision-making and the execution of plans, including financial recovery. The total vacancy rate among employees is 15 per cent. The municipality is currently recruiting staff for the positions of Director of Technical and Infrastructure Implementation Services, and Director of Economic Development and Planning. A service provider was appointed to conduct competency assessments and verification of qualifications in accordance with the Senior Managers' Appointment Regulations. The position of the Municipal Manager has been filled. The position of Director: Corporate Services has been filled. |
| Employee related costs | <ul style="list-style-type: none"> Employee costs were 38 per cent, for 2023/24 against the operating expenditure The upgrading of positions resulted in salary increases for 111 employees. Because of job evaluations, the salaries of 5 employees in different departments were downgraded, but employees keep their benefits as personal to holder in compliance with the LRA. TWK made no unauthorised appointments. There are 636 appointed officials, 27 elected councillors, and 70 temporary workers. (reported on 6 May 2025). |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| | <ul style="list-style-type: none"> • There is one resignation among the active, permanent employees. • TWK's active temporary staff in February 2025 included 7 new employees and 89 with expiring contracts. • The combined compensation for managers and staff, including salaries, allowances, and benefits, was R23 million for the month of February 2025. • February 2025 overtime totalled R874,000, with the financial year to end of February 2025 reaching R8 million. The highest spend is in community services. • TWK implemented a 50/50 time-off/cash payment policy to control overtime expenses. |
| Leave management | <ul style="list-style-type: none"> • A total of 1281.5 sick leave days were taken, costing R1,444 million. • During 2023/24, 552 out of 636 employees took sick leave. • Management uses quarterly sick leave reports to monitor and control abuse. • Managing sick leave effectively is crucial for the Municipality and directly affects service delivery. • TWK conduct regular safety meetings, weekly toolbox talks, and flash reports to staff to address safety concerns. |
| Labour relations | <ul style="list-style-type: none"> • The provided labour relations report covers the past two years and includes the approved LLF calendar for January to June 2025. • LLF is fully established and functioning. • LLF members are trained. • LLF offers professional guidance to managers and staff regarding employee relations, disciplinary and grievance processes, and non-standard employment issues. • The labour relations section works to improve relationships between management, staff, and unions. • Following a compliance notice from the Unions because of LLF's malfunction, it is now functional. |
| Skills and competencies | <ul style="list-style-type: none"> • In 2023/24, 208 employees participated in learnerships, skills programmes, short courses, and other training. • Only one employee out of two meets the municipal minimum competency standards. • The Workplace Skills plan guided the R360 000 spent on skills development. • A number of TWK managers and senior managers are not compliant with Municipal Minimum Competency Regulations, despite this not being reflected in skills reports. • Staff lack training and development for new systems and technologies. • Basic skills and performance management training are in place. • Several training interventions have been identified for implementation in Theewaterskloof LM 2022-2027. • The Theewaterskloof community expects municipal empowerment programs to include them as beneficiaries, not only municipal workers. • The WSP provides for it and funding from water services as an example – verbal report on 6 May 2025. |
| Staff discipline and disciplinary board | <ul style="list-style-type: none"> • Since January 2024, there were 24 disciplinary cases, of which 15 were resolved and 9 pending matters. 2 cases resulted in dismissals. • Salga, SAMWU, and IMATU's Collective Agreement outline disciplinary procedures for misconduct. The collective agreement primarily aims to standardise disciplinary procedures in the workplace to ensure fairness. • Eight employees faced suspension in the 2023-2024 period. • No disciplinary actions related to financial misconduct appear in the records. |
| Performance management | <ul style="list-style-type: none"> • The performance management system hasn't been implemented for lower-level staff. • A Performance Management Development Framework has been adopted, March 2025. |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| | <ul style="list-style-type: none"> The municipality is collaborating with unions and staff to implement PMS across all levels by June 2025. No performance management system meant no performance rewards for staff below grade S56/57. Have a draft policy regarding rewards for junior staff in the process of consultation. Staff training is taking place. |
| Consequence management | <ul style="list-style-type: none"> Consequence management processes are in place but not consistently applied. Several matters have been recommended for Municipal Systems Act S106 investigations per the council agenda dated 29 May 2025. |
| Key HR policies | <ul style="list-style-type: none"> Twenty-three HR policies and plans are in place, including Employment Equity, Leave, Recruitment & Selection, Overtime, Performance Management Development Framework, Acting Allowance, and Payment of Travel and Subsistence policies. Adoption dates range from May 1, 2008, to March 27, 2024. Regular policy reviews are done although some policies are quite dated. TWK submitted POE for 19 policies electronically. Managers and supervisors are trained to comply with policies via roadshows as soon as policies are adopted. The Policy Working Group, consisting of senior Management and Union representatives, discusses all HR Policies before submitting them to the Local Labour Forum for approval. TWK management plan to submit the following policies to the council on March 25, 2025, after a workshop was held to review HR policies (unconfirmed): <ul style="list-style-type: none"> Rewards & Recognition policy. Probation Policy. Payment of Professional Fees for Staff Members. |
| HR Strategy | <ul style="list-style-type: none"> The HR Strategy is in place. The approved strategy is not indicative of the date on which it was approved. |
| Physical verification of staff and vetting of qualifications | <ul style="list-style-type: none"> Annual audits are conducted to physically verify staff. Only senior managers' qualifications are vetted. An audit of qualifications of legacy employees has not been undertaken. |
| Records Management | <ul style="list-style-type: none"> There has been significant progress in the municipality's records management. TWK Municipality's records management was cited as a model of excellence. The Western Cape Archives and Records Services audit upgraded the municipality to the highest level, a "level 5 transformational scoring." TWK received praise for its dedication to excellence and for preserving its valuable records. TWK also received recognition for its progress in automating and streamlining record management. |
| Change management | <ul style="list-style-type: none"> TWK commits to achieving lasting change for successful and sustainable financial recovery and turnaround. Ad-hoc change management takes place. No formal change management programme. Existing challenges with leadership stability and community engagement require a formal programme. |
| Employee wellness and safety | <ul style="list-style-type: none"> Low staff morale, low trust in the organisation. |

3.3. FINANCIAL MANAGEMENT STATUS QUO ASSESSMENT KEY FINDINGS

The critical key issues identified from the status quo assessment regarding financial management matters, are the following:

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Funded Budget and budget parameters (spending limits) | <ul style="list-style-type: none"> • The municipality approved funded budgets for the 2022/23 and 2023/24 financial years, but the budget for the 2024/25 and 2025/26 MTREF is unfunded. • Subsequent to the budget approval, the 2023/24 mid-year adjustment budget was tabled and formally assessed by PT and was found to also be unfunded. • The budget funding plan is in place but was assessed to not be credible in terms of MFMA circular 126 and section 18 of the MFMA. • The tabled Budget Funding Plan is not credible and must be revised. • Significant reductions in Contracted Services and Operational costs are budgeted, but it is unclear how these cost reductions will be implemented. • The municipality is fully compliant with Regulation 7 of the Municipal Budget and Reporting Regulations (MBRR). • The cash shortfall is increasing year on year and at an unsustainable rate. |
| Budget-related policies (Finance & HR) | <ul style="list-style-type: none"> • The budget-related policies do not sufficiently support increased revenue and reduced expenditure. • No evidence that the approved policies are implemented and/or monitored effectively in achieving the desired outcomes. • There is no indication of revenue enhancement initiatives to enhance the current revenue raising measures • There is no indication of cost containment measures that are implemented to reduce costs |
| Revenue Management Value Chain/revenue raising measures (revenue targets) | <ul style="list-style-type: none"> • The municipality's collection rate of 85 per cent in the 2023/24 financial year (2022/23:82 per cent) is below the norm. • Revenue growth is stable and has increased above the rate of CPI inflation. • The inability to implement credit control and debt collection resulted in outstanding debtor balances on 28 February 2025, amounting to R384 million– • Non-suspension of debtors took place. • Utility meters comprise only 67 per cent of the installed meters in Eskom supply areas. Genadendal is particularly challenging as services are rendered and billed, but the community feels that the land does not belong to the municipality and that they therefore have no obligation to pay for said services. The debtor's balance in Genadendal equates to around 20 per cent of the total outstanding. • Water and electricity meters were not replaced timeously due to a lack of funding to acquire smart meters. • The municipality does not have any water flow restrictors. Limitations of water supply through utility meters only start after the provision of the 6KL free water. • Billing is often based on estimated consumption rather than actual readings. • A revenue value chain committee has been established to identify and address revenue leakages. • The municipality has challenges in identifying the correct owner of RDP houses. • Houses are sold, and new owners move in without following any legal procedures. |
| Customer care and data accuracy | <ul style="list-style-type: none"> • The municipality does not have a designated Customer Care Unit; however, it has decentralised enquiries desks. • Only written complaints are registered on the Performance Management system. • No register is maintained for any other customer complaints. • Not all customer complaints are registered, reviewed or monitored to ensure that customer complaints are dealt with effectively. |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Cost-reflective tariffs | <ul style="list-style-type: none"> • The forecast for 2024/25 and projections for 2025/26 indicate that surpluses are expected for water and electricity services, but shortfalls are expected for waste and wastewater services. • The cost of supply has only been performed for electricity services, however, the NT tool for cost of supply was not utilised. • For 2025/26, the Overberg waterboard will increase tariffs by around 12 per cent which is above inflation. To cover the additional costs, water tariff increases above the CPI rates as contained in the budget circular are being considered. • The cost for supply of services is not adequately recovered as required in terms of section 74(2)(d) of the Municipal Systems Act. • The cost of delivering Water, Wastewater and Waste services has not been determined. • The lack of cost-of-supply study data inhibits the municipality's ability to calculate and implement tariffs which are sufficient to cover the costs associated with the service. |
| Indigent management | <ul style="list-style-type: none"> • The cost of providing free basic services is increasing. • Large portions of households qualify for indigent subsidies. • Indigent households account for around 20.1 per cent of the total number of households (43,121) • A reduction in the electricity subsidy from 70kwa to the national norm of 50kwa is still under review. • Indigent verification and register/system reconciliations are now being performed monthly. • The credibility of the indigent register is continuously assessed but remains a challenge. |
| SCM compliance and value for money procurement | <ul style="list-style-type: none"> • Irregular expenditure was predominantly caused by non-compliance with SCM regulation 32 and MFMA section 112(1)(a) to (g). Irregular expenditure reported amounted to R262 million in 2023/24 and R188 million in 2022/23. • The 2023/24 audit report highlights shortcomings with Procurement and contract management, including: <ul style="list-style-type: none"> ○ goods and services with a transaction value of below R300 000 were procured without obtaining the required price quotations. ○ Some goods and services with a transaction value of above R300 000 were procured without inviting competitive bids. ○ The preference points system was not applied for some of the procurement of goods and services. ○ The contract performance and monitoring measures were not in place to ensure effective contract management • Insufficient segregation of duties in the SCM processes. • A procurement plan is in place, but only for capital expenditure. Only around 16 per cent of operating expenditure and 50 per cent of active contracts are covered by the procurement plan. • No Bid Adjudication Committee (BAC) since October 2024. • Invoices are rendered to the finance department of the municipality without any documented SCM processes. • Contracts are managed and monitored by the user departments and not the SCM unit. • The SCM unit is understaffed and there is inadequate segregation of duties. |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Expenditure / Creditor & Expenditure Management | <ul style="list-style-type: none"> • Creditors' payment period is 132 days (increased from 74 days in 2022/23). The norm is 30 days. • The municipality has large outstanding debts to multiple creditors of R91 million as of 31 January 2025. The largest creditor is Eskom at just over R65 million. • The municipality is struggling to service the monthly Eskom account monthly. • Escalating trade creditor balances continue to negatively impact service delivery efforts and the ability to fully comply with supply chain management regulations. • Pressure on cash flow is increasing, due to long-term creditors demanding settlement. This further increases the risk of legal action being instituted against the municipality to recover the funds. • Creditors over 30 days increased to 7.3 per cent of the total expenditure budget, constituting a serious material breach of financial commitments S140(3)(c). • The municipality has not yet concluded a new payment arrangement with Eskom (this comes after the municipality has been unable to pay off new arrears accumulated under the current payment arrangements). • Contracted Services are significantly high: <ul style="list-style-type: none"> ○ 2023/24 - R141million – 16 per cent of OPEX ○ 2022/23 – R124million – 15 per cent of OPEX. • Employee cost is just below the upper limits of the norm but is still concerning when considering the significant increase in operating expenditure diluting the ratio. • Remuneration increased by an average of 8 per cent over the last 3 years, which exceeds the average CPI inflation over the period. The budgeted ratio for 2024/25 and 2025/26 is within the norm, but too high considering that there are key vacancies in critical posts yet to be filled. |
| Asset Management | <ul style="list-style-type: none"> • Safeguarding assets against theft and loss, which results in huge expenses and insurance premiums. • Maintenance plans are in place for all assets and are adding to the backlog of replacements. • No funds to implement maintenance plans. • The timeframe for the handling of insurance claims is too long. • Lack of accountability for not safeguarding of municipal assets. • Spending on maintenance of assets over the last 4 years was around 2-3 per cent of the carrying value of the assets, which is significantly below the norm of 8 per cent. • Decline in the projected levels of capital expenditure, which will be predominantly funded by grants. |
| Debt restructuring | <ul style="list-style-type: none"> • The municipality has made efforts to address historic debt, which include the following actions: <ul style="list-style-type: none"> ○ Awaiting final approval from the Auditor-General (AG) on a proposed payment arrangement amounting to R9.03million ○ ESKOM payment arrangement R10million (per month) ○ ASLA housing function -A payment arrangement has been concluded (1st – R16 million, now remaining R4m). ○ The municipality is not eligible to participate in the Debt Relief Program (NT/Eskom) as they missed the opportunity to apply. • Unspent Grants – The municipality has agreed with National Treasury to repay the unspent amount of R50,4 million over 3 payments: <ul style="list-style-type: none"> ○ December 2024 - R16million, |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| | <ul style="list-style-type: none"> ○ March 2025 – R15million, and ○ July 2025 – R19 million. ○ Repayment agreements are entered into with major creditors without considering the timing and availability of cash flows required to service the obligation. • Payments are made to comply with the agreements but often deplete the available cash flow. Insufficient cash is then available to service other obligations, leading to accruals of expenditure from other creditors (without agreements). |
| Cost containment and realistic cash flow management | <ul style="list-style-type: none"> • Cash and cash equivalent available as at 30 June 2024 amounted to R16 382 868 which is significantly less than the unspent conditional grants of R54 592 306. • The rollover application amounting to R50,1 million was subsequently not approved; therefore, the municipality must repay the amount to the National Revenue Fund. • The current ratio of 0,37 (2022/23:0,88) is below the norm of 1.5-2:1. Current liabilities (R325.8 million) for 2023/24 financial year exceed current assets (R121.5 million). • Cash/ Cost Coverage ratio is below the norm of 1-3 months: <ul style="list-style-type: none"> ○ 2023/24: -1 month (a negative ratio indicates that unspent grants are not cash-backed) ○ 2022/23: 1 month. • 2023/24 operating expenditure (R897 million) exceeded budget (R894.1 million) by R2.1 million (2022/23: R85 million). • The Municipality has a Cash Management and Investment Policy adopted by Council. • Draft Terms of Reference for the Cashflow management committee are in place. • The contracted services expenditure is very high and above the norm of 8 per cent: <ul style="list-style-type: none"> ○ 2023/24: 16 per cent ○ 2022/23: 15 per cent • Other expenditure has increased by 84,2 per cent over the last 3 financial years. • The Cost containment policy is not yet approved. The municipality will finalise the policy by the end of March 2025 so that it can form part of the consultation processes. |
| Financial control environment | <ul style="list-style-type: none"> • Qualified audit opinion which points to material misstatement in the audited AFS which points to significant shortcomings in the control environment including the bid adjudication committee composition and functioning. • The Audit Action Plans are not sufficiently carried out by all Directorates (not the sole responsibility of the finance departments). • Vacancies in key positions. • Limited in-house capacity. |
| Financial reporting and AFS preparation | <ul style="list-style-type: none"> • Inadequate financial reporting - non-compliance with financial reporting requirements, inaccurate financial statements, and lack of timely reporting can compromise accountability. • The audit report from the Auditor-General for 2023/24 indicates that the municipality's audit opinion has regressed from unqualified audit opinions to a qualified audit opinion. • The municipality's audit outcomes for the Auditor-General audits performed over the past 5 years: <ul style="list-style-type: none"> ○ 2023/2024 – Qualified audit opinion ○ 2022/2023 – Unqualified audit opinion |

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| | <ul style="list-style-type: none"> ○ 2021/2022 – Unqualified audit opinion ○ 2020/2021 – Unqualified audit opinion ○ 2019/2020 – Unqualified audit opinion |
| Grant Management | <ul style="list-style-type: none"> • The unspent conditional grants were not ringfenced, and subsequently not cash-backed for the 2023/24 financial year. • Unspent conditional grants and receipts increased significantly by 280,8 per cent to R 54,6 million in the 2023/24 financial year (2023/24: R 19,4 million). • The main unspent conditional grants are; Disaster Recovery Grant (R4 533 652), Municipal Disaster Response Grant (R41 304 000), and Housing (R5 412 603). • The municipality has agreed with the National Treasury to repay the unspent amount of R50,4 million over 3 payments.2023/2024. |
| mSCOA implementation | <ul style="list-style-type: none"> • The municipality is still struggling with balance sheet and cash flow budgeting. • Numerous misalignments have been identified on the mSCOA validation performed by PT. • Furthermore, VAT Output tax is not populating, and misalignments were noted between data strings and municipality's A-Schedule • The re-established mSCOA Steering committee is in existence but there is no evidence of functionality; • The mSCOA implementation roadmap report appears to be outdated and is not showing progress regarding implementation |
| MFMA circular 71 financial ratio analysis against set norms | <ul style="list-style-type: none"> • The revenue collection rate of 85 per cent (2022/23: 82 per cent) is below the norm but remained consistent over the last 4 financial years even though the billed revenue has increased by more than inflation over the period. • Debtors take around 44 days (2022/23: 47 days) to pay their accounts, which is above the norm. The ratio has remained consistent over the last 4 financial years, and similar trends are expected for the 2024/25 and 2025/26 financial years. • Revenue growth (excluding capital grants) is above the rate of CPI. • The current ratio of 0.37:1 (2022/23: 0.87:1), is below the norm. • The creditor's payment days of 132 days (2022/23: 74 days) are above the norm. |

3.4. SERVICE DELIVERY STATUS QUO ASSESSMENT KEY FINDINGS

The critical key issues identified from the status quo assessment regarding service delivery matters, are the following:

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Spatial Development Framework (SDF) | <ul style="list-style-type: none"> • The Spatial Development Framework (SDF) was revised and updated in June 2024. • The Long-Term Financial Plan (LTFP) is aligned with the current SDF, there are gaps and missing information within the Capital Expenditure Framework (CEF) component of the SDF that were not addressed in the latest revision. • These gaps are primarily due to limited data available on electricity, roads, and housing projects. • Detailed information is required on infrastructure services. • Projected municipal expenditure for future subsidised housing developments needs to be incorporated. • The development of an Integrated Transport Plan (ITP) is necessary to support long-term planning efforts. |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Sector Master Plans | <ul style="list-style-type: none"> The municipality has developed sector plans; however, some are outdated, and some are outstanding and not in compliance with legislative requirements. Those include: <ul style="list-style-type: none"> Roads Infrastructure Master Plan Storm Water Infrastructure Master Plan Electricity Master Plan – requires funding for the development of Phase 2 to capture assets in a GIS database. The Municipality has requested a further R600 000 funding from WC DLG to complete the entire master plan. The various infrastructure-related software platforms require alignment and interoperability to ensure consistency, ease of reference, and improved data management across infrastructure sectors. |
| Material Losses: Water Losses – Loss Control | <ul style="list-style-type: none"> Water distribution losses have been relatively stable over the past two financial years, and the municipality must work towards achieving an NRW below 30 per cent. The municipality achieved a No Drop score of 60 per cent (average performance) for 2023. Overall NRW: Summary of 5-Year (Feb 2021–Feb 2025): <ul style="list-style-type: none"> Increasing trend (2021–2024): NRW worsened from 41-42 per cent to a peak of 54 per cent in 2024. Improvement in 2025: NRW dropped significantly to 43 per cent, which is a positive change. Reticulation losses: Summary of 5-Year (Feb 2021–Feb 2025): <ul style="list-style-type: none"> Significant reduction by 2025: From 42 per cent in 2023 to just 13 per cent in 2025, indicating major progress in reducing physical losses. Total NRW: Summary of 5-Year (Feb 2021–Feb 2025), relatively high and fluctuating: <ul style="list-style-type: none"> Peaked at 35 per cent in 2024 Improved to 29 per cent in 2025 While total NRW is lower than the raw NRW value, it's still well above ideal benchmarks: <ul style="list-style-type: none"> Non-revenue water: 43 per cent, < 30 per cent (DWS Benchmark/Ideal): above acceptable norms. Reticulation water losses: 13 per cent, < 15 per cent (DWS Benchmark/Ideal): within acceptable limits. Total NRW: 29 per cent, < 25-30 per cent (DWS Benchmark/Ideal): borderline and needs improvement. |
| Material Losses: Electricity Losses – Loss Control | <ul style="list-style-type: none"> Electricity distribution losses are within the norm (7%-10). Loss percentages for the past years are: <ul style="list-style-type: none"> 2020/21: 7.28 per cent 2021/22: 6.57 per cent 2022/23: 5.40 per cent 2023/24: 3.70 per cent |
| Material Losses – Water Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Water non-technical losses arise from meter tampering, faulty meters, billing issues, meter reading errors, or unmetered supply. The estimated number of erven that currently lack water meters totals 2183. Water billed must include total consumption from pre-paid meters (including vendors), conventional meters, and 6kl free basic water for indigent households in the usage data. |

| FOCUS AREA | DIAGNOSTIC FINDING |
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| Material Losses – Electricity Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Electricity non-technical losses are mainly from theft, meter tampering, or unmetered supply. Illegal electricity connections are a major issue in informal settlements, with widespread theft and unregistered connections in these high-risk areas. |
| Material Losses – Water: Need for meter audits and 'SMART' technology | <ul style="list-style-type: none"> Water meters with SMART capabilities were procured with external loan funding (5 million). Due to financial constraints, there are no smart meters in stock or active replacement projects. The type of water meters installed, and quantities are: <ul style="list-style-type: none"> Smart meters – 9944 (59 per cent) Prepaid meters – 1839 (11 per cent) Conventional meters – 4970 (30 per cent) If every meter (16753) in the municipality were replaced, the total cost would be R45m. If replacement of only the non-smart meters (6809), the cost would be R8m. MISA is currently providing technical support with water meter audits (Apr 2024 to Mar 2027). |
| Material Losses – Electricity: Need for meter audits and 'SMART' technology | <ul style="list-style-type: none"> Electricity meters equipped with smart technology are managed by Utilities World, the municipality's appointed service provider, which oversees vending systems, monthly data reporting, and meter auditing. The active number of prepaid meters as of the end of March 2025 was 7974. |
| Material Losses – Other Losses | <ul style="list-style-type: none"> Other material losses negatively impact revenue collection to maintain financial sustainability. Examples that impact revenue include: <ul style="list-style-type: none"> Maintenance related losses. Underutilised municipal assets. Inventory and asset theft/loss. |
| Bulk- and Consumer Meters (Provision and Maintenance) | <ul style="list-style-type: none"> The WSDP outlines several recommendations, many of which remain unimplemented. The O&M budget should be increased to address malfunctioning or outdated bulk and consumer meters. |
| Electricity Infrastructure | <ul style="list-style-type: none"> Electricity distribution responsibilities: <ul style="list-style-type: none"> TWK: Caledon, Greyton, Riviersonderend, Villiersdorp and streetlight maintenance. Eskom: Botrivier, Genadendal, Grabouw, Tesselaarsdal, Myddleton, and agricultural areas. Supply capacity (NMD and MMD): <ul style="list-style-type: none"> Caledon: NMD 8 MVA – MMD between 5,6 MVA and 6,7 MVA Greyton: NMD 2 MVA – MMD between 1,0 MVA and 1,6 MVA Riviersonderend: NMD 2 MVA – MMD between 0,9 MVA and 1,6 MVA Villeirdorp: NMD 4 MVA – MMD between 2,8 MVA and 1,3 MVA Key actions and additional issues identified: <ul style="list-style-type: none"> Install electricity services for low-cost housing projects. Complete lighting in informal areas. Regular replacement and upgrading of existing networks is required. Lack of generators at strategic facilities during outages (WWTW, Sewer PS). Need for more floodlights in informal settlements and crime hotspots. High electricity theft, particularly in informal settlements. Assessment needed to address vulnerable areas, focusing on floodlights and illegal connections. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|--------------------------------------|--|
| Electricity Provision and ESKOM Debt | <ul style="list-style-type: none"> • TWK distributes electricity in Caledon, Greyton, Riviersonderend, and Villiersdorp and maintains all streetlights. • Eskom supplies Botrivier, Genadendal, Grabouw, Tesselaarsdal, and nearby agricultural areas. Limited municipal control in these areas restricts revenue generation. • Eskom bills and collects from major consumers, weakening municipal income from trading services. • Grabouw electricity supply: <ul style="list-style-type: none"> - Supplied by Eskom via 2 substations. - High electricity demand from the fruit industry and pack sheds. - Frequent outages due to weather and ageing infrastructure. - No local Eskom customer office; illegal connections in Siyayanzela. • Genadendal electricity supply: <ul style="list-style-type: none"> - Supplied by Eskom through 2 substations. - No current network constraints, but the Caledon-Genadendal line is ageing. • Tesselaarsdal & Botrivier electricity supply: <ul style="list-style-type: none"> - Solely supplied by Eskom with no reported constraints. • The municipality was ineligible for the Eskom/National Treasury Debt Relief Program and missed the previous application window. • The municipality is penalised by Eskom for exceeding its NMD. • The municipality owes Eskom R56m (April 2025). |
| Sanitation Services | <ul style="list-style-type: none"> • All formal urban households receive sewer connections. • Informal areas rely on shared toilets, with inadequate ratios (1 toilet per 16.8 households on average). • Green Drop Score has improved (87 per cent in 2021), but cumulative risk remains medium (64.7 per cent). • The asset renewal needs for sewerage infrastructure over the next ten years are R4.807m per year. The reinvestment required is R26.638m in the first five years and R21.427m in the second five-year period. • The municipality faces several infrastructure challenges and operational concerns: <ul style="list-style-type: none"> - Infrastructure ageing, with 7.77 per cent older than 20 years. - The network is unable to deal with increased flow from town expansions and ongoing migration. - Stormwater is finding its way into the sewer network. - Infrastructure upgrades are delayed due to limited budgets. - Most of the maintenance work currently carried out is reactive. - Frequent power outages affect sewer pump stations and WWTW operations. - Sewage is collected by tankers in certain areas, with regular tanker breakdowns interrupting services. - The area where tankers discharge is prone to spillages. • MISA is currently supporting WC/WDM technical interventions (Apr 2024 to Mar 2027): <ul style="list-style-type: none"> - Infrastructure development with cost and revenue benefits. - Alternative technologies and funding sources. - Create an Investment Framework plan for Sanitation improvements. - Improve the technical skills of process controllers. • No current submission of sanitation infrastructure projects to the Sustainable Infrastructure Development and Finance Facility (SIDAFF) Programme pipeline. • No participation in catalytic infrastructure finance (major transport hubs, industrial development zones). |

| FOCUS AREA | DIAGNOSTIC FINDING |
|--------------------------|---|
| Water Services | <ul style="list-style-type: none"> • All formal urban households have on-site water connections; informal areas are served by communal taps (1:19.3 ratio). • R29.8m capital budget; R7.1m spent across various infrastructure projects. • The asset renewal needs for the water infrastructure assets over the next ten years are R5.995m per year. The reinvestment required is R25.656m in the first five years and R34.296m in the second five-year period. • The municipality faces several infrastructure challenges and operational concerns: <ul style="list-style-type: none"> - Ageing infrastructure (AC pipelines older than 40 years) with frequent leaks and bursts. - The age of 13.18 per cent of the water infrastructure assets is over twenty years. - Infrastructure upgrades are delayed due to limited budgets. - Reactive maintenance only. - No dedicated or comprehensive pipe replacement programme in the current 5-year plan. - Bulk pipelines are at risk due to age and flood exposure. • Blue Drop Score (2023): 89.56 per cent (good), but microbiological performance is poor in some towns. • Gaps in monitoring, operations, qualified staffing, Water Safety Plans (WaSP), and process control. • MISA is currently supporting WC/WDM technical interventions (Apr 2024 to Mar 2027): <ul style="list-style-type: none"> - Infrastructure development with cost and revenue benefits. - Alternative technologies and funding sources. - Create an Investment Framework plan for water improvements. - Improve the technical skills of process controllers. • No current submission of water infrastructure projects to the Sustainable Infrastructure Development and Finance Facility (SIDAFF) Programme pipeline. • No participation in catalytic infrastructure finance (major transport hubs, industrial development zones). |
| Waste and Refuse Removal | <ul style="list-style-type: none"> • Multiple landfills are licensed for closure or decommissioning. • Going forward, all solid waste will be transferred to the Karwyderskraal landfill, operated by ODM under a signed service agreement. • Drop-off and transfer stations are operational. • MISA is currently supporting with solid waste interventions (Apr 2024 to Mar 2027). • The municipality faces several infrastructure challenges and operational concerns: <ul style="list-style-type: none"> - Weak landfill rehabilitation planning. - The waste collection fleet is ageing and insufficient. - Illegal dumping is prevalent in informal areas with limited or no formal waste collection. - Poor street cleaning services. - Vacancies in operational waste staff (drivers, machine operators). - Limited enforcement of waste bylaws. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|--|--|
| Roads | <ul style="list-style-type: none"> • Municipal road network consists of 282km plus 22km of provincially subsidised roads: <ul style="list-style-type: none"> - Paved - Flexible: 166.6 km - Paved - Block: 8 km - Paved - Concrete: 0.5 km - Gravel Roads: 104.4 km • Non-Motorised Transport (NMT) infrastructure is fragmented, unsafe, and poorly maintained. • Road conditions (Visual Condition Index – VCI) 43 per cent of roads in poor or very poor condition; gravel roads (104.4 km) show serious formation failures. • Major culverts and pedestrian bridges (4th Avenue in Caledon) require urgent repair or replacement. • Backlogs in road resurfacing and rehabilitation due to funding shortfalls. • Long-term budget requirement: R20Mil per year for routine work, with the current allocations inadequate. |
| Stormwater | <ul style="list-style-type: none"> • Stormwater Master Plans (2015) are outdated. • High flood risks in informal and low-lying areas. • Increased stormwater runoff is damaging roads and overloading sewer infrastructure. • Priority towns for intervention: Botrivier, Caledon, Grabouw, Greyton, Riviersonderend. • System capacity and performance are limited due to blocked pipes, undersised drains, and poor maintenance. |
| Capital Projects and Grant Funded Projects | <ul style="list-style-type: none"> • Municipality is over-reliant on conditional grants for infrastructure investment. • Significant increase (280.8 per cent) in unspent grants in FY2023/24, with some considered material irregularities. • Major affected grants include: <ul style="list-style-type: none"> - Municipal Disaster Response Grant (R41.3m) - Disaster Recovery Grant (R4.5m) - Housing Grant (R5.4m) • Weak compliance with grant conditions, delayed implementation, and financial misreporting. • Difficulty in co-funding projects due to ongoing liquidity constraints. • Underperformance in the implementation of capital projects. • Departments like Technical Services, Planning, and Human Settlements manage their own grants in isolation resulting in poor coordination and sequencing of projects. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|-------------------------|--|
| Asset Management | <ul style="list-style-type: none"> • Asset management maturity rating declined from 2.73 to 2.67, shifting from "Control" to "Development" level. • Unqualified audit opinion received, but with material non-compliance issues identified by the Auditor-General. • No formal, integrated asset management strategy aligned with municipal goals. • Infrastructure planning exists only in the IDP, lacking a holistic asset management approach. • Poor coordination and role clarity between the Financial and Technical Departments. • Asset performance is monitored inconsistently and not aligned with budget or service delivery targets. • Asset maintenance is reactive and based on cash availability, reducing asset lifespan and efficiency. • AGSA identified numerous limitations: <ul style="list-style-type: none"> - Incomplete GPS coordinates and missing GIS files for older infrastructure assets. - Difficulty locating assets during physical verification. - Movable assets not recorded on the FAR. - Completed infrastructure projects are incorrectly recorded as work in progress. • No integrated asset management system, limiting accurate tracking, reporting, and decision-making. • Asset register not aligned to the latest condition assessments or lifecycle planning. • No facility condition assessment (FCA) exists to inform maintenance priorities. |
| Repairs and Maintenance | <ul style="list-style-type: none"> • Repairs and maintenance spending is significantly below the 8 per cent norm: only 1.72 per cent in 2022/23 and 2.48 per cent in 2023/24. • Insufficient maintenance investment is accelerating asset deterioration and affecting service delivery. • The Capital Programme only covers a small number of infrastructure assets. • Capital investment is far below the levels needed as per master planning requirements. • Larger maintenance and infrastructure projects are not adequately addressed due to budget constraints. • Maintenance is reactive, not preventive. • Operational budgets are misaligned with actual needs and service delivery risks. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|---|---|
| Fleet Management | <ul style="list-style-type: none"> • TWK operates a fleet of 231 vehicles, of which over 52 per cent exceed the 10-year useful life. • Only 62 per cent of vehicles are operational; 38 per cent need urgent repair or replacement. • Fleet-related service disruptions are frequent due to breakdowns, repair delays, and long turnaround times. • External repairs cause deviation from SCM processes and delays due to diagnostic quote requirements. • The municipality conducted a situational analysis (Apr 2024) of a mechanical workshop feasibility study, proposing the following scenarios: <ul style="list-style-type: none"> - Option 1: Maintain current outsourced model - Continue using existing external service providers. - Option 2: Deploy a mobile repair unit - Invest in a mobile repair vehicle equipped to conduct basic diagnostics and repairs directly at municipal sites. - Option 3.1: Build a new in-house workshop - Construct a brand-new municipal workshop dedicated to servicing and repairing fleet vehicles. - Option 3.2: Build workshop on existing municipal land - Similar to Option 3.1 but utilises municipal-owned land. - Option 3.3: Refurbish an existing municipal building for workshop use - Convert an existing underutilised municipal facility into a mechanical workshop. • Recommendation outcomes: <ul style="list-style-type: none"> - Most cost-effective: Option 3.3 - would be most cost-effective over time, but unaffordable under current conditions. - Implementation of Option 2 (Mobile Repair Service) can reduce the deviations per year by around 9 per cent, while the implementation of Options 3.1, 3.2, or 3.3 can reduce the deviations in supply chain procurement by up to 66 per cent. • Fleet maintenance lack's structure and is not conducted according to a preventive schedule. • Fuel shortages and poor policy compliance further reduce fleet availability. • MIG funds are underutilised for fleet procurement. • MISA is supporting solid waste interventions to procure a yellow fleet and facilitating peer learning about fleet management strategies (Apr 2024 to Mar 2027). • The municipality does not participate in NT RT69 and RT59 Transversal Contracts. |
| Recreational Facilities, Parks and Cemeteries | <ul style="list-style-type: none"> • The municipality manages a wide range of public facilities (6 cemeteries, 11 libraries, 10 sports fields, 7 parks, 15 open spaces, 21 halls, 3 markets, 4 public toilets, 4 taxi ranks, 3 traffic centres). • Cemeteries are overcrowded, poorly maintained, and lack visitor amenities; some are at full capacity (Grabouw). • Grave and facility hiring fees may not be cost-reflective, impacting sustainability. • Several cemetery expansion and establishment projects are in planning but face budget and regulatory delays. • Parks and recreational spaces are underutilised and poorly maintained. • Vandalism and theft of public facilities are ongoing challenges. • Rural communities lack access to quality sports and recreational facilities. • Delays in project implementation due to budget constraints and slow procurement. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|------------------------------------|--|
| Town Planning and Building Control | <ul style="list-style-type: none"> • Town Planning & Building Control manages land use, building control, spatial planning, and GIS. • Land use (47) and building plan applications (244) have declined due to economic constraints and client delays. • Long turnaround times for applications discourage development and investment. • Informal settlements and illegal structures are expanding, worsened by weak enforcement and a lack of staffing. • Illegal structures bypass municipal processes, which means the municipality loses out on approval fees, rates, and control over spatial development. • Municipal bylaws are not effectively enforced due to a lack of law enforcement personnel and a non-operational municipal court. • Inadequate staffing in the department hampers compliance monitoring and revenue collection. |
| Housing Delivery | <ul style="list-style-type: none"> • Human Settlement Project Pipeline (2015) is outdated and not reviewed annually. • Registered housing demand: 14,456; informal dwellings: 21,577 – indicating greater actual demand. • Housing delivery is severely underfunded relative to need over the next 5 years. • 4,140 title deeds could not be transferred due to legal issues (incomplete township establishments). • Beneficiaries live in houses without legal ownership. • Insufficient available land and delays in transferring land from national departments. • Legal, surveying, and township establishment issues obstruct new developments. • Informal settlements continue to grow due to population pressure and limited affordable options. • Lack of alignment between sector infrastructure timelines and housing delivery. |
| Informal Settlements | <ul style="list-style-type: none"> • Informal settlements overview: <ul style="list-style-type: none"> - Total settlements: 37 informal settlements - Total structures: 21,577 informal structures - Grabouw: 16 settlements, 15,572 structures (72.16 per cent of total) • Driven by migration, population growth, and lack of affordable housing. • Informal settlements experience inadequate access to water, sanitation, and electricity. • The infrastructure pressure exceeds municipal capacity. • Informal structures are built on municipal and non-municipal land, including servitudes. • Implementation of the 2019 Containment Plan is constrained by competing priorities, land ownership issues, and weak community engagement. • Enforcement and containment efforts are hampered by limited staff, funds, and political will. • Surveys are needed every six months to establish informal settlement profiles for better planning and resource allocation. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|---------------------------------------|--|
| Local Economic Development | <ul style="list-style-type: none"> Natural assets like dams, heritage, and biodiversity are under-promoted and underutilised for economic development. There is a missed opportunity to link Genadendal's heritage offerings with the better-known tourism hubs in Greyton and Elgin. Political instability and lack of leadership continuity have disrupted LED planning and implementation. Trust between the municipality, private sector, and local businesses is weak, hampering collaboration. The LED and Tourism departments are under-capacitated, with shortages in staffing, transport, workspace, and digital tools. No updated LED or tourism strategy exists to guide growth, attract investment, or generate revenue. |
| Law Enforcement and Security Services | <ul style="list-style-type: none"> Limited resources are allocated for security services, leading to gaps in protection for municipal buildings and sites. Limited resources for effective enforcement to prevent illegal land invasions, resulting in a lack of control over unauthorised land occupation. Limited financial and human resources are dedicated to security to safeguard assets and prevent vandalism. Law enforcement services include bylaw enforcement, land invasion control, animal management, and night security. Municipal sites experience high rates of theft and vandalism, increasing costs through repeated infrastructure replacements. Illegal land invasions are on the rise, threatening planned developments and reducing municipal control. Security and enforcement functions are under-resourced, with insufficient personnel and budget to provide coverage across the municipality. There is inadequate prevention due to gaps in monitoring, patrol, and bylaw enforcement, leading to escalating financial and legal risks. |
| Traffic Services and Licensing | <ul style="list-style-type: none"> Traffic services include law enforcement, accident management, traffic control, safety education, road inspections, speed control, parking management, and traffic planning. Licensing services include driver fitness testing, license testing (driver's and learner's), issuing PDPs, vehicle roadworthiness testing, vehicle registration, and maintaining NaTIS. The sole vehicle testing station in Caledon limits access for Grabouw and surrounding areas, creating service delays and discouraging compliance. Administrative inefficiencies, system outages, and the lack of modern technology, including speed enforcement tools and radio communications, hinder service delivery. Inadequate traffic enforcement reduces fine revenue and road safety. The department faces staff, vehicle, and equipment shortages, causing backlogs and reducing enforcement effectiveness. |

| FOCUS AREA | DIAGNOSTIC FINDING |
|--------------------------|--|
| Environmental Management | <ul style="list-style-type: none"> The municipality lacks key environmental planning and regulatory tools, including: <ul style="list-style-type: none"> Environmental Management Framework (EMF) Environmental Management System (EMS) Comprehensive Environmental Plan Key issues identified: <ul style="list-style-type: none"> Inadequate environmental management capacity. Widespread illegal dumping and pollution. No dedicated funding for environmental planning frameworks. Limited staffing and enforcement resources. Weak enforcement of environmental bylaws and regulations. |

4. PART THREE: THREE-PHASED RECOVERY PLAN

To ensure that financial recovery is not only achieved but more importantly, that progress is institutionalised and sustained within the Theewaterskloof LM, the FRP adopts a strategic, focused approach that is time-bound yet comprehensive enough to ensure that the underlying causes of the crisis are adequately and for that purpose the FRP distinguishes between the following activation phases:

- Rescue.
- Stability.
- Sustainability.

The Excel FRP Implementation Plan attached to this report provides details per focus area of each pillar, addressing the key activities, the recommended actions, and the responsible parties, as well as the required support, target dates, Key Performance Indicators, and Portfolio of Evidence.

The following serves to summarise the key activities identified per focus area per pillar of sustainability.

4.1. PHASE 1: RESCUE PHASE

GOVERNANCE (RESCUE PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 1, it is recommended that the Rescue Task Team focus on the following governance issues:

| FOCUS AREA | RESCUE PHASE KEY ACTIVITIES |
|--|---|
| Governance model – Executive Mayor position | <ul style="list-style-type: none"> Obtain a formal legal opinion on resolving the status of the current Executive Mayor. Take the opinion to the Council to consider and resolve on the same. Implement governance resolution as taken by the Council. |
| Governance model – Senior management positions | <ul style="list-style-type: none"> Finalise appointments of senior managers and Municipal Manager and secure concurrence from MEC: DLG. Signed contract between all senior managers and the Municipality. Development of Personal Development Plans for the municipal manager and section 56 senior managers. Enter into performance management agreements with all appointed senior managers and also list compliance with the FRP as a target. |

| FOCUS AREA | RESCUE PHASE KEY ACTIVITIES |
|---|--|
| Governance model – Section 79 and 80 committees | <ul style="list-style-type: none"> • Council to approve the establishment and representation of relevant sections 79 and 80 committees. • Term of reference to be drawn up for all committees. |
| Governance model - MPAC | <ul style="list-style-type: none"> • Arrange training for MPAC councillors. • Schedule of meetings to consider outstanding matters referred to MPAC. |
| | <ul style="list-style-type: none"> • Municipal manager to facilitate the investigation of unauthorised, fruitless, wasteful irregular expenditures and develop a schedule of investigation with timelines. |
| | <ul style="list-style-type: none"> • Identify, investigate and report on irregular, unauthorised, fruitless and wasteful expenditure in accordance with sec 32 of the MFMA and MFMA circular 68. |
| System of delegations | <ul style="list-style-type: none"> • Review and update the System delegation for Expenditure Management. Draft Financial System of Delegations to be sent to PT, DLG and SALGA and request comments and suggested changes. • Consider comments received and amend the System of Delegations, where applicable. • Adopt updated delegations. |
| Communication Plan | <ul style="list-style-type: none"> • Finalise and adopt the Communication Plan. • Develop a communications calendar detailing key Municipal events and dates. |
| Audit Action Plan | <ul style="list-style-type: none"> • Review the Audit Action Plan(AAP) and activate recommendations resulting from this FRP & IP. |
| | <ul style="list-style-type: none"> • Validated quarterly progress reports on the implementation of the audit action plan and audit file to be tabled in Council. • Municipality to develop and adopt a strategy to address the root causes of audit findings. |
| Risk management | <ul style="list-style-type: none"> • Develop a holistic risk register and a risk mitigation framework for the Municipality. • Draw up policies on fraud and corruption prevention strategies. • Fill the position of CRO. |

| FOCUS AREA | RESCUE PHASE KEY ACTIVITIES |
|----------------------|---|
| Procurement planning | <ul style="list-style-type: none"> • Conduct procurement spend analysis to determine in which industry sectors, and commodities the TWK Municipality invested in its past procurement expenditure and, where possible, its relevant geographical, local- and socio-economic impact to apply strategic sourcing principles. • Review and update procurement plan aligned with adopted budget. Review all tenders considered and awarded by the municipality during 2024/5 FY, 2023/4 FY and 2022/3 FY. • Institute measures to cancel and/or self-review irregular and unlawful tenders awarded, alternatively provide legal opinion to council for adoption detailing written reasons why tender should not be cancelled/reviewed. • Submit a written report to the Council and Provincial Minister responsible for Local Government and Finance within 14 calendar days of the end of each of the following quarters: <ul style="list-style-type: none"> • 1 January - 31 March • 1 April - 30 June • 1 July - 30 September • 1 October - 31 December • a written report detailing the following particulars of any deviations approved by the accounting officer in terms of Regulation 36 of the Municipal Supply Chain Management Regulations, which result in more than R50 000 expenditure being incurred by the municipality during the current and any previous quarters: <ul style="list-style-type: none"> (a) the amount of the expenditure incurred by the municipality resulting from each deviation granted by the accounting officer. (b) the motivation and detailed reasons why the deviation falls within the ambit of Regulation 36 of the Municipal Supply Chain Management Regulations; and (c) the nature of the services that were provided in terms of the deviation approved and the name of the service provider. |

| FOCUS AREA | RESCUE PHASE KEY ACTIVITIES |
|------------------------|---|
| UIFW expenditure | <ul style="list-style-type: none"> • Develop a UIFW Strategy premised on three elements, namely, (i) supporting the municipal public account committees and municipal councils to fulfil their legislative responsibilities in terms of section 32(2)(b) of the MFMA to reduce incidences of UIF&W expenditures, (ii) the introduction of preventative controls to address further and future non-compliance with the legislative prescripts and (iii) the implementation of consequence management to ensure that strong ethical, accountable and transparent financial governance and institutional arrangements are implemented. • Adoption of UIFW Strategy by Council. • Develop a UIF&W expenditure reduction plan and adoption by the Council. • Develop and implement a UIF&WE Register and Standard Operating Procedures(SoPs) to ensure compliance with section 32 of the MFMA. • Submit a written report to the Council and Provincial Ministers responsible for Local Government and Finance within 14 calendar days of the end of each of the following quarters: <ul style="list-style-type: none"> ○ 1 January - 31 March ○ 1 April - 30 June ○ 1 July - 30 September ○ 1 October - 31 December • detailing the following particulars in respect of all unauthorised, irregular, fruitless and wasteful expenditure detailed in the UIFW register: <ul style="list-style-type: none"> ○ the amount of the unauthorised, irregular and fruitless and wasteful expenditure; ○ the nature of the conduct that resulted in the unauthorised, irregular and fruitless and wasteful expenditure being incurred; ○ whether any person is responsible or under investigation for such unauthorised, irregular and fruitless and wasteful expenditure and whether any third parties are implicated; ○ the steps that have been taken to recover or rectify such expenditure and to prevent a recurrence of such expenditure; and ○ whether it is alleged that the conduct referred to in (b) above constitutes a criminal offence, and if so, whether criminal charges were laid against the person responsible or under investigation for such unauthorised, irregular and fruitless and wasteful expenditure |
| Consequence management | <ul style="list-style-type: none"> • Identify and train UIF&WE investigative officials to understand the legal and consequence management framework relevant to UIF&WE investigations and how to build a legally defensible case file. • Adopt best practice UIF&WE and consequence management SOP and templates e.g. UIF&WE Reduction and Prevention Strategy and Action Plan to process UIF&WE. • Monitoring of the implementation of UIF&WE Strategy and action plan to process UIF&WE. • Written report to council detailing status of all disciplinary processes on a quarterly basis. |

| FOCUS AREA | RESCUE PHASE KEY ACTIVITIES |
|-----------------------------------|---|
| Immovable property | <ul style="list-style-type: none"> • Conduct a land audit and then develop and adopt: <ul style="list-style-type: none"> • An immovable property register. <ul style="list-style-type: none"> ○ A strategic land management strategy, identifying immovable property not required for basic services and mechanisms to dispose thereof mindful of the recent Portfolio Committee visit of potential investment properties early in 2025 and various recommendations made to develop those properties. ○ Review, update and adopt a new Land Disposal Policy and align it with other asset management policies of the Municipality • Develop and maintain a rental property register to monitor occupancy, payments and expiration dates. • Internal audit to review all lease agreements and assess performance of lessors' obligations. • Municipality to evict non-paying tenants. |
| Contract management (SCM related) | <ul style="list-style-type: none"> • Review, update and adopt a contract management and administration SOP and standardised templates. • Develop and maintain a comprehensive Contract Register • Train the SCM unit and end users on adequate contract management and administration Development of acceptance of responsibilities form for project managers • Conduct monthly performance assessments in terms of section 116(2) of the MFMA and implement timely corrective actions for supplier performance. • Review procedure and templates to ensure compliance with circular 62: Supply Chain Management: Enhancing compliance and accountability |
| ICT Management | <ul style="list-style-type: none"> • Development and adoption of the ICT Governance framework. Development and adoption of an ICT contingency plan |

INSTITUTIONAL (RESCUE PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 1, it is recommended that the Rescue Task Team focus on the following institutional issues:

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|----------------|--|
| Employee costs | <ul style="list-style-type: none"> • Determine the pending impact of the proposed amended upper limits and compliance with the staffing regulations and its effect on sustainability. • Develop a strategy and model to contain the total cost of employment of the level 4 TWK which would affect the ratio of 38% negatively. • Analyse current workloads and identify areas in service delivery where tasks can be streamlined and delegated. • Submit a written report to Council and Provincial Ministers responsible for Local Government and Finance within 14 calendar days of the end of each of the following quarters: 1 January - 31 March, 1 April - 30 June, 1 July - 30 September, 1 October - 31 December detailing the following particulars relevant to agreements concluded with municipal officials: <ul style="list-style-type: none"> (a) Details of any agreements entered into by the municipality during that quarter with employees to terminate the employee's employment; (b) the amount of any monetary compensation to be paid to the employee in terms of the agreement; (c) the circumstances that resulted in the municipality entering into the agreement; |

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|--|---|
| | <p>(d) whether the employee was or is under investigation for misconduct or has any finalised or pending disciplinary processes against him or her; and</p> <p>(e) the reasons why the municipality entered into the agreement.</p> <ul style="list-style-type: none"> Investigate illegal staff promotion/post upgrading and apply consequence management and restore all affected to correct original posts' levels. Reverse all staff who were illegally promoted. Investigate temporary staff contracts to ensure compliance in terms of the Labour Relations Act, and compliance with the MSA and Recruitment and Selection Policy, funded structure and current organogram. Develop a register of all contract/temporary staff appointments in order to monitor termination dates and payments. AO to ensure adherence to the Labour Relations Act and prevent unlawful renewal and extension of contracts. Review, update and adopt Overtime Policy. Implement a system to track and monitor employee overtime hours. Managers to motivate overtime budget inputs during departmental budget preparation engagements and strictly adhere to them. Prepare an overtime forecast at the beginning of each month to monitor and regularise the overtime to be taken by employees. Delegated Managers/Supervisors to preapprove all overtime. Implement consequences for non-compliance with the overtime policy. This might involve disciplinary action for managers/supervisors who approve unauthorised overtime or for employees who work unapproved overtime. |
| Filling of critical vacant positions (Senior Managers) | <ul style="list-style-type: none"> Ensure the positions of senior managers are aligned with the approved organisational structure. Strict adherence to all applicable legislative prescripts to ensure the integrity of the appointments of senior managers to avoid legal challenges or adverse audit findings. Conduct an induction to integrate the new Senior Managers into the municipality, covering its strategic objectives (IDP), SDBIP, key policies, financial position, and stakeholder landscape. Develop a model or policy for the identification and filling of the vacant positions. Prioritise filling vacant critical funded positions to address revenue generation, Service delivery and compliance subject to cashflow improvement and sustainability. Note: (The long-term vacancy of the SCM Manager is regarded as a high priority.) Submit a written report to Council and Provincial Ministers responsible for Local Government and Finance within 14 calendar days of the end of each of the following quarters: <ul style="list-style-type: none"> 1 January - 31 March 1 April - 30 June 1 July - 30 September 1 October - 31 December detailing all appointments made in terms of a deviation from the approved recruitment and selection policy of the municipality during that quarter, including: <ul style="list-style-type: none"> (a) the name, surname and identity/passport number of the staff member; (b) the title of the post the person is occupying; (c) the job description and key performance areas of the post the person is occupying; and (d) the TASK Level and notch in which the person was appointed. Submit a written report to Council and Provincial Ministers responsible for Local |

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|--|--|
| | <p>Government and Finance detailing all amounts paid during 2024/5, 2023/4 and 2022/3 financial years to the municipal manager, any acting municipal managers, each manager reporting directly to the municipal manager, and any acting managers reporting directly to the municipal manager.</p> <ul style="list-style-type: none"> Identify existing employees with transferable skills in service delivery who can fill the critical vacancies temporarily in accordance with the municipal policy on acting and related prescripts. Council to identify vacant critical funded positions for priority filling by the municipality with particular emphasis on addressing revenue generation, service delivery and compliance. |
| Leave management | <ul style="list-style-type: none"> Conduct a comprehensive leave audit. An assessment of the root causes of widespread sick leave should be undertaken. Review oversight and controls over leave management, especially sick leave. Ensure the sick leave policy is crystal clear, compliant with BCEA and SALGBC agreements, and clearly outlines requirements for medical certificates, notification procedures, and consequences of non-compliance. Controls, systems and processes must be assessed and improved where needed. Oversight and control for compliance should be institutionalised through policy and training, and consequence management. Implement and promote health and wellness initiatives (e.g., stress management workshops, physical activity challenges, health screenings, healthy eating advice). |
| Physical verification of staff and vetting of qualifications | <ul style="list-style-type: none"> Background checks and Vetting of the credentials during the recruitment process should be a standard operating procedure. Conduct regular physical verification of employees to mitigate the risk of ghost employees. Review the qualifications of the existing staff to ensure compliance with the post requirements and conditions of appointment. |

FINANCIAL MANAGEMENT (RESCUE PHASE)

The rescue phase of the recovery plan focuses on slowing the rate of expenditure and protecting the municipality's available cash and net cash position while restoring the principles of sound financial management. The overall objective is to improve the working capital position so that the limited resources can be redirected to address the most immediate and visible service delivery needs. This phase also identifies "quick wins"—interventions that require limited effort or resources but can yield significant results in stabilising the municipality's finances.

A few critical, high-level indicators were selected to guide this phase of the recovery plan. Progress on meeting these indicators will be monitored monthly by the Oversight and Monitoring Committee (or the working group if monthly monitoring is delegated to them) as well as the Implementation Team. The Oversight and Monitoring Committee can also approve the updating of the targets as the implementation of the plan progresses.

The high-level indicators selected for this Phase are:

1. Identification of and reduction in non-priority spending.
2. Improvement in revenue collection rates.
3. Strict implementation of credit control measures.

4. Reduction in Irregular expenditure.

PHASES 1, 2 and 3: BUDGET PARAMETERS FINANCIAL TARGETS:

| NO | PERFORMANCE AREA | ASSUMPTION/ BUDGET PARAMETER | 2025/26FY BUDGET TARGET | 2026/27FY BUDGET TARGET | 2027/28FY BUDGET TARGET |
|----|--------------------------------------|---|--|--|--|
| 1 | Property Rates Targets | Revenue Management Value Chain efficiencies. | 2024/25 baseline + Tariff increase (7%) Collection rate - 85% | 2025/26 Balance + CPI (4.6%) + Household Growth rate (5.03%) Collection rate - 88% | 2026/26 Balance + CPI (4.4%) + Household Growth rate (5.03%) Collection rate - 90% |
| 2 | Service Charges - Electricity | Revenue management Value Chain efficiencies in line with the FRP Implementation Plan | 2024/25 Electricity baseline + Tariff increase (12.7%) + Household Growth rate (5.03%) + 5% (reduced consumption (credit control)) Collection rate - 85% | Electricity Balance 2025/26 + CPI (4.6%) + Household Growth rate (5.03%) - 5% (reduced consumption (credit control)) Collection rate - 88% | Electricity Balance 2026/27 + CPI (4.4%) + Household Growth rate (5.03%) + 3% (reduced consumption (credit control)) Collection rate - 90% |
| 3 | Service Charges – Water Revenue | | 2024/25 Water baseline + Tariff increase (5%) + Household Growth rate (5.03%) + 5% (reduction in unbilled consumption) Collection rate - 85% | 2025/26 Balance + CPI (4.6%) + Household Growth rate (5.03%) + 5% (reduction in unbilled consumption) Collection rate - 88% | Electricity Balance 2026/27 + CPI (4.4%) + Household Growth rate (5.03%) + 3% (reduced consumption (credit control)) Collection rate - 90% |
| 4 | Service Charges – Wastewater revenue | | 2024/25 Sanitation baseline + Tariff increase (5%) + Household Growth rate (5.03%) Collection rate - 85% | 2025/26 Balance + CPI (4.6%) + Household Growth rate (5.03%) Collection rate - 88% | 2026/27 Balance + CPI (4.4%) + Household Growth rate (5.03%) Collection rate - 90% |
| 5 | Service Charges – waste | Cost-reflective tariff modelling Alignment with the budget funding plan | 2024/25 Refuse baseline + Tariff increase (5%) + Household Growth rate (5.03%) Collection rate - 85% | 2025/26 Balance + CPI (4.6%) + Household Growth rate (5.03%) Collection rate - 88% | 2026/27 Balance + CPI (4.4%) + Household Growth rate (5.03%) Collection rate - 90% |
| 6 | Rental of facilities and equipment | Operational efficiencies achieved in line with the FRP Implementation Plan | 2024/25 baseline + CPI (4.3%) + Household Growth rate (5.03%) + billing improvement (20%) | 2025/26 Balance + CPI (4.6%) + Household Growth rate (5.03%) + billing improvement (10%) | 2026/27 Balance + CPI (4.4%) + Household Growth rate (5.03%) + 10% (billing improvement) |
| 7 | Employee related costs | Cost containment measures. Reduction of expenditure to within the norm. | 2024/25 baseline OPEX target x 39% /less Remuneration of Councillors Ratio 37% (norm 40%) | 2025/26 baseline OPEX target x 38% /less Remuneration of Councillors Ratio 39% (norm 40%) | 2026/27 baseline OPEX target x 35% /less Remuneration of Councillors Ratio 40% (norm 40%) |
| 8 | Bulk purchases | In line with the Budget Funding Plan assumptions Effective control of electricity losses | 2024/25 baseline + ESKOM increase (11.32%) + Household Growth rate (5.03%) - 5% reduction in unbilled/unmetered losses & reduced consumption | 2025/26 Balance + ESKOM increase (11.32%) + Household Growth rate (5.03%) - 5% reduction in unbilled/unmetered losses & reduced consumption | 2026/27 Balance + ESKOM increase (11.32%) + Household Growth rate (5.03%) - 5% reduction in unbilled/unmetered losses & reduced consumption |
| 9 | Contracted services | Reduction in non-priority spending. | 2024/25 baseline OPEX target x 8% | 2025/26 baseline OPEX target x 7% | 2025/26 baseline OPEX target x 7% |

| NO | PERFORMANCE AREA | ASSUMPTION/ BUDGET PARAMETER | 2025/26FY BUDGET TARGET | 2026/27FY BUDGET TARGET | 2027/28FY BUDGET TARGET |
|----|-----------------------------------|---|--|--|--|
| | | Operational efficiencies achieved in line with the FRP Implementation Plan | <8% of total OPEX | <7% of total OPEX | <7% of OPEX |
| 10 | Consumer debtor's collection rate | Tariff modelling Strict implementation and adherence to Credit Control and Debt Collection processes Any revenue collection above the target ratio for Other Revenue becomes an additional funding source for future budgets. | Property and Service Charges – 85% | Property and Service Charges – 88% | Property and Service Charges – 90% |
| 11 | Cash/ Bank Balances | Improve revenue efficiency and collection, reduce historic creditors, and prevent non-priority expenditure Effective Cash Flow management | Targeted ratios: - Cash Coverage: 0.5 Months (Norm 1-3 months) - Current Ratio: 0.5:1 (Norm = 1.5-2:1) | Targeted ratios: - Cash Coverage: 0.5 Months (Norm 1-3 months) - Current Ratio: 1.1:1 (Norm = 1.5-2:1) | Targeted ratios: - Cash Coverage: 1 Months (Norm 1-3 months) - Current Ratio: 1.3:1 (Norm = 1.5-2:1) |
| 12 | Creditor's payment plan | Adherence to repayment plans with major creditors | 100% of payment arrangement per terms of agreement | 100% of payment arrangement per terms of agreement | 100% of payment arrangement per terms of agreement |

A financial forecasting model has been developed to set financial targets for Theewaterskloof's LM Financial Recovery Plan over the MTREF budget period. The financial model used the following rates per annum over the recovery period:

CPI (MFMA Circular 130) –

- 2025/26 - 4,3 per cent
- 2026/27 - 4,6 per cent
- 2027/28 - 4,4 per cent

Household growth rate –

- 5.03 per cent per annum (Status Quo Assessment Report).

If all the key operational efficiencies of the FRP Implementation Plan are achieved, the projected cash shortfall is expected to be around R198 million at the end of the 2023/24 financial year and will decline further to R320 million in 2025/26. The shortfall will start to improve in the 2026/27 financial year with an overall shortfall of around R302 million, which will improve further to R178 million at the end of the 2027/28 financial year and eventually transition to a surplus by around 2030.

The forecasting model is flexible, and figures should be adjusted annually to align with the revised FRP activities and facilitate sustainable improvements in financial health. The municipality's performance concerning the Financial Recovery Plan will be monitored in terms of its achievement of the targets for revenue and expenditure set out in the financial forecasting model.

**FINANCIAL FORECASTING MODEL FOR IMPLEMENTATION OF THE THEEWATERSKLOOF LM
FINANCIAL RECOVERY PLAN**

| BUDGET ITEM | 2022/23 ACTUAL R'000 | 2023/24 ACTUAL R'000 | 2024/25 BASELINE R'000 | TARGETS: 2025/26 MTREF BUDGET R'000 | TARGETS: 2026/27 MTREF BUDGET R'000 | TARGETS: 2027/28 MTREF BUDGET R'000 |
|--|----------------------------|----------------------------|------------------------------|---|---|---|
| Property rates | 153 616 | 161 124 | 161 124 | 172 403 | 189 404 | 207 684 |
| Service charges - electricity revenue | 134 679 | 152 783 | 152 783 | 171 866 | 179 374 | 190 785 |
| Service charges - water revenue | 91 205 | 96 037 | 96 037 | 100 615 | 105 011 | 111 691 |
| Service charges - sanitation revenue | 43 573 | 52 506 | 48 282 | 53 246 | 58 497 | 64 143 |
| Service charges - refuse revenue | 43 029 | 44 332 | 44 332 | 48 890 | 53 711 | 58 895 |
| Rental of facilities and equipment | 2 039 | 1 716 | 1 716 | 1 880 | 2 066 | 2 265 |
| Interest earned - external investments | 6 151 | 3 850 | 3 299 | 3 441 | 3 780 | 4 145 |
| Interest earned - outstanding debtors | 28 429 | 30 263 | 25 985 | 22 772 | 20 015 | 18 654 |
| Fines, penalties, and forfeits | 20 795 | 29 870 | 21 710 | 23 782 | 26 128 | 28 649 |
| Agency services | 7 938 | 9 894 | 8 704 | 9 535 | 10 475 | 11 487 |
| Transfers and subsidies - Operational | 142 817 | 169 146 | 169 146 | 182 290 | 176 434 | 184 627 |
| Other revenue | 17 115 | 31 407 | 18 767 | 20 559 | 22 586 | 24 766 |
| Gains | 16 498 | 7 488 | 5 591 | 6 190 | 6 800 | 7 456 |
| Total Operational Revenue | 707 883 | 790 416 | 757 476 | 819 469 | 854 280 | 915 247 |
| Employee related costs | 276 503 | 283 124 | 298 815 | 301 382 | 322 042 | 317 727 |
| Remuneration of councillors | 13 189 | 14 356 | 14 356 | 15 017 | 15 693 | 16 085 |
| Debt impairment | 88 788 | 114 066 | 90 124 | 98 727 | 54 232 | 29 733 |
| Irrecoverable debts written off | - | - | 23 942 | 26 228 | 28 814 | 31 595 |
| Depreciation & asset impairment | 34 188 | 35 691 | 35 691 | 39 098 | 42 954 | 47 099 |
| Finance charges | 41 699 | 49 933 | 49 933 | 49 230 | 43 268 | 33 210 |
| Bulk purchases - electricity | 123 274 | 125 718 | 145 944 | 162 105 | 180 056 | 199 994 |
| Inventory consumed | - | 46 517 | - | - | - | - |
| Contracted services | 140 805 | 70 119 | 78 293 | 64 902 | 59 324 | 54 467 |
| Transfers and subsidies paid | 8 123 | 8 017 | 8 017 | 12 080 | - | - |
| Operational cost | 129 209 | 88 709 | 113 344 | 99 331 | 87 301 | 86 154 |
| Losses | 40 472 | 7 210 | 7 110 | 5 849 | 6 118 | 6 387 |
| Total Operational Expenditure | 802 805 | 896 251 | 865 569 | 873 950 | 839 801 | 822 453 |

| BUDGET ITEM | 2022/23 ACTUAL R'000 | 2023/24 ACTUAL R'000 | 2024/25 BASELINE R'000 | TARGETS: 2025/26 MTREF BUDGET R'000 | TARGETS: 2026/27 MTREF BUDGET R'000 | TARGETS: 2027/28 MTREF BUDGET R'000 |
|---|----------------------------|----------------------------|------------------------------|---|---|---|
| Operating Surplus (Deficit) | (141 771) | (188 368) | (108 093) | (56 481) | 14 479 | 92 794 |
| Cash-backed reserves/accumulated surplus reconciliation – A8 | | | | | | |
| Cash and Investments available | | | | | | |
| Cash Equivalents at year-end | 85 916 | 16 383 | 7 517 | 14 329 | 24 549 | 72 980 |
| Total | 85 916 | 16 383 | 7 517 | 14 329 | 24 549 | 72 980 |
| Application of Cash and Investments | | | | | | |
| Working Capital Requirements (Debtors less creditors) | (22 129) | (104 529) | (241 042) | (286 441) | (269 186) | (182 642) |
| Unspent Conditional Grants | (20 053) | (54 592) | (16 321) | (528) | (528) | (528) |
| Other provisions | (30 565) | (40 743) | (44 817) | (47 506) | (50 357) | (53 378) |
| Total | (72 748) | (199 864) | (302 180) | (334 475) | (320 070) | (236 547) |
| Total Surplus/ (Shortfall) | 13 169 | (183 481) | (294 661) | (320 146) | (295 521) | (163 567) |

TARGET CASH FLOW RATIOS INCLUDED IN THE FINANCIAL FORECASTING MODEL

| CASH FLOW ITEM | 2021/22 ACTUAL % | 2022/23 ACTUAL % | 2023/24 BASELINE % 2YR- AGGREGATE | TARGETS: 2024/25 MTREF BUDGET % | TARGETS: 2025/26 MTREF BUDGET % | TARGETS: 2026/27 MTREF BUDGET % |
|-----------------------|------------------------|------------------------|--|---|---|---|
| Property rates | 95% | 97% | 96% | 85% | 88% | 90% |
| Service charges | 77% | 78% | 78% | | | |
| Other Revenue | 42% | 76% | 59% | 60% | 66% | 72% |
| Payments to Employees | 100% | 100% | 100% | 100% | 100% | 100% |
| Payments to Suppliers | 83% | 74% | 79% | 95% | 102% | 115% |

To support the achievement of the financial recovery plan and the targets specified for Phase 1, it is recommended that the Rescue Task Team focus on the following financial management issues:

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|---|---|
| Funded Budget and budget parameters (spending limits) | <p>Develop a credible budget funding plan which considers the following:</p> <ul style="list-style-type: none"> Key cash-related operating expenditure items <ul style="list-style-type: none"> Employee-related costs Bulk purchases Contracted Services Operational Expenditure Capital Expenditure Current obligations (less than 12 months) Credible revenue sources linked to each expenditure type Previous budget funding plan activities. |

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|---|--|
| | <ul style="list-style-type: none"> Identify key line items of budget overspending in the previous year, and line items with an increased risk of overspending that could lead to unauthorised expenditure. Prepare a monthly report to be reviewed by the CFO. |
| Revenue Management Value Chain/revenue raising measures (revenue targets) | <ul style="list-style-type: none"> Identify and report the top 50 defaulting debtors within the categories 31-60 days based on consumption and payment made. |
| | <ul style="list-style-type: none"> Introduce supporting mechanisms for revenue enhancement. |
| | <ul style="list-style-type: none"> Implement strict credit control to the top 50 defaulting debtors within the categories 31-60 days by restricting the outflow of services for no payment. |
| | <ul style="list-style-type: none"> Prepare and submit a report to council on all credit control and debt collection actions implemented and outcomes. |
| | <ul style="list-style-type: none"> Develop and implement a revenue enhancement strategy. |
| Cost-reflective tariffs | <ul style="list-style-type: none"> Determine the cost of supply for electricity service and reconcile the information with the NT tool. |
| SCM compliance and value for money procurement | <ul style="list-style-type: none"> Consolidate transactions relating to same/similar commodities to aggregate expenditure. |
| | <ul style="list-style-type: none"> Identify key cost drivers and efficiency bottlenecks which can be addressed through strategic procurement interventions (e.g. Fleet, Waste management, ICT, Fire Services, Smart Meters, Fuel). |
| | <ul style="list-style-type: none"> Development of SOPs and implement stricter internal control measures for deviations. |
| | <ul style="list-style-type: none"> Review of all deviations through the Bid Committee System. |
| | <ul style="list-style-type: none"> Update and amend SCM policy to include updated procurement threshold & and remove all requirements relating to the PPPFA, 2017 policy |
| Expenditure / Creditor Management | <ul style="list-style-type: none"> Analyse operating expenditure per line item and: <ol style="list-style-type: none"> Differentiate between priority and non-priority expenditure (criteria to be developed to define "priority", MFMA Circular 82). Quantify and allocate additional/new priority expenditure as identified by user departments - (limited to funding available) Identify all essential capital projects and funding sources. Own funding is only available for essential Capital requirements, and if surplus funds are available. seek support from PT to negotiate the high-value cost drivers with existing contracted service providers |
| | <ul style="list-style-type: none"> Establish criteria for prioritising expenditure earmarked for payment—Prioritise payments of creditors with agreements. |
| Cost containment and realistic cash flow management | <ul style="list-style-type: none"> Finalise and approve the Terms of Reference and formally establish the Cash Flow Management Committee to oversee the municipality's liquidity and payment priorities. |
| | <ul style="list-style-type: none"> Ring fence grant funding and utilise funding in accordance with the grant frameworks and MOU's. |
| | <ul style="list-style-type: none"> Ensure that all conditional grants are always cash backed. Weekly grant reconciliations reported to the cash flow committee. |
| | <ul style="list-style-type: none"> The Cash Flow committee must approve all expenditure weekly before any payments are made. |

SERVICE DELIVERY (RESCUE PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 1, it is recommended that the Rescue Task Team focus on the following service delivery issues:

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|---|--|
| Material Losses: Water Losses – Loss Control | <ul style="list-style-type: none"> Finalise and adopt the Water Conservation and Water Demand Management Plan (WC/WDM), with MISA support. |
| | <ul style="list-style-type: none"> Implement targeted water loss reduction interventions in high-loss zones based on credible data collected during MISA's technical support phase. |
| | <ul style="list-style-type: none"> Conduct a water meter audit to identify non-functional, tampered, or inaccurate meters contributing to NRW. |
| | <ul style="list-style-type: none"> Conduct a revenue data and Non-Revenue Water (NRW) audit to identify unbilled, incorrectly billed, or inactive water accounts, and correct data discrepancies. |
| | <ul style="list-style-type: none"> Conduct a study on non-payment of water services and a study on water services for backyard and informal settlement dwellers. |
| Material Losses: Electricity Losses – Loss Control | <ul style="list-style-type: none"> Maintain and update the electricity loss control register quarterly to track trends and intervene early if losses increase. |
| | <ul style="list-style-type: none"> Conduct targeted inspections and audits in high-risk areas to detect electricity theft and meter tampering. |
| | <ul style="list-style-type: none"> Review and improve the billing reconciliation process to ensure accurate metering and revenue recovery. |
| | <ul style="list-style-type: none"> Conduct a study on non-payment of electricity services and a study on electricity services for backyard and informal settlement dwellers. |
| Material Losses – Water Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Conduct a revenue data audit to identify unbilled, incorrectly billed, or inactive water accounts and correct data discrepancies. |
| Material Losses – Electricity Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Conduct a risk assessment to identify areas with high incidences of illegal connections and unmetered supply. |
| Material Losses – Other Losses | <ul style="list-style-type: none"> Ring-fence a portion of the maintenance budget to address critical preventative repairs and avoid further material loss due to deferred maintenance. |
| Electricity Provision and ESKOM Debt | <ul style="list-style-type: none"> Engage Eskom to negotiate payment arrangements for the outstanding debt of R56m (April 2025). |
| | <ul style="list-style-type: none"> Conduct a municipal-Eskom service boundary review and develop a joint coordination framework, addressing gaps in infrastructure responsibility, customer service, and outage response. |
| Waste and Refuse Removal | <ul style="list-style-type: none"> Identify hotspots and un-serviced areas (informal settlements) and develop a plan to expand waste collection services to those areas. |
| | <ul style="list-style-type: none"> Launch a rotational street cleaning program in high-litter areas (Caledon, Grabouw, Villiersdorp). |

| FOCUS AREA | RESCUE PHASE ACTIVITIES |
|---|--|
| Asset Management | <ul style="list-style-type: none"> • Conduct interdepartmental workshops with the finance and all technical departments to develop a common language. • Develop an Asset Management guideline document reflecting agreed roles, responsibilities, and terminology. |
| | <ul style="list-style-type: none"> • Assess the Fixed Asset Register (FAR) against CIDMS standards and conduct a GAP analysis to identify data, valuation, and classification gaps in the infrastructure register. |
| | <ul style="list-style-type: none"> • Asset verifications: Movable Assets: Verify, assess condition, and update the Movable Asset Register (MAR) for all movable assets. |
| Recreational Facilities, Parks and Cemeteries | <ul style="list-style-type: none"> • Perform noticeable maintenance and repairs and expand clean-up efforts of public facilities. |

4.2. PHASE 2: STABILISATION/RECOVERY PHASE (12 – 24 MONTHS)

In this phase of the recovery process, the focus is intended to shift from quick, visible wins to addressing stability through the institutionalisation of the achievements of Phase 1. Financial targets under Phase 1 will still be monitored, and additional targets may be added as necessary from the work undertaken in the rescue phase.

In addition to the high-level indicators listed in Phase 1, improvement in audit outcomes is another key indicator to be assessed in terms of financial stability.

GOVERNANCE (STABILISATION PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 2, it is recommended that the Stability and Sustainability Task Team focus on the following stabilisation issues:

| FOCUS AREA | STABILISATION PHASE KEY ACTIVITIES |
|---|--|
| Governance model - MPAC | <ul style="list-style-type: none"> • Obtain clarification from DLG/COGTA on how to structure MPAC to be more representative |
| Governance model - Ward Committees | <ul style="list-style-type: none"> • Provide workshops to all Ward Committees • Fill Ward vacancies |
| Infrastructure - Inter-Governmental Infrastructure Planning | <ul style="list-style-type: none"> • Host infrastructure planning workshop under JDMA model UNDER Governance? |
| By-laws | <ul style="list-style-type: none"> • Finalise by-law audit. • Budget for promulgation of amendments to existing by-laws and new by-laws. • Develop project plan for review and update of Bylaws. • Review and improve law enforcement capacity. Refer to organisational activities recommended by Pillar 2: Institutional and organisational matters. • Develop and activate a monthly reporting mechanism to monitor revenue generated from related by-laws and Policies and implement timely corrective actions. • Draft amendments or consolidated by-laws as needed. |

| FOCUS AREA | STABILISATION PHASE KEY ACTIVITIES |
|-----------------------------------|---|
| | <ul style="list-style-type: none"> Finalise the by-law code. |
| Customer care | <ul style="list-style-type: none"> Maintain a record of the turn-around times to resolve complaints and a weekly trend-analysis to identify service delivery trends. Conduct a customer satisfaction survey to verify the satisfaction levels of citizens. Request DLG support in conducting the survey. |
| Risk management | <ul style="list-style-type: none"> Review and improve risk management operations Develop holistic risk register and materiality framework for municipality |
| Litigation | <ul style="list-style-type: none"> Develop and maintain a detailed litigation register and report monthly thereon to management. Develop, adopt, and activate a litigation strategy, to manage the risk of default judgments, reaching settlements, or resolving matters via mediation The TWK did not conduct a diagnostic analysis of the root causes of litigation and claims against the municipality with recommendations on the remedial actions necessary to mitigate against such identified root cause Monitor implementation of litigation registers and litigation management strategy. Appoint a panel of legal services and implement a mechanism to standardise and negotiate a decrease in the costs of attorney fees. |
| Disciplinary Board | <ul style="list-style-type: none"> Maintain a register of disciplinary cases and report monthly to Council on progress Review and update Disciplinary Board terms of reference. Review and appointing of new Disciplinary Board members |
| Powers and functions | <ul style="list-style-type: none"> Commission a cost-benefit analysis to determine the financial exposure to the TWK on library services, and whether the TWK should continue rendering the service. If so, clarity must be provided on what the financial distribution should be and negotiated with the relevant Provincial Department. May also require a reduction in services to align with available funds. Commission a cost-benefit analysis to determine the financial exposure to the TWK on licensing function, and whether the TWK should continue rendering the service. If so, clarity must be provided on what the financial distribution should be and negotiated with the relevant Provincial Department. |
| Contract management (SCM related) | <ul style="list-style-type: none"> Adapt the electronic performance assessment-toolkit to include enforcement actions Convert Excel-based register adopted in Ph 1 to CR within the ERP System |
| Immovable property | <ul style="list-style-type: none"> Analyse the operational expenditure versus revenue generated from the rental property, indicating the: <ul style="list-style-type: none"> Latest valuation rate. Current tenants and contract details. Confirmation whether market related rental being recovered. Analysis to reflect the rentals earned versus maintenance costs. Actions instituted for non-paying tenants. Legal implications when revising and amending current lease arrangements to be more beneficial to the Municipality. |
| ICT Management | <ul style="list-style-type: none"> Solicit DLG financial support and procure new computers and a 'barnowl' system. |

INSTITUTIONAL (STABILISATION PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 2, it is recommended that the Stability and Sustainability Task Team focus on the following institutional issues:

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|--|--|
| Organisational structure and operating model | <ul style="list-style-type: none"> • Develop and adopt in consultation with the LLF a Placement policy aligned to the MSR. • Develop and adopt an implementation plan for the placement of staff in the newly reviewed staff establishment. • Placement of staff to be implemented in accordance with the adopted Placement policy. • Ensure the new structure clearly defines roles, responsibilities, reporting lines, and accountability for each position, aligning with the decentralised model and IDP delivery. • Clearly define the mandates, responsibilities, and delegated authorities for each decentralised functional area and business unit. • Conduct comprehensive job evaluations for all new and revised positions to ensure fair and equitable grading, as per municipal regulations. • Provide necessary training and resources to staff in decentralised units to ensure they have the skills and knowledge to operate effectively and independently. This could include financial management, project management, and reporting. • Regularly review existing SLAs with major hubs to ensure they are still relevant, measurable, and reflect current service delivery expectations and performance standards. • Comply with obligations in terms of Chapter 2 of the Municipal Staff Regulations. • Assess adherence to SDBIP and respond appropriately. • Comply with the government gazette on the upper limits for MM and Managers accountable to the MM. • Any exceptions or deviations should be recorded, agreed and monitored. • Assess the control environment with respect to BAC. Determine the required controls and implement. |
| Labour relations | <ul style="list-style-type: none"> • Develop and adopt the LLF calendar of meetings and incorporate it in the municipal corporate calendar of meetings. • LLF to adhere to the adopted calendar of meetings. • Engage SALGA and or Bargaining Council to conduct training for LLF members. • Implement and monitor resolutions of the LLF. • Monitor the functionality of the LLF. |
| Skills and competencies | <ul style="list-style-type: none"> • An updated skills audit should be conducted regularly. • Consultation with the LLF is necessary to determine the purpose of the skills audit report review. • Develop an action plan based on the skills audit results, including appropriate WPSPs and PDPs. This might involve creating training programs, identifying internal talent mobility opportunities, or adjusting recruitment strategies. • Communicate the findings of the skills audit to employees and managers. • Provide feedback on individual and team skill levels while maintaining confidentiality. • Develop an action plan to comply with the MMC requirements. • Determine and enforce agreements with staff who attend MMC courses and apply |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|------------------------|--|
| | consequence management where attendees do not comply with the agreements for attendance and completion. |
| Staff discipline | <ul style="list-style-type: none"> • Schedule regular staff workshops on the code of conduct for every financial year. • Consult SALGA to assist with the training of line managers to handle disciplinary cases. • Finalise all outstanding disciplinary cases. |
| Performance management | <ul style="list-style-type: none"> • Maintain the website and comply with statutory duties with respect to publishing on the website. • Engage with LLF and embark on the change management process to ensure buy-in. • Training of management on IPMS and OPMS should be conducted and cascaded further as per the staff regulations, focusing on consistency in reporting on indicators. • Cascade performance management to all other staff levels. • Performance agreements to be developed and signed for all other staff levels. |
| Consequence Management | <ul style="list-style-type: none"> • Review and adopt the Consequence Management Policy with clear roles and responsibilities. • Tabling of the CMA Framework issued by NT to the Council for information, training and adoption. • Incorporate the implementation of the CMA as a key results area in the Performance Agreements of all Senior managers. This will ensure that Senior Managers are held accountable where they fail to hold officials within their respective functional departments accountable for acts of financial misconduct. |
| Key HR policies | <ul style="list-style-type: none"> • Maintain policies, train and workshop in accordance with a training programme. • Regularly review the policies to ensure that they are up to date with the latest legal requirements to avoid non-compliance issues. • Develop an updated policy register. • Establish a monitoring and evaluation practice of policies and SOPs for shortcomings and lessons learnt to improve practices that are in place. |
| HR Strategy | <ul style="list-style-type: none"> • HR Strategy adopted by the Council. • Institutionalise and develop an action plan for the implementation of the HR strategy to ensure it has official status in terms of adoption and dates. • Provide training to ensure everyone understands their roles and responsibilities in implementing the strategy. • Conduct periodic reviews to evaluate the effectiveness of the strategy. This may involve identifying any challenges or obstacles to implementation and assessing whether adjustments are needed. • Senior Managers to champion the strategy, provide resources, and hold people accountable for achieving the strategic goals. |
| Records Management | <ul style="list-style-type: none"> • Maintain the standard of records management achieved. • Capacitate all staff members in the value chain of record keeping. • Investigate and determine the reasons for the missing records. • Develop a strategy to ensure that the risk of missing records is mitigated with the required controls being tested regularly. |
| Change Management | <ul style="list-style-type: none"> • The Municipal Manager, Mayor, and other senior officials must be highly visible, vocal, and consistently supportive of the financial recovery plan. Their |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|------------------------------|--|
| | <p>commitment sets the tone for the entire organisation.</p> <ul style="list-style-type: none"> • Ensure that the change management initiative has a clear mandate from the highest levels of municipal governance (e.g., Municipal Council) and that those leading it have the necessary authority. • Communicate openly and honestly about the municipality's financial situation, the reasons for the recovery plan, and the expected impacts. Avoid misrepresenting or downplaying the challenges. • Provide necessary training and development to equip employees with the new skills and knowledge required to implement changes (e.g., new financial systems, cost-saving measures, improved revenue collection). • A change management policy and programme to be developed to facilitate all change in future. (A lack of change management affects buy-in, morale and culture of the organisation negatively). • Secure buy-in from external stakeholders who will be affected by or involved in the financial recovery (e.g., employees, labour unions, community leaders, businesses, provincial and national government). • Observe implemented changes closely, as people may become lax and return to familiar ways of working. • Establish or assign specific individuals or a team to lead and coordinate change management activities. • Anticipate potential areas of resistance and develop strategies to address them proactively. This might include one-on-one coaching, conflict resolution, and clear communication of consequences for non-compliance. • Establish various channels for communication, including town halls, newsletters, internal memos, and dedicated feedback mechanisms. Ensure communication flows both top-down and bottom-up. • Continuously monitor the progress of both the financial recovery plan and the change management activities. |
| Employee wellness and Safety | <ul style="list-style-type: none"> • Communicate the municipality's financial challenges, the reasons for the recovery plan, and the tough decisions that need to be made. • Provide regular, consistent updates on progress (both good and bad) to prevent speculation and rumours. • In a financially constrained environment, non-monetary recognition becomes even more important. Publicly acknowledge employees who go above and beyond, celebrate small wins, and provide sincere verbal appreciation. • Senior leadership must demonstrate commitment to the recovery plan and the values of the municipality. This includes making difficult decisions, being accountable, and showing empathy for the challenges faced by staff. |

FINANCIAL MANAGEMENT (STABILISATION PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 2, it is recommended that the Stability and Sustainability Task Team focus on the following financial management issues:

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|---|--|
| Budget-related policies (Finance & HR) | <ul style="list-style-type: none"> Review of the Cost Containment Policy. Update the policy based on the municipality's assessment of priority and non-priority expenditure analysed per line item. Ensure all priority expenditure remains funded and non-priority expenditure is only incurred when funding is available and is included in the Budget funding plan. Review the current Credit Control and Debt Collection policy to ensure it allows the municipality to achieve the objectives of developed revenue enhancement strategies. Review all Budget Related Policies to identify areas of improved revenue and expenditure control as well as cash management and borrowing and investment management. |
| Revenue Management Value Chain/revenue raising measures (revenue targets) | <ul style="list-style-type: none"> Review the meter reading report and identify the properties not read every month Develop and implement procedures to ensure that these properties are read at least once every 3 months. Apply to the National Treasury smart meter grant project or similar initiatives. Review the impact of the credit control measures implemented against the top 50 defaulters and improve any shortcomings. Identify and report the next 50 largest defaulters and implement strict credit control and debt collection measures. Appoint debtor collection agency on a performance basis. Report to council monies collected by debt collector- All monies to include a reference number linking to debt collection to monitor effectiveness. Report to the CFO monthly concerning the implementation status of the reviewed credit control and debt collection policy. Review, monitor and amend the revenue enhancement strategy. Collaborate with the Provincial Department of Human Settlements to access and reconcile beneficiary data for RDP houses. Undertake a door-to-door verification campaign to confirm occupancy and collect occupant identification details. Categorise untraceable or disputed properties for legal review or state engagement. Collaborate with the Provincial Department of Human Settlements to access and reconcile beneficiary data for RDP houses. |
| Customer care and data accuracy | <ul style="list-style-type: none"> Develop and Implement a Comprehensive Customer Complaints Management Policy Monthly Reporting and Analysis of Complaints Introducing a Tracking and feedback Mechanism Enhance public awareness of customer care and ways to lodge complaints. Establish a Centralised Customer Complaints Register |
| Cost-reflective tariffs | <ul style="list-style-type: none"> Perform a cost of supply study for water services. |
| Indigent management | <ul style="list-style-type: none"> Review the vetting application process. Consider rolling applications if capacity is sufficient for proper administration of indigents or bi-annual applications as long as vetting is performed regularly. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|---|---|
| SCM compliance and value for money procurement | <ul style="list-style-type: none"> • Develop and approve a policy to define the municipality's implementation of SCM deviations in terms of Sec 36 of the SCM regulations. • Consider all previous audit findings in developing the policy. |
| | <ul style="list-style-type: none"> • Constitute a fully functional BAC to avoid delays in the awarding of tenders |
| | <ul style="list-style-type: none"> • Train SCM Staff on Procurement Planning and strategic sourcing. |
| | <ul style="list-style-type: none"> • Review the annual procurement plan and incorporate key expenditure types not included in the plan. |
| | <ul style="list-style-type: none"> • Develop and implement a contract management system which incorporates user departments and legal advisors. |
| | <ul style="list-style-type: none"> • Review the contracts register monthly and confirm that monthly contract performance reviews are prepared for all contracts. SCM manager to review and report to CFO. |
| | <ul style="list-style-type: none"> • Implement a Contract Management Monitoring Framework. |
| | <ul style="list-style-type: none"> • Develop standard operating procedures (SOPs) for contract management activities to be performed on a daily, weekly and/or monthly basis |
| | <ul style="list-style-type: none"> • Implement SOPS and stricter internal control measures for deviations. |
| Expenditure / Creditor Management | <ul style="list-style-type: none"> • Review the cash flow projections and re-evaluate major creditor agreements for affordability. • Engage creditors where the commitments exceed the municipality's projected ability to repay. |
| | <ul style="list-style-type: none"> • Determine a reasonable maximum limit for overtime per month and restrict actual overtime to within the limit. |
| Debt restructuring | <ul style="list-style-type: none"> • Prepare realistic cash flow projections to inform affordable repayment terms. • Identify agreements with major creditors and engage creditors to review payment arrangements in line with cash flow projections. |
| | <ul style="list-style-type: none"> • Monitor compliance with repayment agreements monthly and report deviations to the council. |
| Cost containment and realistic cash flow management | <ul style="list-style-type: none"> • Review the functions of the Cash Flow Management Committee and amend the TOR where necessary. |
| | <ul style="list-style-type: none"> • Introduce risk management and internal control processes to ensure adequate supervision of daily cash receipting, banking processes and cash management reporting (considering creditors, unspent conditional grants, other trade and payable). |
| | <ul style="list-style-type: none"> • Ensure effective administration and control of the municipality's bank accounts in line with the MFMA and FRP targets. • To enable effective monitoring of this, the municipality must submit regular reports to the Provincial Treasury on cashflows, including weekly submission of bank statements and cashflow projections. |
| Financial control environment | <ul style="list-style-type: none"> • Create a tailored audit action plan and strategy to address prior year audit findings |
| Grant Management | <ul style="list-style-type: none"> • Conduct monthly reconciliations of all conditional grant income, expenditure, and cash balances. The reconciliation must illustrate: <ol style="list-style-type: none"> a) the amounts spent on the year-to-date and the balance unspent, b) the procurement for the remaining unspent balance, and c) any changes in the procurement plan from the previous month. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|----------------------|--|
| mSCOA implementation | <ul style="list-style-type: none"> Engage with Provincial Treasury to develop mSCOA-compliant Budgeting Template. |
| | <ul style="list-style-type: none"> Alignment with mSCOA business processes |
| | <ul style="list-style-type: none"> Establish mSCOA governance structures <ul style="list-style-type: none"> - Appointment of mSCOA champion - Establish mSCOA steering committee - Establish delegation of Steercom i.t.o mSCOA circulars |
| | <ul style="list-style-type: none"> Update and maintain mSCOA road maps |

SERVICE DELIVERY (STABILISATION PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 2, it is recommended that the Stability and Sustainability Task Team focus on the following service delivery issues:

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|--|--|
| Spatial Development Framework (SDF) | <ul style="list-style-type: none"> Adopt the amended SDF Amendment Plan of June 2024. |
| | <ul style="list-style-type: none"> Establish quarterly coordination meetings between the Human Settlements, Planning, and Engineering Departments to track progress on the implementation of the CEF, LTFP, and medium-term budget, against the implementation of strategies outlined in the SDF. |
| | <ul style="list-style-type: none"> Conduct an annual review and update of the SDF to ensure alignment with revised interdepartmental sector master plans, the CEF, the LTFP, and the medium-term municipal budget. |
| Sector Master Plans | <ul style="list-style-type: none"> Conduct a compliance audit of all sector master plans to identify outdated or missing plans and assess alignment with legislative requirements. |
| | <ul style="list-style-type: none"> Secure funding and complete Phase 2 of the Electricity Master Plan, including GIS asset mapping, by engaging WC DLG and other stakeholders. |
| | <ul style="list-style-type: none"> Secure funding to update the Roads and Stormwater master plans and GIS. |
| | <ul style="list-style-type: none"> Review and assess all existing infrastructure-related software platforms through a system audit. Then develop an integration plan to align software platforms, implement compatible systems, and centralise data management to improve efficiency and coordination across departments. |
| Material Losses – Water Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Develop and implement a schedule for monthly meter readings, prioritising high-consumption zones and indigent households. |
| | <ul style="list-style-type: none"> Procure and install meters for all unmetered connections using internal capacity and prioritise indigent areas and high-risk zones. |
| Material Losses – Electricity Non-Technical Losses and unmetered consumption | <ul style="list-style-type: none"> Procure and install meters for all unmetered connections using internal capacity and prioritise indigent areas and high-risk zones. |
| | <ul style="list-style-type: none"> Strengthen enforcement measures to penalise unauthorised connections and back billing for illegal usage. |
| | <ul style="list-style-type: none"> Obtain sales reports to ensure accurate billing and tracking of electricity consumption irregularities. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|---|--|
| | <ul style="list-style-type: none"> Develop an Electrification Regularisation Plan, starting with high-density informal areas. Implement the Electrification Regularisation Plan for informal areas. |
| Material Losses – Water: Need for meter audits and 'SMART' technology | <ul style="list-style-type: none"> Conduct a comprehensive water meter audit (with MISA support) to verify meter types, conditions, and performance. Develop a phased smart meter replacement strategy, prioritising high-consumption zones and faulty conventional/prepaid meters. Identify and engage potential funding sources (e.g., DBSA, DWS) to support phased procurement and rollout of smart meters. Procure smart meters. Install new smart meters and/or replace existing conventional/prepaid water meters with new smart meters. |
| Material Losses – Electricity: Need for meter audits and 'SMART' technology | <ul style="list-style-type: none"> Conduct a detailed meter integrity audit in collaboration with Utilities World to detect tampering and assess vulnerabilities. |
| Material Losses – Other Losses | <ul style="list-style-type: none"> Identify underutilised municipal assets (e.g., parks, museums, airstrips) and develop a business case for revenue-generating use. Develop and implement a basic inventory control and asset tracking system for tools, vehicles, and equipment using internal resources. |
| Bulk- and Consumer Meters (Provision and Maintenance) | <ul style="list-style-type: none"> Upgrade all non-functional zone meters or missing bulk meters, including critical flow points (abstraction, WTW, WWTW). Implement basic physical protection (e.g., lockable chambers) for existing and future bulk meters in high-risk areas. |
| Electricity Infrastructure | <ul style="list-style-type: none"> Prepare project proposals to source funding for backup generators at critical infrastructure sites (WWTW and major sewer pump stations). |
| Electricity Provision and ESKOM Debt | <ul style="list-style-type: none"> Lobby through COGTA/NT for compensation mechanisms or shared funding for streetlight maintenance in Eskom-serviced areas. |
| Sanitation Services | <ul style="list-style-type: none"> Improve sanitation access in informal areas by installing new shared toilets in high-need locations. Secure funding to replace 50% of sewer infrastructure older than 20 years. Develop contingency plans for sanitation service continuity during emergencies, such as power outages etc. |
| Water Services | <ul style="list-style-type: none"> Develop a Pipe Replacement Plan (focusing on high-risk AC pipelines). Develop contingency plans for water service continuity during emergencies, such as power outages, droughts, etc. |
| Waste and Refuse Removal | <ul style="list-style-type: none"> Fill critical operational posts (drivers, process controllers). Establish schedules for waste collection using the Waste Service Expansion Plan. Develop and roll out an Anti-Illegal Dumping Campaign. Review and enforce Waste Management Bylaws, focusing on illegal dumping. Submit closure and rehabilitation plans for landfills (Botrivier, Greyton, Villiersdorp) to DEA&DP. Prioritise investment in yellow fleet, vehicles, and waste containers to provide effective waste services. |
| Roads | <ul style="list-style-type: none"> Develop and adopt a 10-year Road Resurfacing and Gravel-to-Paved Plan, including a prioritisation matrix. Allocate and ring-fence R13 million annually from 2026/27 to 2028/29 for urgent resurfacing to eliminate the backlog. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|--|--|
| | <ul style="list-style-type: none"> Repair potholes on roads with high volumes of traffic and in the CBD using CPW beneficiaries. |
| | <ul style="list-style-type: none"> Strengthen Inter-governmental relations capacity to build a sustained working relationship with WC DOI and ODM to prioritise road maintenance assistance to TWK, i.e. blading and patching gravel roads. |
| Stormwater | <ul style="list-style-type: none"> Conduct a Stormwater Infrastructure Condition Assessment of high-risk towns. (targeting Grabouw, Caledon, Botrivier) |
| | <ul style="list-style-type: none"> Upgrade or replace priority stormwater pipes and culverts in flood-prone towns. |
| | <ul style="list-style-type: none"> Implement a routine stormwater maintenance plan, including inlet/grid and drain systems cleaning. |
| | <ul style="list-style-type: none"> Introduce stormwater harvesting/retention projects in flood-prone areas to reduce pressure on the stormwater network |
| Capital Projects and Grant Funded Projects | <ul style="list-style-type: none"> Develop and implement a Project Implementation and Grant Expenditure Acceleration Plan to track and report monthly on unspent grants and initiate early planning to ensure utilisation. |
| | <ul style="list-style-type: none"> Track and report monthly on unspent grants and initiate early planning to ensure utilisation. Submit reports to the Council and relevant funding authorities. |
| | <ul style="list-style-type: none"> Prioritise grant spending on implementation-ready projects in high-need sectors (roads, stormwater, sanitation). |
| | <ul style="list-style-type: none"> Engage with National Treasury, COGTA, and Western Cape Government to access co-funding partnerships. |
| | <ul style="list-style-type: none"> Establish and operationalise a centralised Capital Projects Task Team (Project Monitoring Unit) with DLG to coordinate the planning, implementation, and reporting of all grant-funded infrastructure projects across departments (Technical, Planning, and Human Settlements) under the office of the Accounting Officer to effectively monitor and manage all projects. (MFMA Sections 63–70 support central accountability for asset and project management). |
| | <ul style="list-style-type: none"> Develop and implement a Capital Projects Register dashboard tool, tracking physical and financial progress against targets for all grant-funded projects. |
| Asset Management | <ul style="list-style-type: none"> Establish a cross-functional Asset Management Task Team (Finance and Technical) to improve coordination. |
| | <ul style="list-style-type: none"> Train key technical and finance officials in Infrastructure Asset Management using the Cities Infrastructure Delivery and Management System (CIDMS) model and implement the National Treasury's Circular 106 (FIPDM Framework - replaces previous infrastructure procurement and delivery guidelines CIDB Practice Notes). |
| | <ul style="list-style-type: none"> Asset verifications: Phased approach - Strategic Assets: Verify, assess condition, and update the Fixed Asset Register (FAR) for all immovable assets. |
| | <ul style="list-style-type: none"> Asset verifications: Phased approach - Major Assets: Verify, assess condition, and update the Fixed Asset Register (FAR) for all immovable assets. |
| | <ul style="list-style-type: none"> Asset verifications: Phased approach - Minor Assets: Verify, assess condition, and update the Fixed Asset Register (FAR) for all immovable assets. |
| | <ul style="list-style-type: none"> Asset verifications: Verify, assess condition, and update the Register for all municipal buildings/properties. |
| Repairs and Maintenance | <ul style="list-style-type: none"> Develop and adopt a Preventive Maintenance Plan aligned with sector master plans and risk-based prioritisation of key assets. |
| | <ul style="list-style-type: none"> Review and reallocate the budget to increase repairs and maintenance spending annually by at least 1% until the 8% target is met. |
| | <ul style="list-style-type: none"> Compile an Infrastructure Maintenance Register to track scheduled versus reactive maintenance to assist with improving budget forecasts. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|---|---|
| Fleet Management | <ul style="list-style-type: none"> Independent review of situational analysis and recommended options, considering benefits available through appropriately researched and implemented strategic procurement interventions. |
| | <ul style="list-style-type: none"> Participate in NT RT59 Transversal Contract to procure vehicles and fleet-related services at nationally negotiated prices, from pre-approved suppliers. |
| | <ul style="list-style-type: none"> Participate in NT RT69 Transversal Contract to procure tyres, tubes, and related services (fitment, balancing, wheel alignment) for the fleet. |
| | <ul style="list-style-type: none"> Update and enforce Fleet Operating Procedures (logbook use, fuel control, driver responsibility) through driver induction and monthly monitoring. |
| Recreational Facilities, Parks and Cemeteries | <ul style="list-style-type: none"> Review and revise tariffs for burial sites and hiring out community facilities to improve revenue generation. |
| | <ul style="list-style-type: none"> Develop and implement a short-term Preventive Maintenance Plan for high-use community facilities and cemeteries. |
| | <ul style="list-style-type: none"> Prioritise investment in maintenance equipment for appropriate remedial works at public facilities. |
| | <ul style="list-style-type: none"> Partner with NGOs or the Expanded Public Works Programme (EPWP) to maintain public spaces, providing job creation and alleviating municipal capacity constraints. |
| | <ul style="list-style-type: none"> Implement term tenders for routine works, i.e. maintenance and upgrades at strategic public facilities. |
| Town Planning and Building Control | <ul style="list-style-type: none"> Review and streamline building plan and land use application processes to identify and remove bottlenecks or inefficiencies that cause delays, which will increase revenue from application fees and property rates. |
| | <ul style="list-style-type: none"> Develop and implement a compliance enforcement strategy focused on illegal structures and unapproved developments. Include mapping hotspots, setting enforcement priorities, issuing notices, and taking legal or administrative steps to resolve non-compliance. |
| | <ul style="list-style-type: none"> Revise fines and penalties for illegal development to be cost-reflective to ensure that the fines imposed for illegal buildings or non-compliance reflect the actual cost and impact of the violation. |
| Housing Delivery | <ul style="list-style-type: none"> Review and update the Human Settlement project pipeline annually, which ensures alignment with evolving housing needs and improves the municipality's credibility for provincial/national funding. |
| | <ul style="list-style-type: none"> Accelerate title deed transfers via the Human Settlements Development Grant (HSDG) to fund title deed restoration efforts. |
| | <ul style="list-style-type: none"> Establish a Land Availability audit task team to unlock well-located land (municipal/state). |
| | <ul style="list-style-type: none"> Coordinate bulk infrastructure alignment (water, sewer, roads) with sector departments. |
| Informal Settlements | <ul style="list-style-type: none"> Conduct on-site geo-referenced surveys of all informal settlements to update profiles and support planning. |
| | <ul style="list-style-type: none"> Implement and update the 2019 Informal Settlement Containment Plan, prioritising high-risk areas. (i.e. fencing, signage, house numbers) |
| | <ul style="list-style-type: none"> Establish a multi-stakeholder Informal Settlement Management Forum for strategic coordination and funding mobilisation. |
| Local Economic Development | <ul style="list-style-type: none"> Establish a public-private Tourism Development Forum to drive collaboration, stimulate joint marketing and investment. |

| FOCUS AREA | STABILISATION PHASE ACTIVITIES |
|---------------------------------------|---|
| | <ul style="list-style-type: none"> Facilitate bi-annual Local Economic Development (LED) stakeholder forums to identify priority LED projects for inclusion in the revised IDP. |
| Law Enforcement and Security Services | <ul style="list-style-type: none"> Implement a Risk-Based Security Deployment Plan to prioritise security presence at high-theft and high-vandalism sites. Establish a Joint Task Unit (Law Enforcement, Planning and Legal) to coordinate and respond to illegal land invasions. Conduct monthly bylaw enforcement blitzes in hotspots for illegal dumping, land invasion, and vandalism. The municipality in collaboration with community structures, must implement awareness campaigns to educate the public on the negative impact of illegal connections, theft, and vandalism of municipal infrastructure on service delivery and municipal financial sustainability. Invest in CCTV infrastructure at high-theft municipal infrastructure sites and integrate with SAPS for response coordination. Upgrade perimeter security (fencing, lighting) at critical municipal facilities. |
| Traffic Services and Licensing | <ul style="list-style-type: none"> Prepare a feasibility and implementation plan for a satellite vehicle testing station in Grabouw. Roll out fixed speed enforcement cameras at key high-traffic, high-risk locations. If implemented under a Public-Private Partnership (PPP) model, the upfront cost may be lower or zero, but a revenue-sharing agreement applies. Establish monthly joint traffic operations with SAPS and municipal law enforcement in priority towns (Caledon, Grabouw, Villiersdorp). |
| Environmental Management | <ul style="list-style-type: none"> Develop an Environmental Management Framework (EMF) to guide development and regulate environmental compliance. Draft and adopt an Environmental Management System (EMS) aligned with ISO 14001 principles. Conduct a public awareness campaign on illegal dumping and environmental compliance. |

4.3. PHASE 3: SUSTAINABILITY PHASE (BEYOND 24 MONTHS OR THE TERMINATION OF PHASE 2)

In this phase of the recovery process, the focus is on ensuring the institutionalisation of processes in Phases 1 and 2 of the recovery process. It is also envisaged that the municipality will consider long-term planning and issues necessary to ensure the sustainability of the municipality's finances.

The National Treasury's MFRS unit will assist in determining when the municipality is ready to move from phase 2 to phase 3 based on the quarterly review reports on the implementation of the mandatory FRP. At this point, it will be necessary to develop and agree on the details of the activities and targets for the third phase of the FRP.

GOVERNANCE (SUSTAINABILITY PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 3, it is recommended that the Stability and Sustainability Task Team focus on the following sustainability issues:

| FOCUS AREA | SUSTAINABILITY PHASE ACTIVITIES |
|-------------------------|---|
| By-laws | Request support from DLG to assist with the review and gazetting of all relevant by-laws. |
| | Consult and gazette updated and/or new by-laws. |
| Customer care | Conduct a feasibility study to determine benefits and costs related to the development and activation of a Multi-Purpose Government Integrated Facility and solicit financial support to procure such, if found feasible. |
| Disciplinary management | Provide training to Disciplinary Board members on powers and mandates. |
| ICT Management | Conduct a feasibility study to determine the benefits and costs related to the procurement of risk management software and solicit financial support to procure such, if found feasible. |

INSTITUTIONAL (SUSTAINABILITY PHASE)

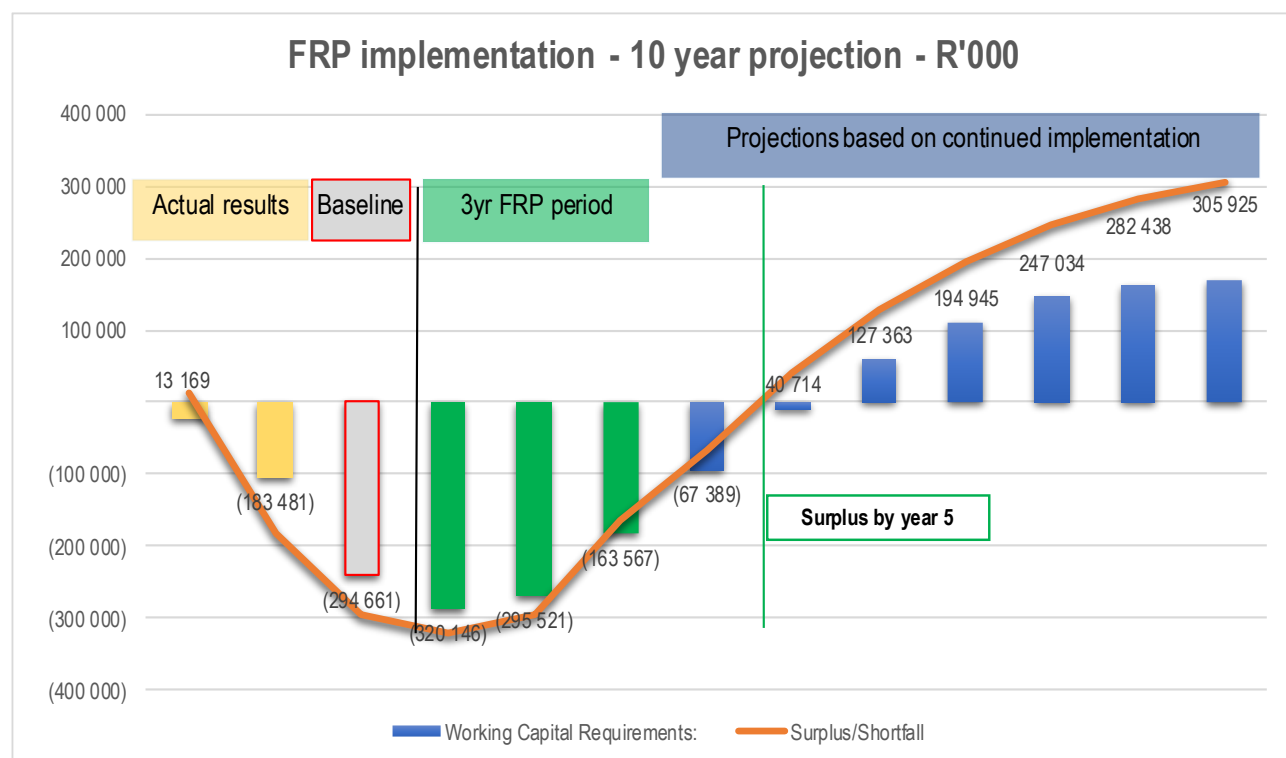
To support the achievement of the financial recovery plan and the targets specified for Phase 3, we recommend that the Stability and Sustainability Task Team focus on improving its maturity levels regarding practices recommended for the Institutional pillar under the rescue and stabilisation phase.

FINANCIAL DELIVERY (SUSTAINABILITY PHASE)

The activities in the sustainability phase assume the achievement of key performance indicators in the activities of both the rescue and stabilisation phases.

Based on the current projections, the impact of continued implementation of the FRP will allow the municipality to move to a surplus position within 3 years. The FRP is based on historical information and aims to be realistic, yet cautious in setting targets. Any overachievement in the targets will therefore accelerate the turnaround and shorten the timeframe.

Projections based on continued Implementation of the FRP:



To support the achievement of the financial recovery plan and the targets specified for Phase 3, it is recommended that the Stability and Sustainability Task Team focus on the following sustainability financial management issues:

| FOCUS AREA | SUSTAINABILITY PHASE ACTIVITIES |
|---|---|
| Funded Budget and budget parameters (spending limits) | <ul style="list-style-type: none"> Develop a Funded budget with realistically anticipated revenue and expenditure i.t.o. section 18 of the MFMA. |
| Budget-related policies (Finance & HR) | <ul style="list-style-type: none"> Review the current Credit Control and Debt Collection policy to ensure it allows the municipality to achieve the objectives of developed revenue enhancement strategies. |
| Revenue Management Value Chain/revenue raising measures (revenue targets) | <ul style="list-style-type: none"> Develop and implement procedures to ensure that all properties are read at least monthly. Variances must be investigated and reported monthly. |
| Cost-reflective tariffs | <ul style="list-style-type: none"> Use the cost of supply information for water and electricity services and the NT tariff modelling guidelines and establish cost-reflective tariffs for all services. Develop a plan to introduce cost-reflective tariffs sustainably, considering affordability factors. |
| SCM compliance and value for money procurement | <ul style="list-style-type: none"> Implement robust Standard Operating Procedures for the SCM unit and train the available staff on the SOPS. |

| FOCUS AREA | SUSTAINABILITY PHASE ACTIVITIES |
|---|---|
| Expenditure/ Creditor Management | <ul style="list-style-type: none"> Prioritise capital projects with revenue-generating certainty as and when cash-backed surplus funds are generated - own funding is available .i.e. procurement of smart meters to conduct credit control. |
| Asset Management | <ul style="list-style-type: none"> Conduct a risk assessment to identify vulnerable sites and high-risk assets. Improve physical security measures. Engage the insurer to lower premiums based on improved security measures. Analyse insurance claims history to identify trends and adjust coverage to focus on high-risk areas. Ring-Fence Maintenance Budgets and Monitor Spending Against Asset Management Plans. Utilise the asset register to identify and prioritise critical infrastructure assets and develop maintenance schedules using recommendations and asset condition data. Assign maintenance teams and set performance targets based on the priorities identified. Develop phased plan to reduce municipal maintenance backlogs. Amend the municipality's budget funding policy to provide for annual contributions to the Capital Replacement Reserves. Ring-fence CRR funds for infrastructure projects identified in the IDP and asset management plan. |
| Cost containment and realistic cash flow management | <ul style="list-style-type: none"> Establish the cash flow committee and develop strategies to improve liquidity ratios sustainably. Maintain bi-monthly cashflow meetings |

SERVICE DELIVERY (SUSTAINABILITY PHASE)

To support the achievement of the financial recovery plan and the targets specified for Phase 3, it is recommended that the Stability and Sustainability Task Team focus on the following service delivery issues:

| FOCUS AREA | SUSTAINABILITY PHASE ACTIVITIES |
|---|--|
| Sector Master Plans | <ul style="list-style-type: none"> Complete the Roads and Stormwater Master Plans, including GIS asset mapping. Introduce a rolling 3-year update schedule for all master plans to ensure ongoing compliance and relevance. |
| Bulk- and Consumer Meters (Provision and Maintenance) | <ul style="list-style-type: none"> Update the WSDP Implementation Register and create a quarterly progress review mechanism for water loss control actions. |
| Electricity Infrastructure | <ul style="list-style-type: none"> Develop and implement a 3-year Scheduled Electricity Infrastructure Maintenance Plan, prioritising areas with ageing infrastructure and high outage rates. Update the electricity network upgrade plans to include all required upgrades near NMD thresholds and propose phased implementation. |

| FOCUS AREA | SUSTAINABILITY PHASE ACTIVITIES |
|--------------------------------------|---|
| Electricity Provision and ESKOM Debt | <ul style="list-style-type: none"> • Prepare a feasibility and cost-benefit analysis on applying for REDZ (Renewable Energy Development Zone) or embedded generation licensing, especially for towns like Grabouw and Genadendal. • Formulate a mitigation plan for sewer and water infrastructure resilience in Eskom areas, including mini-grid or generator options. |
| Sanitation Services | <ul style="list-style-type: none"> • Replace 50 per cent of the sewer network older than 20 years. • Implement priority upgrades at Caledon, Botrivier, and Villiersdorp WWTWs based on feasibility studies and funding approvals. • Improve waste handling and disposal practices by procuring/refurbishing tankers. • Nominate and package 2–3 priority sanitation projects for SIDAFF. • Nominate new sanitation infrastructure project(s) for inclusion in the SIDAFF pipeline. |
| Water Services | <ul style="list-style-type: none"> • Secure funding to replace high-risk AC pipelines. • Implement the Pipe Replacement Plan. • Upgrade microbiological water quality monitoring by increasing sampling frequency at high-risk sites • Train and/or appoint qualified process controllers at critical WTWs. • Review, update, and implement Water Safety Plans (WaSP) for all WTWs. • Improve security at high-risk water facilities. • Nominate and package 2–3 priority water projects for SIDAFF. • Nominate new water infrastructure project(s) for inclusion in the SIDAFF pipeline. |
| Roads | <ul style="list-style-type: none"> • Submit external funding applications (RBIG, MIG) for major road projects and pedestrian bridge repairs. • Upgrade gravel roads in priority towns (Genadendal, Greyton, Tesselaarsdal) • Repair or replace the 4th Avenue pedestrian bridge in Caledon. • Design and implement an NMT Safety Plan with sidewalk upgrades (Caledon and Grabouw focus). • Develop and implement a Pothole Repair Plan and publish the plan on the municipal website. |
| Stormwater | <ul style="list-style-type: none"> • Acquire or lease one jet-vac or high-pressure flushing truck to unblock stormwater systems and maintain open channels. • Identify and formalise informal settlements at flood risk. |
| Asset Management | <ul style="list-style-type: none"> • Develop, adopt, and implement an Integrated Asset Management Strategy and System, aligned with the IDP, SDBIP, and Budget to provide a unified framework for managing assets across departments. |
| Fleet Management | <ul style="list-style-type: none"> • Develop and implement a Fleet Maintenance Schedule prioritising vehicles critical to service delivery. • Implement Option 2 of the Feasibility Study based on the Independent review (if recommended): Procure a Mobile Repair Unit and a qualified technician for minor onsite repairs to reduce turnaround times and deviations. |
| Local Economic Development | <ul style="list-style-type: none"> • Revise and adopt the LED and Tourism Strategies focusing on heritage, biodiversity, and small-town tourism. • Develop and publish a digital promotional toolkit for tourism and investment attraction (website content, brochures, maps). |

5. PART FOUR: REPORTING

5.1. MONTHLY REPORTING ON ACHIEVEMENT OF TARGETS: THEEWATERSKLOOF LM

The following reporting and oversight measures shall be deemed mandatory, necessitating strict adherence to the prescribed approach:

- The MM must submit monthly progress reports to NT MFRS and the Municipal Council, and:
 - Conducts necessary quality assurance processes to verify performance.
 - Confirms/certifies that decisions of the Council/EM/Mayor are consistent with the FRP.
 - Maintains a record of decisions on FRP implementation.
- The MM must submit quarterly implementation progress reports to the Executive Committee and Council.
- PT must conduct quarterly reviews on the effectiveness of the FRP and whether the root causes are being progressively addressed.
- The MM must submit a Portfolio of Evidence for claimed performance quarterly to PT and MFRS for review.
- The MM and Heads of the Directorate must sign individual performance scorecards/agreements for each financial year that incorporates the FRP.
- The SDBIP and IDP, and 'Strategic Plan' must be revised for alignment with the FRP.
- All monthly FRP reports must be tabled and discussed in monthly Top Management meetings.
- No decision (Executive, Legislative or Administrative) should be approved by the Council, Executive Mayor and Accounting Officer that contravenes or defeats the FRP and its objectives.
- The MM must assign an official to coordinate implementation and reporting on the FRP.
- The MM must sign off all FRP implementation progress reports before submission to NT MFRS, PT, Executive Committee and Council.

5.2. REPORTING FRAMEWORK: PROGRESS AGAINST TARGETS

The municipality must report monthly on each key activity included in the FRP Implementation Plan (Annexure A). The implementation plan will be used as the basis for developing a progress reporting dashboard with the following fields:

(Example only for illustrative purposes)

| PER FRP IMPLEMENTATION PLAN: | | INFORMATION: |
|------------------------------|--|--------------|
| Phase | Financial Rescue | |
| Pillar | Service delivery | |
| Focus area | Water Services | |
| Key Activity | <ul style="list-style-type: none"> ▪ Regular monitoring and testing protocols of the final water quality to improve compliance with Blue Drop standards. | |
| Problem Statement | The municipality does not comply with Blue Drop standards (score 34%), and the chemical compliance status is bad. The operational monitoring of final water quality is currently in place to ensure compliance, though not fully meeting the standards outlined by the SANS. | |
| Responsible | Director: Technical Services and Manager: Water Services, supported by Mr. Denge and the rescue task team | |
| Start Date | At the initiation of the rescue phase, probably on 1 July 2024 | |
| End Date | During the rescue phase | |
| KPI | Blue Drop compliance. | |

| PER FRP IMPLEMENTATION PLAN: | | INFORMATION: |
|----------------------------------|---|--------------|
| Financial target | Not quantifiable. | |
| Progress Report by Municipality: | | |
| Steps taken | The Water Services Manager completes monthly water sampling reports per supply system and uploads the data analysis onto the DWS Integrated Regulation Information System (IRIS). | |
| Progress made | Alignment between the hard copy data analysis and the information uploaded on IRIS. | |
| Financial impact recorded | Not quantifiable, but fines may be imposed on the municipality for failing to adhere to regulatory standards and necessitate costly remediation efforts. | |
| Other noteworthy developments | There is a significant improvement in the water drinking quality, and the Compliance Report extracted from IRIS aligns with the actual data analysis. | |

5.3. IGR ARRANGEMENTS

Intergovernmental relations (IGR) are all mechanisms, structured or unstructured, required to facilitate meaningful interaction and coordination between the three spheres of government. The Constitution acknowledges all three spheres as distinctive and interdependent. "The primary objective of IGR is to ensure a uniform implementation of governments policies and legislation, establishment of inter-governmental structures, management of the conduct of inter-governmental relations, monitoring and reporting, as well as the settlement of disputes.

The legislative framework for IGR emphasises the monitoring and supporting role that the national and provincial governments should play in the affairs of local government, with a focus on legal cooperation and governance. The following Acts contribute to the framework within which monitoring, oversight, and support should take place:

- The Constitution of the Republic of South Africa (Act 108 of 1996),
- The Intergovernmental Relations Framework Act (13 of 2005);
- Municipal Finance Management Act (Act No. 117 of 1998),
- Municipal Structures Act (Act No. 32 of 2003) and the
- Municipal Systems Act (Act No. 32 of 2000)

One could view the Financial Recovery Plan as being at the very epicentre of the IGR's mandate and purpose. Some IGR forums have the mandate to monitor and evaluate, but specifically support, the in the execution of their Constitutional mandates and obligations toward the communities.

Establishing an Inter-Governmental Relations (IGR) structure or steering committee with defined Terms of Reference will assist with the monitoring of the implementation of the FRP and assist in institutionalising optimal IGR.

6. RECOMMENDATIONS

It is recommended that:

- 1) The Theewaterskloof LM Mandatory Financial Recovery Plan be approved by the municipal Council.
- 2) The Western Cape Provincial Government commits to providing section 154 support for the

implementation of the Theewaterskloof LM FRP.

- 3) The Western Cape Provincial Support Package for Theewaterskloof LM be aligned with the priorities as set out in the FRP.
- 4) The municipality adopt and implement a comprehensive Change Management Programme.

7. APPROVAL

This FRP is submitted by the NT MFRS in terms of section 143(2) of the MFMA.

"I,, Member of the Executive Council in the Western Cape Provincial Cabinet responsible for finance, hereby confirm that I have verified and confirmed that all statutory processes as set out in section 141 of the MFMA have been followed and that the necessary criteria contained in section 142 have been met.

I therefore approve the Financial Recovery Plan in terms of the powers vested in me under section 135 of the MFMA."

Signed on this ____ day of 2025 at Cape Town, Western Cape Province.

MEC of Finance

ANNEXURE A: FRP IMPLEMENTATION PLAN

The FRP Implementation Plan is attached to this report in an Excel format to ease project implementation, monitoring, and oversight and consists of four sheets addressing each of the pillars, being (1) Governance, (2) Institutionalisation/HR, (3) Financial and (4) Service Delivery and is structured per column as follows:

- Item number.
- Focus area.
- Key assessment finding.
- Key activity.
- Resources required.
- Resources mobilised.
- Responsible person.
- Start date.
- End date.
- Key performance indicator.
- Portfolio of evidence.
- Budget parameter/ revenue target/ spending limit.

ANNEXURE B: INDEX OF PORTFOLIO OF EVIDENCE REVIEWED

| Item | Name of Document |
|------|---|
| 1 | A1 Schedule - mSCOA vs 6.7 28 February 2023 Draft Budget 2024 30 March 2023 |
| 2 | A1 Schedule Draft 2022 Y 20221026T085749Z |
| 3 | A1 Schedule Draft 2023 Y 20220331T093608Z |
| 4 | A1 Schedule mSCOA vs 6.8 2025 |
| 5 | Adjustment Budget Item 2022 - May 2023 |
| 6 | Adjustment Budget Item 2023 - 25 Augustus 2022 |
| 7 | Adjustment Budget Item 2023 - 27 October 2022 |
| 8 | Adjustment Budget Item 2024 - 24 August 2023 |
| 9 | Adjustment Budget Item 2024 - 28 February 2024 |
| 10 | Adjustment Budget Item 2024 - 30 November 2023 |
| 11 | Adjustment Budget Item 23 February 2023 |
| 12 | Adjustment Budget Item 30 November 2022 |
| 13 | Adjustment Budget Item 30 November 2022 |
| 14 | Adjustment Budget Item Council Meeting 22 August 2024 |
| 15 | Adjustment Budget Item May 2024 |
| 16 | Adjustment Budget Quality Certificate 2024 |
| 17 | Adjustment Budget Quality Certificate 22 August 2024 |
| 18 | Adjustment Budget Report May 2024 |
| 19 | Adjustment Budget Report Signed 2024 24 August 2023 |
| 20 | Agenda - Council Meeting - 23 February 2023 |
| 21 | Annual Report Draft 2023 |
| 22 | Annual Report Draft 2024 |
| 23 | Annual Report Final 202 |
| 24 | Asset Management Policy 2024 30 May 2023 |
| 25 | Audit Report 2022 |
| 26 | Audit Report 2023 |
| 27 | B - Schedule 2023 30 November 2022 |
| 28 | B - Schedule 2023 30 November 2022 |
| 29 | B - Schedule May 2024 |
| 30 | B Schedule - mSCOA Ver 6.8 22 August 2024 |
| 31 | B Schedule - mSCOA Ver 6.8 22 August 2024 |
| 32 | B Schedule 2023 23 February 2023 |
| 33 | B Schedule 2023 23 February 2023 |
| 34 | B Schedule 2023 25 August 2022 |
| 35 | B Schedule 2023 25 August 2022 |
| 36 | B Schedule 2023 27 October 2022 |
| 37 | B Schedule 2023 27 October 2022 |
| 38 | B Schedule 2023 30 May 2023 |
| 39 | B Schedule 2023 30 May 2023 |
| 40 | B Schedule 2024 24 August 2023 |
| 41 | B Schedule 2024 24 August 2023 |
| 42 | B Schedule 2024 28 February 2024 |

| Item | Name of Document |
|------|---|
| 43 | B Schedule 2024 28 February 2024 |
| 44 | B Schedule 2024 30 November 2023 |
| 45 | B Schedule 2024 30 November 2023 |
| 46 | B Schedule 2025 28 November 2024 |
| 47 | B Schedule 2025 28 November 2024 |
| 48 | Borrowing Policy 2024 29 May 2018 |
| 49 | Budget Document Final 2022 Y 20220614T093914Z |
| 50 | Budget Policy 2019 29 May 2018 |
| 51 | C Schedule - mSCOA Ver 6.8 2025 M0 |
| 52 | C Schedule - mSCOA Ver 6.8 2025 M01 |
| 53 | C Schedule - mSCOA Ver 6.8 2025 M02 |
| 54 | C Schedule - mSCOA Ver 6.8 2025 M02 |
| 55 | C Schedule 2023 M01 |
| 56 | C Schedule 2023 M02 |
| 57 | C Schedule 2023 M03 |
| 58 | C Schedule 2023 M03 |
| 59 | C Schedule 2023 M04 |
| 60 | C Schedule 2023 M04 |
| 61 | C Schedule 2023 M05 |
| 62 | C Schedule 2023 M05 |
| 63 | C Schedule 2023 M06 |
| 64 | C Schedule 2023 M06 |
| 65 | C Schedule 2023 M07 |
| 66 | C Schedule 2023 M07 |
| 67 | C Schedule 2023 M08 |
| 68 | C Schedule 2023 M08 |
| 69 | C Schedule 2023 M09 |
| 70 | C Schedule 2023 M09 |
| 71 | C Schedule 2023 M10 |
| 72 | C Schedule 2023 M10 |
| 73 | C Schedule 2023 M11 |
| 74 | C Schedule 2023 M11 |
| 75 | C Schedule 2023 M12 |
| 76 | C Schedule 2023 M12 |
| 77 | C Schedule 2024 M0 |
| 78 | C Schedule 2024 M01 |
| 79 | C Schedule 2024 M02 |
| 80 | C Schedule 2024 M02 |
| 81 | C Schedule 2024 M04 |
| 82 | C Schedule 2024 M04 |
| 83 | C Schedule 2024 M05 |
| 84 | C Schedule 2024 M05 |
| 85 | C Schedule 2024 M06 |
| 86 | C Schedule 2024 M06 |

| Item | Name of Document |
|------|--|
| 87 | C Schedule 2024 M07 |
| 88 | C Schedule 2024 M07 |
| 89 | C Schedule 2024 M08 |
| 90 | C Schedule 2024 M08 |
| 91 | C Schedule 2024 M09 |
| 92 | C Schedule 2024 M09 |
| 93 | C Schedule 2024 M1 |
| 94 | C Schedule 2024 M10 |
| 95 | C Schedule 2024 M10 |
| 96 | C Schedule 2024 M11 |
| 97 | C Schedule 2024 M12 |
| 98 | C Schedule 2024 M12 |
| 99 | C Schedule 2025 M03 |
| 100 | C Schedule 2025 M03 |
| 101 | C Schedule 2025 M04 |
| 102 | C Schedule 2025 M04 |
| 103 | C Schedule 2025 M05 |
| 104 | C Schedule 2025 M05 |
| 105 | C Schedule 2025 M06 |
| 106 | C Schedule 2025 M06 |
| 107 | C Schedule 2025 M08 |
| 108 | C Schedule 2025 M08 |
| 109 | Cash Management and Investment Policy 2020 23 January 2023 |
| 110 | Cost Containment Policy 2024 30 May 2023 |
| 111 | Credit Control and Debt Collection Policy 2024 30 May 2023 |
| 112 | Creditor Payment Policy 2024 30 May 2023 |
| 113 | Draft Budget 2024 IDP 30 March 2023 |
| 114 | Draft Budget 2024 IDP Memo 30 March 2023 |
| 115 | Draft Budget 2024 Mayor Speech 30 March 2023 |
| 116 | Draft Budget A1 Schedule 2025 27 March 2024 |
| 117 | Draft Budget Budget Funding Implementation Plan 2024 27 March 2024 |
| 118 | Draft Budget Item 2024 30 March 2023 |
| 119 | Draft Budget Item 2024 30 March 2023 |
| 120 | Draft Budget Item 2025 27 March 2024 |
| 121 | Draft Budget Long Term Financial Plan 2025 27 March 2024 |
| 122 | Draft Budget Long Term Financial Plan 2025 27 March 2024 |
| 123 | Draft Budget Policy Changes 2024 30 March 2023 |
| 124 | Draft Budget Policy Changes 2025 27 March 2024 |
| 125 | Draft Budget Procurement plan 2025 27 March 2024 |
| 126 | Draft Budget Report 2024 30 March 2023 |
| 127 | Draft Budget Signed Quality Certificate 2025 |
| 128 | Draft Budget Tariff List 2025 27 March 2025 |
| 129 | Draft Procurement Plan 2025 27 March 2024 |
| 130 | Draft Service Standards 2025 27 March 2024 |

| Item | Name of Document |
|------|---|
| 131 | Final Budget A1 Schedule 2024 30 May 2023 |
| 132 | Final Budget A1 Schedule 2024 30 May 2023 |
| 133 | Final Budget Budget Policy Changes 2024 30 May 2023 |
| 134 | Final Budget INCA Tariff Methodology Report 2023 30 May 2023 |
| 135 | Final Budget Item 2024 30 May 2023 |
| 136 | Final Budget Item 2025 23 May 2024 |
| 137 | Final Budget Long-Term Financial Plan 2024 30 May 2023 |
| 138 | Final Budget Mayor's Budget Speech 2024 30 May 2023 |
| 139 | Final Budget Objections and Comments Item 2025 23 May 2024 |
| 140 | Final Budget Objections and Comments Item 2025 23 May 2024 Attachment |
| 141 | Final Budget Procurement Plan 2024 30 May 2023 |
| 142 | Final Budget Quality Certificate 2025 |
| 143 | Final Budget Report 2024 30 May 2023 |
| 144 | Final Budget Report 2025 23 May 2024 |
| 145 | Final Budget Tariff List 2024 30 May 2023 |
| 146 | Final Budget Tariff Model Methodology Report 2024 30 May 2023 |
| 147 | Final Service Standards 2024 30 May 2023 |
| 148 | Final Service Standards 2025 |
| 149 | Final Service Standards 2025 Annexure F |
| 150 | Final Service Standards 2025 Annexure F |
| 151 | Financial Statement Audited 2022 |
| 152 | Financial Statement Audited 2023 |
| 153 | Financial Statement Audited 2024 |
| 154 | Financial Statement Pre-Audited 2022 |
| 155 | Financial Statement Pre-Audited 2023 |
| 156 | Financial Statement Pre-Audited 2024 |
| 157 | Funding and Reserves Policy 2024 30 May 2023 |
| 158 | Grant in Aid Policy 2024 30 May 2023 |
| 159 | Long Term Financial Plan 2025 Annexure D |
| 160 | Long Term Financial Plan 2025 Annexure D |
| 161 | Objections and Responses 2024 25 May 2023 |
| 162 | Oversight Report 2024 |
| 163 | Payroll Management and Administration Policy 2024 30 May 2023 |
| 164 | Policy on Tariffs 2024 30 May 2023 |
| 165 | Policy on the Writing-Off of Irrecoverable Debt 2024 30 May 2023 |
| 166 | Procurement Plan 2025 Annexure C |
| 167 | Rates Policy 2024 30 May 2023 |
| 168 | SDBIP Draft 2023 |
| 169 | SDBIP Draft 2025 |
| 170 | SDBIP Final 2023 |
| 171 | SDBIP Final 2024 |
| 172 | SDBIP Final 2025 |
| 173 | Sec71 & 52 2024 M03 |
| 174 | Sec71 2024 M01 |

| Item | Name of Document |
|------|---|
| 175 | Sec71 2024 M02 |
| 176 | Sec71 2024 M04 |
| 177 | Sec71 2024 M05 |
| 178 | Sec71 2024 M07 |
| 179 | Sec71 2024 M10 |
| 180 | Sec71 2024 M11 |
| 181 | Sec71 2025 M01 |
| 182 | Sec71 2025 M02 |
| 183 | Sec71 2025 M04 |
| 184 | Sec71 2025 M05 |
| 185 | Sec71 2025 M08 |
| 186 | Sec71 52 2024 M12 |
| 187 | Sec71,72 & 52 2025 M06 |
| 188 | Short Term Insurance Policy 2024 30 May 2023 |
| 189 | Signed Adjustment Budget Item 2024 28 February 2024 |
| 190 | Supply Chain Management Policy 2024 30 May 2023 |
| 191 | Tariff List 2025 Annexure A |
| 192 | Tariff List Final 2025 Y 20240530T143322Z |
| 193 | Tariff Methodology 2025 Annexure E |
| 194 | Tariff Policy on Electricity Final 2025 Y 20240604T081104Z |
| 195 | Tariff Policy on Property Rates Draft 2025 Y 20240418T135630Z |
| 196 | Tariff Policy on Refuse Removal and Solid Waste Draft 2025 Y 20240418T135640Z |
| 197 | Tariff Policy on Sanitation Draft 2025 Y 20240418T135653Z |
| 198 | Tariff Policy on Water Draft 2025 Y 20240418T135705Z |
| 199 | Theewaterskloof Municipality 2023 SIME Assessment |
| 200 | Theewaterskloof Municipality 2024 SIME Assessment |
| 201 | Theewaterskloof Municipality SIME Assessment 2022 |
| 202 | Travel and Subsistence Policy 2024 30 May 2023 |
| 203 | TWK FRP Briefing - 13 March 2025 |
| 204 | TWK FRP Briefing - 13 March 2025 |
| 205 | Virement Policy 2024 30 May 2023 |
| 206 | 0 COVER AND TOC Draft June 2023 |
| 207 | 0 EXECUTIVE SUMMARY Draft June 2023 |
| 208 | 1 INTRODUCTION Draft June 2023 |
| 209 | 10 RIVIERSONDEREND Draft June 2023 |
| 210 | 11 GREYTON Draft June 2023 |
| 211 | 12 GENADENDAL Draft June 2023 |
| 212 | 13 TESSELAARSDAL Draft June 2023 |
| 213 | 14 IF and CEF Draft June 2023 |
| 214 | 15 Monitoring and Review Draft June 2023 |
| 215 | 2 MUNICIPAL STATE OF AFFAIRS 2025 - 2026 (002) - Finance Directorate |
| 216 | 2 POLICY CONTEXT Draft June 2023 |
| 217 | 2022 - 23 Oversight Report 09 March 2024 |
| 218 | 2023 Annual Report videos |

| Item | Name of Document |
|------|--|
| 219 | 2025.03.31 NT MFRS Service Provider Inception Presentation - 28 March 2025 |
| 220 | 2025.04.01 - Meeting Notes |
| 221 | 2025.04.01 BA Summary of IDP |
| 222 | 2025.04.04 Draft PIP |
| 223 | 2025.04.04 Project Planning |
| 224 | 3 THE MUN SPATIAL DEVELOPMENT CONCEPT Draft June 2023 |
| 225 | 4 MUNICIPAL ANALYSIS Draft June 2023 |
| 226 | 5 RURAL DEV & LAND USE MANAGEMENT Draft June 2023 |
| 227 | 5. Budget Funding Plan performance 2025 M06 |
| 228 | 5. Budget Funding Plan performance 2025 M06 |
| 229 | 6 CALEDON Draft June 2023 |
| 230 | 7 GRABOUW Draft June 2023 |
| 231 | 7369 - PG E - 25 March 2015 Special Ratings Area |
| 232 | 7388 - PG E - 12 May 2015 Liquor Trading Days Impoundment Animals |
| 233 | 7431 - PG E - 21 July 2015 Fireworks Control Commonage Public Buses Taxis Sports Facilities Property Rates |
| 234 | 8 VILLIERSDORP Draft June 2023 |
| 235 | 9 BOTRIVIER Draft June 2023 |
| 236 | ACTION PLAN FOR KNOFLOSKRAAL LAND INVASION MATTER 21 JANUARY 2025 (006) |
| 237 | Adjustment Budget Item 2025 23 January 2025 |
| 238 | Adjustment Budget Item 2025 28 November 2024 |
| 239 | Advert 2022 - 2023 Time Schedule for 2023 - 2024 |
| 240 | AERODROMES BY LAW |
| 241 | Agenda - Council Meeting - 20 March 2024 |
| 242 | Agenda - Council Meeting - 23 March 2023 |
| 243 | Agenda - Council Meeting - 25 April 2023 |
| 244 | Agenda - Council Meeting - 26 September 2024 |
| 245 | Agenda - Council Meeting - 27 July 2023 |
| 246 | Agenda - Council Meeting - 27 March 2024 |
| 247 | Agenda - Council Meeting - 27 October 2022 MF |
| 248 | Agenda - Council Meeting - 28 November 2024 |
| 249 | Agenda - Council Meeting - 30 March 2023 |
| 250 | Agenda - Council Meeting - 30 November 2022 |
| 251 | Agenda - Council Meeting - 30 November 2023 |
| 252 | Agenda - Council Meeting - 31 October 2024 |
| 253 | Agenda - Special Council Meeting - 11 September 2024 |
| 254 | Agenda - Special Council Meeting - 12 April 2023 |
| 255 | Agenda - Special Council Meeting - 12 November 2024 |
| 256 | Agenda - Special Council Meeting - 17 April 2023 |
| 257 | Agenda - Special Council Meeting - 22 September 2023 |
| 258 | Agenda - Special Council Meeting - 25 October 2024 |
| 259 | Agenda - Special Council Meeting - 29 June 2023 |
| 260 | Agenda - Special Council Meeting - 30 May 2023 |
| 261 | Agenda - Theewaterskloof FRP - 12 - 13 March 2025 Final Draft |

| Item | Name of Document |
|------|---|
| 262 | Agenda Council Meeting - 23 January 2025 |
| 263 | AIR QUALITY MANAGEMENT BY LAW |
| 264 | Amended Public Open Space Guideline |
| 265 | ANNEXURE 1 Settlements Analyses Draft June 2023 |
| 266 | ANNEXURE 2 CEF Data Draft June 2023 |
| 267 | Annexure 2 TWKM SDF CEF 17 05 2023 |
| 268 | Annexure A - Audited AFS Stamped (pg. 4) |
| 269 | Annexure A - Audited AFS Stamped (pg. 4) |
| 270 | ANNEXURE A THEEWATERSKLOOF LM APPROVED PROJECTS MDRG 2 JANUARY 2024 |
| 271 | Annexure B - Theewaterskloof Municipality 2023 SIME Assessment Revised |
| 272 | Annexure B - Theewaterskloof Municipality 2023 SIME Assessment Revised |
| 273 | Annexure C - Consolidated IYM Report Section 71 Final |
| 274 | Annexure C - Consolidated IYM Report Section 71 Final |
| 275 | Annexure D - SIME Outcome Response 2023 15 May 2023 |
| 276 | Annexure E - Letter to Executive Mayor of Theewaterskloof re SIME16 05 2023 |
| 277 | Annexure E - Letter to Executive Mayor of Theewaterskloof re SIME16 05 2023 |
| 278 | Annexure F - Consolidated Section 71(6) IYM Report 2023 |
| 279 | Annexure F - Consolidated Section 71(6) IYM Report 2023 |
| 280 | Annexure for Agenda Item C191 - 2024 |
| 281 | Annexure H - Consolidated Section 71(6) IYM Report |
| 282 | Annexure I - 2023 - 24 Mid-Year Assessment - Preliminary PT Findings |
| 283 | Annexure J - Theewaterskloof LM Review of BFP Outcomes Letter 2024 |
| 284 | Annexure K - Theewaterskloof Municipality 2024 SIME Assessment |
| 285 | Annexure L - TWK SIME - Municipality Presentation |
| 286 | Approved File Plan for TWK Municipality |
| 287 | Asset Management Policy |
| 288 | Asset recon & AFS notes Jul 2023 - Jun 2024 27.8.2024 |
| 289 | Attendance Register 27 Febr 2025 |
| 290 | Billing Pack Templates MFRS Service Providers |
| 291 | Budget Implementation and Management Policy Final 2025 Y 20240723T085754Z |
| 292 | Budget Resolution Final 2025 Y 20240604T080729Z |
| 293 | BY-LAW ON MUNICIPAL LAND USE PLANNING 2022 |
| 294 | BY-LAW ON RULES OF ORDER FOR THE INTERNAL ARRANGEMENTS OF THE MUNICIPAL COUNCIL |
| 295 | BY-LAW REGARDING STREETS |
| 296 | BY-LAW REGISTER 2024 UPDATED |
| 297 | BY-LAW REGISTER 2024 UPDATED |
| 298 | BY-LAW REGISTER 2024 UPDATED |
| 299 | BY-LAW RELATING TO THE HOLDING OF EVENTS |
| 300 | C - Schedule – August 2022 |
| 301 | C - Schedule – July 2022 |
| 302 | C - Schedule (updated) – June 2023 |
| 303 | CAPAYOUTN - 20250203 - 114138 - 13572 |
| 304 | Cash Management Procedures |

| Item | Name of Document |
|------|--|
| 305 | Cash Management Procedures |
| 306 | CEMETRIES AND CREMATORIIUMS BY LAW |
| 307 | Change Management Presentation Theewaterskloof LM |
| 308 | COMMONAGE BY LAW |
| 309 | COMMUNITY FIRE SAFETY BY LAW |
| 310 | Conferment of Civic Honours Policy - AW |
| 311 | Consolidated Theewaterskloof LM Draft SQA 31 March 2025 |
| 312 | CONTROL OF FIREWORKS BY LAW |
| 313 | Council Resolution C21 - 2024 |
| 314 | Covering Letter for submission of a signed audit report |
| 315 | CREDIT CONTROL AND DEBT COLLECTION BY LAW |
| 316 | Data Source A1 Caledon DLTC certificate 0001459jpg |
| 317 | Data Source A2 Villiersdorp DLTC certificate 19501250 |
| 318 | Data Source A3 Grabouw DLTC Certificate 00014360 |
| 319 | Data Source A4 Riviersonderend DLTC certificate 19500348 |
| 320 | Data Source B1 CG Theewaterskloof Municipality 2024 - 2025 TPA |
| 321 | Data Source B2 MRF Theewaterskloof Municipality 2024 - 2025 TPA |
| 322 | Data Source C Fleet Comprehensive Report on the Operational Status of Theewaterskloof Municipality's Fleet |
| 323 | Data Source D 3 Final Draft Housing Beneficiary and Allocation Policy |
| 324 | Data Source D1 TWK Containment Plan for Informal Settlements - September 2019 |
| 325 | Data Source D2 Emergency Housing Eviction Policy |
| 326 | Data Source E1 Land Disposal Strategy 2013 |
| 327 | Data Source E2 Aanhangsels - Verslag - Land Disposal SCHEDULE WITH PROPERTIES 31Mar22 |
| 328 | Data Source F1 Approved TWK LED Strategy - December 2020 |
| 329 | Data Source F1 Draft Preferential procurement policy Council item 220228 |
| 330 | Data Source F2 Theewaterskloof Municipality Tourism Strategy Draft October 2024 V2 |
| 331 | Data Source F2 TWK Executive summary SCM Spend Analysis Report vrs1 220519 |
| 332 | Data Source G Presentation Technical Services 2024 25 Service delivery status quo |
| 333 | Data Source G Technical Services Status Report |
| 334 | Data Source H COMMUNITY SERVICES - Service Delivery 12032025 |
| 335 | Datasource A5 Caledon VTS certificate 00014256 |
| 336 | Draft Annual Report 27 January 2023 with AFS |
| 337 | Draft IDP 23 March 2023 |
| 338 | Draft IDP Process Plan 2022 - 2027 |
| 339 | DRAFT LITIGATION REGISTER |
| 340 | Draft Terms of Reference Cash Flow Management |
| 341 | ELECTRICITY SUPPLY BY LAW |
| 342 | FENCING AND WALLS BY LAW |
| 343 | Final Amended Process Plan 2022 27 and 2023 24 Time Schedule for the 2024 25 IDP and Budget Review Process |
| 344 | Final Annual Report 2021 - 22 10 March 2023 with AFS |
| 345 | Final Draft Theewaterskloof LM Draft SQA Presentation to Management 12 March 2025 |
| 346 | Final IDP Time Schedule 2023 24 22 - 08 - 2022 |

| Item | Name of Document |
|------|--|
| 347 | Final Memorandum |
| 348 | Final Memorandum 2023 |
| 349 | final oversight Report with attachments |
| 350 | Final Tariff List 2023.2024 (28.06.2023) |
| 351 | Final TWK Audit Report 30 June 2023 |
| 352 | Financial Report – April 2023 |
| 353 | Financial Report – August 2022 |
| 354 | Financial Report – December 2022 |
| 355 | Financial Report – February 2023 |
| 356 | Financial Report – January 2023 |
| 357 | Financial Report – June 2023 |
| 358 | Financial Report – March 2023 |
| 359 | Financial Report – May 2023 |
| 360 | Financial Report – November 2022 |
| 361 | Financial Report – October 2022 |
| 362 | Financial Report – September 2022 |
| 363 | Financial Report (updated) – June 2023 |
| 364 | Financial Report July 2022 |
| 365 | House Shop and Trading Container Policy, 2017 |
| 366 | IA Charter Approved 9 June 2023 |
| 367 | IDP 29 May 2023 |
| 368 | IMMOVABLE PROPERTY BY LAW |
| 369 | Implementation - Report - 4th Quarter |
| 370 | Implementation Report Quarter 1 2024 - 25 |
| 371 | IMPOUNDMENT OF ANIMALS BY LAW |
| 372 | INFORMAL TRADING BY LAW |
| 373 | Infrastructure Policy - 01 July 2019 |
| 374 | Institutional and Governance - Feedback 12 - 03 - 2025 |
| 375 | IRRIGATION WATER BY LAW |
| 376 | LIQUOR TRADING DAYS AND HOURS BY LAW |
| 377 | MBD Docs Updated 23 April 2024 |
| 378 | Minutes - Council Meeting - 07 November 2023 |
| 379 | Minutes - Council Meeting - 07 November 2023 |
| 380 | Minutes - Council Meeting - 07 November 2023 |
| 381 | Minutes - Council Meeting - 22 August 2024 |
| 382 | Minutes - Council Meeting - 22 August 2024 |
| 383 | Minutes - Council Meeting - 22 August 2024 |
| 384 | Minutes - Council Meeting - 23 February 2023 MF |
| 385 | Minutes - Council Meeting - 23 May 2024. |
| 386 | Minutes - Council Meeting - 25 January 2024 |
| 387 | Minutes - Council Meeting - 27 July 2023 |
| 388 | Minutes - Council Meeting - 27 June 2024 |
| 389 | Minutes - Council Meeting - 27 March 2024 |
| 390 | Minutes - Council Meeting - 30 April 2024 |

| Item | Name of Document |
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| 391 | Minutes - Council Meeting - 30 March 2023 |
| 392 | Minutes - Council Meeting - 30 May 2023 |
| 393 | Minutes - Council Meeting - 30 November 2023 |
| 394 | Minutes - Council Meeting - 31 July 2024 |
| 395 | Minutes - Council Meeting - 31 July 2024 |
| 396 | Minutes - Council Meeting - 31 July 2024 |
| 397 | Minutes - Council Meeting - 31 October 2024 |
| 398 | Minutes - Council Meeting - 31 October 2024 |
| 399 | Minutes - MPAC - 07 February 2025 |
| 400 | Minutes - MPAC - 07 February 2025 |
| 401 | Minutes - MPAC - 07 February 2025 |
| 402 | Minutes - Special Council Meeting - 11 June 2024 |
| 403 | Minutes - Special Council Meeting - 12 April 2023 |
| 404 | Minutes - Special Council Meeting - 13 September 2024 |
| 405 | Minutes - Special Council Meeting - 14 August 2024 MF |
| 406 | Minutes - Special Council Meeting - 14 June 2024 |
| 407 | Minutes - Special Council Meeting - 16 August 2024 |
| 408 | Minutes - Special Council Meeting - 21 June 2024. |
| 409 | Minutes - Special Council Meeting - 22 September 2023 |
| 410 | Minutes - Special Council Meeting - 23 May 2024 |
| 411 | Minutes - Special Council Meeting - 27 March 2024 |
| 412 | Minutes - Special Council Meeting - 29 June 2023 |
| 413 | Minutes - Special Council Meeting - 30 May 2023. |
| 414 | Minutes - Special Council Meeting - 31 August 2024 |
| 415 | MINUTES 2 FOR KNOFLOKSKRAAL LAND INVASION TECHNICAL TASK TEAM |
| 416 | Minutes Council Meeting - 23 January 2025 |
| 417 | Minutes Council Meeting - 23 January 2025 |
| 418 | Minutes Council Meeting 20 March 2024 |
| 419 | Minutes Council Meeting 23 March 2023 |
| 420 | Minutes Council Meeting 24 Aug 2023 |
| 421 | Minutes Council Meeting 25 Jan 2023 |
| 422 | Minutes Council Meeting 27 Oct 2022 |
| 423 | Minutes Council Meeting 28 Nov 2024MF |
| 424 | Minutes Council Meeting 28 Nov 2024MF |
| 425 | Minutes Council Meeting 30 Nov 2022 |
| 426 | Minutes MPAC Meeting - 15 January 2025 |
| 427 | Minutes MPAC Meeting - 15 January 2025 |
| 428 | Minutes MPAC Meeting - 15 January 2025 |
| 429 | Minutes MPAC Meeting - 15 January 2025 |
| 430 | Minutes MPAC Meeting - 26 February 2025MF |
| 431 | Minutes MPAC Meeting - 26 February 2025MF |
| 432 | Minutes MPAC Meeting - 26 February 2025MF |
| 433 | Minutes MPAC Meeting 06 March 2025 |
| 434 | Minutes MPAC Meeting 06 March 2025 |

| Item | Name of Document |
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| 435 | Minutes MPAC Meeting 06 March 2025 |
| 436 | Minutes Special Council Meeting - 17 April 2023 MF |
| 437 | Minutes Special Council Meeting 02 Sept 2024 |
| 438 | Minutes Special Council meeting 12 Nov 2024 |
| 439 | Minutes Special Council meeting 12 Nov 2024 |
| 440 | Minutes Special Council Meeting 29 Aug 2024 |
| 441 | MPAC TOR Approved by Council 23 March 2023 |
| 442 | NATURE RESERVES BY LAW |
| 443 | NEW - DIREKTIEF ENGELS VIR DIE TOEKENNING VAN VASTE EIENDOM AAN NIE - WINSGEWENDE ORGANISASIES |
| 444 | News Articles |
| 445 | Notice of Council Meeting 28 - 07 - 2022 |
| 446 | Notice of Council Meeting 28 - 07 - 2022 |
| 447 | Notice Council Meeting - 24 August 2023 |
| 448 | Notice Council Meeting - 27 July 2023 |
| 449 | Notice Council Meeting - 27 June 2024 |
| 450 | Notice Council Meeting - 28 February 2024 |
| 451 | Notice Council Meeting - 30 April 2024 |
| 452 | Notice Council Meeting - Approval of IDP and Budget |
| 453 | Notice of Breach TWK Municipality following IRFA 12032025 |
| 454 | Notice of Council Meeting - 22 08 2024 |
| 455 | Notice of Council Meeting - 23 - 01 - 2025 |
| 456 | Notice of Council Meeting - 23 - 02 - 2023 |
| 457 | Notice of Council Meeting - 25 - 01 - 2023 |
| 458 | Notice of Council Meeting - 25 - 08 - 2022 |
| 459 | Notice of Council Meeting - 26 - 09 - 2024 |
| 460 | Notice of Council Meeting - 28 11 2024 |
| 461 | Notice of Council Meeting - 30 11 2022 |
| 462 | Notice of Council Meeting - 31 07 2024 |
| 463 | Notice of Council Meeting - 31 10 - 2024 |
| 464 | Notice of Council Meeting - Annual Report and Budget - IDP |
| 465 | Notice of Council Meeting - Annual Report and Budget - IDP - Regstelling |
| 466 | Notice of Council Meeting - Budget - IDP |
| 467 | Notice of Special Council Meeting - 02 09 - 2024 |
| 468 | Notice of Special Council Meeting - 12 November 2024 |
| 469 | Notice of Special Council Meeting - 13 09 - 2024 |
| 470 | Notice of Special Council Meeting - 25 10 - 2024 |
| 471 | Notice Special Council Meeting - 26 September 2023 |
| 472 | NT MFRS Service Provider Inception Presentation - 28 March 2025 |
| 473 | OUTDOOR ADVERTISING AND SIGNAGE BY LAW |
| 474 | PAC CHARTER approved by Council 29 June 2023 |
| 475 | PAC CHARTER approved by Council 29 June 2023 |
| 476 | POE 17 Feb Theewaterskloof Municipality 2024 SIME Assessment |
| 477 | POE 20 Feb TWK Audit Report for the year 2023 - 24 |

| Item | Name of Document |
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| 478 | POE 31 March TWK GOVERNANCE FINANCIAL RECOVERY 13 03 2025 |
| 479 | POE X 31 March 3 Final Theewaterskloof LM Draft SQA T Figgins v1 |
| 480 | POE X 31 March TWK Institutional and Governance - Feedback 12 - 03 - 2025 |
| 481 | POE X 31 March WCPT Intro to S139 - 5 intervention - TWK 12 March 2025 |
| 482 | Policy for the Rewarding of Information on Corruption, Fraud, Vandalisation - AW |
| 483 | Policy related to the Management and Disposal of Assets Final 2025 Y 20240607T111820Z |
| 484 | Problem Property By-Law, 2022 |
| 485 | Problem Property Bylaw as approved by Council 27 March 2024 |
| 486 | Project Implementation Plan MFRS Template February 2023 v2 |
| 487 | PROPERTY RATES BY LAW 2018 |
| 488 | Provincial Municipal Socio-Economic Profile - Eastern Cape |
| 489 | Provincial Municipal Socio-Economic Profile - Free State |
| 490 | Provincial Municipal Socio-Economic Profile - Gauteng |
| 491 | Provincial Municipal Socio-Economic Profile - KwaZulu-Natal |
| 492 | Provincial Municipal Socio-Economic Profile - Limpopo |
| 493 | Provincial Municipal Socio-Economic Profile - Mpumalanga |
| 494 | Provincial Municipal Socio-Economic Profile - North West |
| 495 | Provincial Municipal Socio-Economic Profile - Northern Cape |
| 496 | PUBLIC AMENITIES BY LAW |
| 497 | PUBLIC BUSES AND TAXIS BY LAW |
| 498 | PUBLIC NUISANCE AND NUISANCE RESULTING FROM KEEPING OF ANIMALS BY LAW |
| 499 | Quality Certificate Final 2025 Y 20240530T143211Z |
| 500 | Quarter - 1 |
| 501 | Quarter - 2 |
| 502 | Quarter - 3 |
| 503 | RE URGENT - List of creditors TWK |
| 504 | Records Control Schedule Approval |
| 505 | Relief, Charitable, Trust and Other Fund Policy - WSESJ |
| 506 | REPEAL BY LAW 2016 |
| 507 | Report Disciplinary Investigations |
| 508 | REPORT ON SITE VISITS AT VARIOUS PROPERTIES |
| 509 | Schedule 7 (Act 3 of 2021) - Code of Conduct for Councillors |
| 510 | SCM Policy - 01 July 2019 |
| 511 | SCM POLICY 2023 - 2024 - June 2024 |
| 512 | SDF Draft June 2023 |
| 513 | Social Media Policy - AW |
| 514 | SOP - INDIGENTS - amended MARCH 2025 |
| 515 | SOP - INDIGENTS - amended MARCH 2025 |
| 516 | SOP - RETENTION |
| 517 | SOP - RETENTION |
| 518 | SOP Account Dispute Resolution Process |
| 519 | SOP Account Dispute Resolution Process |
| 520 | SOP Revenue Section |
| 521 | SOP Revenue Section |

| Item | Name of Document |
|------|--|
| 522 | SPECIAL RATING AREA BY LAW |
| 523 | SPORTING FACILITIES BY LAW |
| 524 | STORMWATER MANAGEMENT BY LAW |
| 525 | Supply Chain Management Policy Final 2025 Y 20240530T143305Z |
| 526 | SYSTEM OF DELEGATIONS 2024 |
| 527 | TARIFF BY LAW |
| 528 | Tariff List 2023.2024 |
| 529 | Theewaterskloof LM - Signed R and R Allocation Letter |
| 530 | TWK 11 Management Report 2023 - 24 |
| 531 | TWK Annexure D - MONTHLY - MAY 2024 03 11 (003) |
| 532 | TWK Audit Report for the year 2023 - 24 |
| 533 | TWK Audit Report for the year 2023 - 24 |
| 534 | TWK DRAFT LITIGATION REGISTER |
| 535 | TWK Immovable Asset Policy |
| 536 | TWK Socio-Economic Profile 2021 |
| 537 | TWK Socio-Economic Profile 2022 |
| 538 | TWK SYSTEM OF DELEGATIONS 2024 |
| 539 | TWKM Population Projections 15 03 2023 |
| 540 | Urgent - list of trade payables |
| 541 | WASTE MANAGEMENT BY LAW |
| 542 | WATER AND SANITATION SERVICES BY LAW |
| 543 | WCPT Intro to S139 - 5 intervention - TWK 12 March 2025 |
| 544 | wcsd form ver 13.0 |
| 545 | ZONING SCHEME BY-LAW JUNE 2020 |
| 546 | DWS Blue Drop TWK Report 2023 |
| 547 | DWS Green Drop TWK Report 2023 |
| 548 | Water METERS REPORT |
| 549 | TWK Annexure D -MONTHLY - APR 2024 05 10 (003) |
| 550 | TWK Annexure D -MONTHLY - AUGUST 2024 03 11 (003) |
| 551 | TWK Annexure D -MONTHLY - DECEMBER 2024 03 11 (003) |
| 552 | TWK Annexure D -MONTHLY - FEB 2024 05 23 (001) |
| 553 | TWK Annexure D -MONTHLY - JULY 2024 03 11 (003) |
| 554 | TWK Annexure D -MONTHLY - JUNE 2024 03 11 (003) |
| 555 | TWK Annexure D -MONTHLY - MAR 2024 05 23 (002) |
| 556 | TWK Annexure D -MONTHLY - November 2024 03 11 (003) |
| 557 | TWK Annexure D -MONTHLY - OCTOBER 2024 03 11 (003) |
| 558 | TWK Annexure D -MONTHLY - SEPTEMBER 2024 03 11 (003) |
| 559 | TWK Annexure D -QUARTERLY- AUG - OCT 2024 05 10 (001) |
| 560 | TWK Annexure D -QUARTERLY- FEB-APR 2024 05 10 (001) |
| 561 | TWK Annexure D -QUARTERLY- MAY-JUL 2024 05 10 (001) |
| 562 | WF Contractor Report 01 TWK 11.09.2024 REV2 |
| 563 | WF Contractor Scope Report Grabouw TWK 26.11.2024 |
| 564 | WF Invoice -WF1414-TWK_G0004546_IPC1 |