

 KANNALAND MUNICIPALITY I MUNICIPALITY																
PHASE 1: FINANCIAL RESCUE																
NO	FOCUS AREA	KEY ASSESSMENT FINDING (BASELINE)	KEY ACTIVITIES	RESOURCES REQUIRED	RESOURCES MOBILISED	RESPONSIBLE	START DATE	END DATE	KEY PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE	BUDGET PARAMETER/ REVENUE TARGET/ SPENDING LIMIT	MUNICIPAL PROGRESS REPORT				
												STEPS TAKEN	PROGRESS MADE	FINANCIAL IMPACT	OTHER NOTEWORTHY DEVELOPMENTS	
PILLAR ONE: FINANCIAL MANAGEMENT																
1	Budget Management	<p>The Municipality has an unfunded budget for 2024/25 MTREF period (the Municipality has adopted unfunded budgets since 2018/19).</p> <p>The implementation of the adopted Budget Funding Plan during 2023/24 has been very slow, and most targets were missed.</p> <p>A lack of restraint in budgeting, management and control has resulted in misappropriation of budget and other resources and weakened the linkage between the budgeted and actual spending.</p> <p>The Municipality tabled operating deficits and negative cash and cash equivalents over the 2023/24 MTREF period which indicates that the Municipality is deteriorating further.</p> <p>The projected current, liquidity, and cash coverage ratios remained below the norm and as such the Municipality is exposed the liquidity risk.</p> <p>The lack of information and unsubstantiated trends in both revenues and expenditure compromise the credibility of the budget.</p> <p>Heavy reliance on grants to fund the operations and capital projects.</p> <p>Populating the budget schedules is a problem. System integrity is not what it should be and there are a lot of issues in the ledger that needs to be sorted out. There is no internal capacity and help will be needed – Financial accounting specialists.</p> <p>There is no seamlessly integrated accounting system in place. Assets, bank reconciliation, SCM (GRN's) and creditors modules are not in full use. The impact is that decision-making will be based on monthly reports that will severely understate liabilities and not reflect the actual demand in terms of cash flow. Pre-audit information will prove this point and cannot be regarded as useful.</p> <p>The budget cannot be regarded as credible, and the starting point should be to correct the system errors.</p> <p>Network stability between Calitzdorp and Ladismith causes problems (IT is a major risk) with the sub-system not updating the ledger. The mapping of the ledger is also a big problem as previously mentioned. (VAT on debtors incorrectly accounted for and duplicating output vat).</p> <p>A communal drive is necessary to share</p>	Prepare the 2026/27 MTREF Budget based on realistic collection rates, provision for non-cash items, and reduced expenditure	In - House	In - House	Chief Financial Officer	01-Oct-25	01-May-26	Approved realistic MTREF budget aligned with FRP Budget Parameters	Council Resolution, Budget Document	Budget aligned with FRP financial targets 78% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Adopt an updated Budget Funding Plan (BFP) with set revenue and expenditure financial targets (aligned with the FRP) and ensure the implementation of the activities set therein is strictly monitored.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Aug-25	Approved Budget Funding Plan	Council Resolution, Budget Document	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement FY2026/27: 5% improvement FY2027/28: 3% improvement A 12.5% increase in electricity sales is projected due to the adoption of cost-reflective tariffs, installation of smart meters and improvement in billing.					
			Close monitoring of BFP implementation	In - House	PT Oversight	Chief Financial Officer	01-Aug-25	30-Jun-26	Budget Funding Plan adopted and implemented	Approved BFP, Minutes of Council, BFP Progress Reports	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement					
			Revise BFP to incorporate the implications of the Municipal Debt Relief proposals as per MFMA Circular No.124.	In - House	In - House	Chief Financial Officer	01-Aug-25	10-Sep-25	Budget Funding Plan aligned with the Eskom Debt Relief conditions	Approved BFP, Minutes of Council	85% compliance with the ESKOM Debt relief 2025/26 financial year 100% compliance with ESKOM debt relief in the outer years					
			The conditions set out for the Municipal Debt Relief as per MFMA Circular No. 124 should be considered carefully and implementation monitored by Council.	In - House	In - House	Manager: Revenue	01-Aug-25	15-Sep-25	Eskom Debt Relief Compliance Plan approved and implemented	Eskom Debt Relief Compliance Progress Reports	85% compliance with the ESKOM Debt relief 2025/26 financial year 100% compliance with ESKOM debt relief in the outer years					
			Deployment of financial accounting specialists to deal with accounting and system errors.	WC PT and In House	WC PT and In House	ICT Manager	31-Jul-25	31-Aug-25	PT Financial Specialist allocated. System errors eliminated	System Configuration Records, Screenshots	Financial benefits accruing from improved administrative and operational efficiencies					
			Collectability of fines could be improved with spot fines and a K53 testing course could supply in a high regional demand with MG financing up to 50% of projects like that	In - House	In - House	Manager: Revenue	01-Aug-25	01-Oct-25	Increase in spot fines issued, K53 Course material	Register of spot fines issued, Attendance registers for the K53 course	Financial benefits accruing from improved administrative and operational efficiencies					
2	Budget related policies	<p>No evidence was provided to prove that the budget related policies were reviewed, hence they were not amended through the municipal submissions of the 2024/25 MTREF Budget.</p> <p>All revenue policies are updated annually but most of them were not assessed for value-for-money/ cost-effectiveness</p>	Identify all the budget related policies required in terms of the annual NT Budget Circular for annual review.	In - House	In - House	Chief Financial Officer	01-Aug-25	01-Sep-25	Identified all budget related policies	Council Resolution, Approved Budget related policies. Budget review outcomes	Financial benefits accruing from improved administrative and operational efficiencies					
			Assess and review all budget related policies for cost-effectiveness aimed at the optimisation of revenue and reduced expenditure.	In - House	In - House	Chief Financial Officer	31-Aug-25	31-Oct-25	Approved budget related policies. Cost-effectiveness Assessment Report	Council Resolution, Budget Document.	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement FY2026/27: 5% improvement FY2027/28: 3% improvement A 12.5% increase in electricity sales is projected due to the adoption of cost-reflective tariffs, installation of smart meters and improvement in billing.					
3	Revenue Management	<p>Debt collection rate dropped 6-7% during the last 2 years. The function was outsourced when most effective (83%). Lack of staff maybe the biggest contributor and the estimated loss of revenue is approximately R500 000+ month.</p> <p>Debt collection and credit control failures mean that the Municipality is not collecting a</p>	Monitor strategies to manage escalating debtors and review debt collection policies and assess the applicability of alternative repayment enforcement mechanism as this will improve cash flow management.	In - House	In - House	Manager: Revenue	01-Aug-25	30-Sep-25	Debt Recovery Strategy Implemented backed by progress reports	Debt Collection Reports, Council Approval	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement					

<p>substantial portion of the funds owed to them.</p> <p>Debtor and Credit Control Policy not fully implemented</p> <p>One Councillor and several staff members owe the municipality in total R626,000</p> <p>Unmetered water consumption in Zoar.</p> <p>Current meters are: -5000 Conventional water meters (4400 = HH) --ZOAR = 1600 HHs not metered -Van Wyksdorp are metered, but no cashier</p> <p>RM has 16 Staff (6 are meter readers) Monthly readings are done but on a manual system: Electronic system required</p> <p>Persistent growth in outstanding debtors- gross debtors.</p> <p>Persistent growth in debt impairment on debtors.</p> <p>No revenue enhancement effort will be remotely successful unless critical vacancies are filled within the revenue department with suitably qualified staff.</p> <p>The organogram has been reviewed but is borderline when it comes to being adequate. Property Rates needs an accountant (maybe shared with debtors) and the department should be built on a service-oriented structure not around individuals.</p> <p>SOPs cannot be implemented due to lack of staff to implement them and this leaves many business processes unaddressed.</p> <p>Need collection incentive scheme – issues with inaccurate billing of farmers</p> <p>Councillors owing the municipality for more than 90 days contravening the MSA.</p>	Establish Farmer Forum and review incentive scheme to deal with inaccurate billing and payment issues	In - House	In - House	Municipal Manager	01-Aug-25	31-Oct-25	Farmer Forum Terms of Reference	Minutes of meetings with farmers. Collection Agreements with farmers	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
	CFO to consider the appointment of an interim debt collector agent until such time the critical vacancies have been filled	In - House	In - House	Manager: Revenue	31-Aug-25	01-Nov-25	Debt Collector SLA	Debt Collection Reports, Council Approval	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
	Enter into payment arrangements with councillors and staff and recover from monthly salaries and allowances	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Jun-26	Payment agreements with all councillors and staff	Debtor's age analysis, Payroll reports.	Collect 100% from councillors and employee R626 000					
	All pre-paid meters not in use to be removed from system with focus on detection and addressing exceptions.	In - House	In - House	Manager: Revenue	01-Aug-25	30-Sep-25	100% faulty meters removed	Metering progress reports	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement FY2026/27: 5% improvement FY2027/28: 3% improvement					
	Outstanding consumer debtors that are increasing should be monitored by stringent credit and debt collection policy implementation for the ensuing months.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Mar-26	Reduced outstanding debt	Debtor's age analysis. Debt collection reports	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
	Implement action plan to address discrepancies in property rates valuations identified in the GV reconciliation.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Oct-25	100% elimination of VR reconciliation discrepancies	GV Reconciliation Report	The billing system is correctly reconciled to the valuation roll FY2025/26: 2 % improvement FY2026/27: 2% improvement FY2027/28: 2% improvement A 6% increase in revenue due to reconciliation of valuation roll to billing system					
	Implement smart metering systems across the municipality's area: Ensure that the implementation is carried out efficiently and covers all relevant areas to maximize its impact on debt management.	In - House	NT Metering Programme	Manager: Revenue	01-Aug-25	31-Mar-26	Number of households with smart meters installed	Signed installation acknowledgement (Happy letters) by the customers.	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets: FY2025/26: 4.5% improvement FY2026/27: 5% improvement FY2027/28: 3% improvement A 12.5% increase in electricity sales is projected due to the adoption of cost-reflective tariffs, installation of smart meters and improvement in billing.					
	Negotiate with overdue debtors to restructure their payments based on their financial capabilities and offer reasonable payment plans and incentives for timely settlements	In - House	In - House	Manager: Revenue	01-Aug-25	31-Dec-25	100% overdue debtors approached	Letters, emails and SMS's sent to debtors Debtor Age Analysis	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
	Strengthen credit control measures and regularly update the indigent register to ensure accurate targeting of subsidies and assistance, thereby adjusting revenue from trading services.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Nov-25	Updated Indigent Register	Signed and council approved Indigent Register showing status of applicants	0.5% increase in revenue accruing from an updated, well monitored indigent register.					
	Resolve discrepancies in mSCOA data strings to prevent audit issues and ensure accurate financial reporting. This may involve training for staff on mSCOA compliance and regular audits of financial data.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	01-Mar-26	mSCOA Capacity building initiatives completed	mSCOA Attendance Registers, Training Reports	Financial benefits accruing from improved administrative and operational efficiencies					
	Align its VAT calculation with the guidelines in mSCOA Circular No. 12. This circular emphasizes the importance of integrating VAT calculations within the municipal financial system to ensure accuracy and compliance with tax regulations. Adopting these practices will not only rectify this issue but also streamline the process for the timely submission of VAT 201 returns.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	30-Nov-25	mSCOA Compliant VAT reconciliations submitted	mSCOA Compliant Submissions, Acknowledgement Receipts	Financial benefits accruing from improved administrative and operational efficiencies					
	Meter reading must be done monthly and reconciled with the financial system.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Mar-26	100% of Meters read monthly	Visual evidence - Time stamped photos of meter readings	Cost-reflective tariffs are approved by Council NERSA approves the maximum allowable increase in electricity tariffs. Electricity distribution losses reduction targets:					
	Review the Debtor's Book regularly for write-offs.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Mar-26	Number of write-off recommendations approved vs. submitted	Debt Collection Reports, Council Approval	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					

			Vendor reconciliations must be done monthly	In - House	In - House	Accountant: Expenditure	01-Aug-25	01-Mar-26	100% vendors reconciled	Vendor reconciliation worksheet (ledger vs supplier statement)	The billing system is correctly reconciled to the valuation roll FY2025/26: 2 % improvement FY2026/27: .2% improvement					
			Cleaning up of debtor information and SOPs in support of standardisation, uniformity and completeness of details captured.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Nov-25	Revenue Management SOPs revised and implemented	Debt Collection Progress Reports, Council Approval, Approved SOPs	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Ensure regular reporting and monitoring of progress through the monthly MFMA Section 71 financial management report.	In - House	In - House	Chief Financial Officer	01-Aug-25	01-Mar-26	S71 compliance reports submitted	S71 Compliance Submission, Acknowledgement Receipts	Financial benefits accruing from improved administrative and operational efficiencies					
			Given that household debt is the primary contributor, implement targeted strategies to address this segment and explore options such as outreach programs, financial counselling, and instalment plans to assist residents in managing their debt.	In - House	In - House	Manager: Revenue	01-Aug-25	31-Dec-25	% reduction in outstanding household debt % of indebted households enrolled in instalment plans	Records of household outreach campaigns (flyers, meetings, media) Signed instalment/payment arrangement agreements	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Appoint a panel of debt collectors to recover all outstanding debts in the <90 days category.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Sep-25	Panel of debt collectors appointed	Appointment letters of panel of debt collection service providers	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Negotiate a commission structure with debt collectors, not exceeding 10% of the amounts collected.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Sep-25	Contracts with services providers with less than 10% commission	SLAs with services providers with less than 10% commission	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Incorporate key performance indicators (KPIs) into the agreement with the debt collectors and monitor performance monthly.	In - House	In - House	Manager: Revenue	01-Aug-25	01-Sep-25	Signed Debt Collector SLAs with key performance indicators	Signed Debt Collector SLAs with key performance indicators	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					
			Develop and approve a Customer Care Charter	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	30-Sep-25	Approved customer care charter	Council resolution, approved customer charter	Financial benefits accruing from improved administrative and operational efficiencies					
			Establish a functional Customer Care Centre accessible to manage public records of enquiry by seconding employees from within the municipality on a rotation basis to assist in the customer care Centre, incorporate customer care KPA in the performance contracts of the employees.	DLG and In - House	DLG and In - House	Director: Corporate & Community Services	01-Sep-25	31-Oct-25	Number Staff seconded to the customer care centre	Secondment appointment letters and rotation schedule	Financial benefits accruing from improved administrative and operational efficiencies					
			Develop and implement Customer Care SOPs	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	Approved SOPs implemented	Council resolution, approved SOPs.	Financial benefits accruing from improved administrative and operational efficiencies					
			Conduct a workshop for the council on the distinction between the council's role and that of the administration.	In - House	WC Local Government Provincial Treasury	Municipal Manager (external support coordination)	01-Aug-25	30-Aug-25	Council Workshop conducted	Attendance Registers, Formal correspondence to WCLG requesting the workshop	Financial benefits accruing from improved administrative and operational efficiencies					
			Conduct a workshop for the council on the Customer Care and Credit Control Policy, as well as to educate councillors on the importance of aligning resolutions with approved policies and legislation.	In - House	WC Local Government Provincial Treasury	Chief Financial Officer	01-Aug-25	31-Aug-25	Council Workshop conducted	Attendance Registers, Formal correspondence to WCLG requesting the workshop	Financial benefits accruing from improved administrative and operational efficiencies					
			Develop and approve tariff setting model.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	Approved Tariff Setting Model	Council resolution	2% improvement of revenue as a result of cost reflective tariffs in the 2026/27 financial year and outer years.					
			Revised tariffs to be approved with budget.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	Cost-reflective tariffs phased in	Council Resolution, Budget Document	2% improvement of revenue as a result of cost reflective tariffs in the 2026/27 financial year and outer years.					
			Tariffs loaded on system to be reconciled to approved budget and signed off	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	Approved tariffs loaded on the system	System screenshots	2% improvement of revenue as a result of cost reflective tariffs in the 2026/27 financial year and outer years.					
			Balance cost-reflective tariff setting and affordability (including sustainable service delivery).	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	Phased in affordable cost reflective tariffs	Break down O&M, capital, bulk purchases, depreciation	2% improvement of revenue as a result of cost reflective tariffs in the 2026/27 financial year and outer years.					
			Update and approval of Tariff Policy and Tariff Structure to make provision for the application of cost-reflective tariffs	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	30-Sep-25	Revised Tariff Policy and Tariff Structure	Revised Tariff Policy and Tariff Structure? Council resolution	2% improvement of revenue as a result of cost reflective tariffs in the 2026/27 financial year and outer years.					
			Review the indigent policy to confirm it is aligned with the operations of the municipality and approved with the budget.	In - House	In - House	Chief Financial Officer	01-Aug-25	15-Sep-25	Approved Indigent Policy	Council resolution, Indigent policy	Financial benefits accruing from improved administrative and operational efficiencies					
			Implement vetting procedures prior to approval of indigents.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	Ongoing	Records vetting check done	Record of checks done (employment status, ownership of property or vehicles)	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28 This will result from a register that only included households qualifying as indigents					
			Involve Ward Committees in indigent registration	In - House	In - House	Director: Corporate Services	01-Aug-25	15-Sep-25	Applications submitted via ward committees	Memo allocating ward committees, council resolution	Financial benefits accruing from improved administrative and operational efficiencies					
			Only make Free Basic Services (FBS) available to registered indigent households	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	Ongoing	100% Free basic services on the indigent register only	Indigent form and vetted indigents register	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28 This will result from a register that only included households qualifying as indigents.					
			Capping of FBS for indigent households	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	Monthly	Capped FBS for indigent households	Monthly consumption report per indigent households	Financial benefits accruing from improved administrative and operational efficiencies					

7	Supply chain management compliance and value for money	<p>SCM Policy not compliant with all the statutory imperatives, legislation and reforms (Both the SCM and Preferential Procurement Regulations need updating)</p> <p>Capital and operational projects have no plans in place</p> <p>Current SCM structure does not meet the policy requirements and further does not provide for an adequate number of officials necessary to maintain an effective system of SCM</p> <p>SCM Unit consist of 6 Staff members: - 1 X Manager - 1 X Senior Practitioner - 1 X Senior Clerk - 1 X Inventory Control - 1 X Logistical - 1 X Contract Manager</p> <p>Key challenges are: Completeness of documents, abuse of Regulation 36 for emergency procurement (but nature point to poor planning rather) and unjustified deviations. High corruption risk</p> <p>Lacking sufficient control measures and risk mitigation mechanism to carry out SCM activities within a control environment.</p> <p>Slow spending of capital budgets has a negative impact on service delivery.</p>	Update the SCM and Preferential Procurement policies to align to relevant legislation.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Sep-25	Approved SCM policy and procedures	Council resolution, Minutes of meetings, approved SCM policy SOP's	Financial benefits accruing from improved administrative and operational efficiencies					
			Compile procurement plans in line with NT MFMA Circular No. 62	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Aug-25	Approved procurement plans	Approved procurement plan, Council resolution	Financial benefits accruing from improved administrative and operational efficiencies					
			PT to assist with guidance and input on the capital procurement plans (focus on 2025/26)	In - House	Provincial Treasury	Municipal Manager (external support coordination)	01-Jul-25	30-Jul-25	PT Staff available to assist with the procurement plans	Letter of correspondence to request PT assistance	Financial benefits accruing from improved administrative and operational efficiencies					
			Compliance with NT MFMA Circular No. 94	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Compliance report submitted to council for approval	Compliance report approved by council	Financial benefits accruing from improved administrative and operational efficiencies					
			Accounting Officer to submit the procurement plan together with the Budget, Service Delivery and Budget Implementation Plan (SDBIP) to address the weak planning processes	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	Submission of Procurement Plan to Council and Treasury with Budget and SDBIP by legislative deadline	Council Resolution, Budget Document	Financial benefits accruing from improved administrative and operational efficiencies					
			Focus on Demand Management, long-term planning and the linkage to Procurement plans (in return it can greatly stimulate and enable economic growth through strategic alignment).	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	Number of multi-year projects procured through planned contracts	Approved demand plan	Financial benefits accruing from improved administrative and operational efficiencies					
			The Municipality has Directorates that have projects with values exceeding R10 million and must take cognisance of NT MFMA Circular No. 62, which states that, 'Goods, services and/or infrastructure projects above the value of R10 million (all applicable taxes included) may only be advertised after the CFO has verified in writing that budgetary provision exists for the commencement of the particular project'.	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	100% tenders above R10 million verified by the CFO and advertised in full compliance with SCM regulations	Written CFO confirmation letters	Financial benefits accruing from improved administrative and operational efficiencies					
			Utilise a commodity-based strategy for standardisation of item expenditure, which will assist in determining the sourcing strategies and achieve economies of scale. This will further assist the Municipality to identify certain commodities for alternative procurement decisions such as District Transversal Contracts, framework agreements and bulk procurement.	In - House	In - House	Director, Corporate & Community Services	01-Aug-25	01-Nov-25	Approved commodity based procurement strategy	Council resolution, approved strategy.	Financial benefits accruing from improved administrative and operational efficiencies					
			Develop a SCM Compliance Matrix for monitoring compliance	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	01-Nov-25	Approved SCM Compliance Matrix	Council resolution, approved SCM compliance matrix	Financial benefits accruing from improved administrative and operational efficiencies					
			To ensure procurement planning is integrated, SCM unit must be part of the budget process to provide inputs to the overall procurement plan.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	100% SCM participation in departmental planning meetings	Minutes and attendance registers	Financial benefits accruing from improved administrative and operational efficiencies					
			Municipality to address the non-compliance audit findings raised by the AGSA and ensure, during the annual review of the SCM policy, that the necessary amendments are made to the SCM policy.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	Monthly	% of AGSA findings resolved	Action plan to address AGSA findings and status	Financial benefits accruing from improved administrative and operational efficiencies					
			Clearly define the system of SCM delegations and sub-delegations as required by SCM Regulation 4 and 5.	In - House	In - House	ICT Manager	01-Aug-25	30-Aug-25	100% SCM delegations written and approved	Council resolution, Approved SCM delegations	Financial benefits accruing from improved administrative and operational efficiencies					
			Take all reasonable steps to ensure that proper mechanisms and separation of duties are in place within the supply chain management system to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.	In - House	In - House	ICT Manager	01-Aug-25	Ongoing	100% compliance with SCM segregation of duties	Internal audit reports	Financial benefits accruing from improved administrative and operational efficiencies					
			Deployment from DM to assist with Bid Committee's	In - House	Garden Route District Municipality officials	Municipal Manager (external support coordination)	01-Aug-25	30-Aug-25	DM official allocated to KLM	Correspondence letter to DM to request assistance. Appointment letter of seconded DM official	Financial benefits accruing from improved administrative and operational efficiencies					
			Review the SCM Policy for Infrastructure and Delivery Management and align it to the requirements set out in MFMA Circular 106 to avoid overburdening with operational requirements with which the Municipality cannot comply due to capacity.	In - House	In - House	Director, Corporate & Community Services	01-Aug-25	30-Sep-25	100% SCM policy reviewed	Council approval, Approved SCM policy reviewed	Financial benefits accruing from improved administrative and operational efficiencies					
			Prioritise the training of officials to ensure compliance to the municipal minimum competency requirement for SCM officials, request PT to provide the training	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	31-Dec-25	Number of SCM trainings provided by PT and attended by KLM officials	Attendance Registers, Training Reports	Financial benefits accruing from improved administrative and operational efficiencies					
			Implement a skills development plan for SCM officials as required by SCM Regulation 8 (LG SETA Application)	In - House	In - House	Manager: Revenue	01-Aug-25	31-Dec-25	Approved SCM Skills Development Plan	Approved SCM Skills Development Plan Progress Reports	Financial benefits accruing from improved administrative and operational efficiencies					
8	Cost Containment and Cash Flow Management	<p>Municipality has cash reserves that are not sufficient to cover their needs and are below the National Treasury-prescribed norms.</p> <p>Current liabilities exceed current assets, highlighting insufficient cash to meet short-term financial obligations.</p> <p>Cash/ Cost Coverage ratio under the norm at less than 1 month</p> <p>2022/23 expenditure exceed budget with 27%</p>	Implement SCM SOPs compliant with legislation and reforms	In - House	In - House	Director, Corporate & Community Services	01-Oct-25	On going	Compliant SCM SOPs implemented	Internal audit reports	Financial benefits accruing from improved administrative and operational efficiencies					
			The Municipality should continue to perform constant cash flow monitoring to eliminate the risk of serious liquidity problems.	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	Cash flow reports prepared and updated monthly	Monthly cash flow projection reports	2025/26 MTREF Targets: - Remuneration Cost: R8,4m - Contracted Services: R22,1m - Operational Cost: R14,9m					
			Reconcile the closing cash and cash equivalents balance cash flow(C7) to the monthly budget statement financial position(C6). Improve effort to limit non-priority spending, implement stringent cost-containment measures and strive for value for money.	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	100% Reconciliation between C7 and C6	Monthly cash flow statements						
			Effective management of employee-related costs, as one of the largest expenditure components	In - House	In - House	Accountant: Expenditure	01-Aug-25	Ongoing	Reduced quantity of overtime	Overtime monitoring reports	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					

			Cost containment policy to be revised aligned with the 2019 NT Regulations on Cost Containment	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	30-Aug-25	Revised policy approved	Approved Cost Containment Policy, Council Resolution	Reduction in administration and support services in contracted services, reduction of entertainment costs and local travel. The municipality can achieve approximately 20% reduction in expenditure across these expenses					
			Implement the Cost Containment Policy and report progress against set saving targets	In - House	In - House	Director: Corporate & Community Services	01-Sep-25	Ongoing	90% cost containment targets achieved monthly	Monthly cost containment progress reports submitted to council	Reduction in administration and support services in contracted services, reduction of entertainment costs and local travel. The municipality can achieve approximately 20% reduction in expenditure across these expenses					
			Establish a cash flow management committee to ensure cost-containment measure are implemented and monitored effectively	In - House	In - House	Municipal Manager (to allocate responsibility)	01-Aug-25	31-Aug-25	Cash flow management committee established with terms of reference	Appointment letters of the committee members, terms of reference	Improve the unfunded budget to R34million in the outer years					
			Review Overtime and Standby policy to ensure it addresses the current weaknesses.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	30-Sep-25	Revised Overtime and Standby Policy approved	Minutes of policy review meetings, copy of approved overtime policy, Council resolution	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					
			Sustain the cash flow management committee to ensure cost-containment measure are implemented and monitored effectively	In - House	In - House	Municipal Manager (to allocate responsibility)	01-Aug-25	Ongoing	Compliance with NT cost containment regulations	Attendance registers, Minutes of meetings	Improve the unfunded budget to R34million in the outer years					
			Implement relieved Overtime and Standby policy to ensure it addresses the current weaknesses.	In - House	In - House	Director: Corporate & Community Services	01-Sep-25	On going from 1 September 2025	Updated financial policies approved by Council	Monthly monitoring reports highlighting compliance with new policy	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					
			Implement monitoring controls for all overtime in line with the policy	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	Ongoing	Reduced overtime cost	Internal audit or HR reports assessing adherence to overtime control procedures	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					
9	Financial Control Environment	Inadequate oversight regarding Implementation of Audit Action Plan resulted in repeat audit findings on compliance with laws and regulations. Lack effective system of Risk Management to achieve the objectives of a strengthened internal control environment to mitigate the risks of material misstatements in the Annual Financial Statements. Ineffective Audit Committee - no internal audit to provide adequate oversight over financial and performance reporting and compliance. Key internal control deficiencies reported by the Auditor-General.	Assurance providers, such as senior management, the accounting officer, the municipal council, and the mayor, must exercise close oversight over the Municipality's operations, particularly in monitoring the implementation of action plans to address internal control deficiencies and compliance with applicable laws and regulations. This must be included as a KPI in their performance agreements.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	Ongoing	100% of AGSA and internal audit findings tracked	Minutes of oversight structures showing review of internal controls	Financial benefits accruing from improved administrative and operational efficiencies					
			Develop SOPs for all financial functions	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	100% of key financial functions covered by formally documented SOPs	Approved SOP documents for all financial functions	Financial benefits accruing from improved administrative and operational efficiencies					
			Implement SOPs for all financial functions	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	Ongoing	100% implementation of all financial SOPs	Internal audit reports validating that financial policies and SOPs are complied with	Financial benefits accruing from improved administrative and operational efficiencies					
10	Creditor Management	Creditors payment period = 258 Days (increased from 174 Days in 2021/22) The Municipality has large outstanding debts to multiple creditors, totalling R89 million. The largest creditor is Eskom (R52 million Eskom + R12 million for 2 outstanding current accounts) As at 28 May 2025 the Municipality was at the risk of not meeting the ESKOM condition for debt write off if R16 million is not paid by August 2025. 2nd = SAMRAS R2,6m (payment arrangement) 3rd AG = R21,1m 4th SALGA = R5,2m 5th Legal Firms = R1,3m 6th Garden Route DM (Fire Services R2,4m) The GR has met with KLM to discuss a reduction in debt however there was no response from the municipality Collaborator R1,4 million, there is a creditors agreement in place but has not been honoured Oudtshoorn is owed R800 thousand there has not been payment since 2021, there were attempts to reach out to KLM but to no avail R127 Thousand has been written off. CHS development R500 000 Farmers not paying – need consultation process with Oudtshoorn and Organised Agriculture Payment plan is in place with Eskom and most other large creditors. The overdue amount without payment arrangements in place appears to be around R7,5 million. Outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with supply chain management regulations. Creditors are owed money for extended periods of time, and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing, due to long	Monitor compliance with payment plans	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	31-Dec-25	100% of active payment plans adhered to monthly	Monthly reports tracking payment status against agreed terms	Compliance with the ESKOM debt relief, Compliance with the creditor covenants i.e. GM district Municipality SAMRAS Collaborator Oudtshoorn LM CHS Development					
			SOPs to be quality assured and fully implemented	In House and Provincial Treasury	Provincial Treasury	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	100% SOPs quality assured by PT	Feedback from PT confirming quality assurance	Financial benefits accruing from improved administrative and operational efficiencies					
			Avail expert to verify the monthly Eskom account	In House and Provincial Treasury	Provincial Treasury/ GRDM	Municipal Manager (external support coordination)	01-Aug-25	30-Aug-25	Expert appointed and engaged	Appointment letter or terms of reference between KLM, GRDM and PT for the expert	Compliance with the ESKOM debt Relief 85% in the 2025/26 financial year 100% in the outer years					
			Introduce an incentive scheme with emphasis on farmers	In House and Provincial Treasury	In - House	Municipal Manager	01-Aug-25	30-Aug-25	Farmer incentive scheme developed and approved	Council approved Farmer Incentive Policy	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28 Collection from Farmers					
			Undertake a comprehensive review of payroll management to identify and correct the root causes of budget overruns.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Payroll review completed	Detailed payroll audit report	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					
			Continue to implement rigorous financial controls and closely adhere to the budget to manage and mitigate overspending, particularly in employee-related costs and councillor remunerations.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Overspending eliminated	Exception report and variance analysis with corrective actions documented	There is a cap on overtime to 10% due to employees claiming overtime but not on the engagement, reversal of irregular appointments and application for exemption for no salary increases.					
			Implement internal controls for inventory movements, conducting regular reviews per GRAP 12. Rectify observed discrepancies between consumed and issued inventory to uphold accurate financial records and compliance with standards.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	Ongoing	Monthly inventory reconciliations	Monthly inventory reconciliation reports comparing issued VS consumed inventory	Improved audit opinion					
			Given the potential discrepancies between operational expenses, accruals, and payables, it is crucial to conduct monthly reconciliations. This will ensure that any discrepancies are identified and rectified promptly.	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	Monthly reconciliations conducted and reviewed	Monthly reconciliations conducted and reviewed	Improved audit opinion and compliance with creditor covenants					
			Strengthen the finance department's oversight to ensure compliance with the Municipal Debt Relief conditions.	Provincial Treasury and In House	Provincial Treasury	Chief Financial Officer	01-Aug-25	Ongoing	Monthly compliance status report	Monitoring reports submitted to council and PT	Compliance with the ESKOM debt Relief 85% in the 2025/26 financial year 100% in the outer years					

11	Grant Management	<p>Unspent Conditional Grants cash backed.</p> <p>Incomplete maintenance of the grant register for future years, which complicates financial planning.</p> <p>Concerns over the grants register lacking submission dates, which could lead to accountability issues.</p> <p>Absence of risk assessments and identified risk mitigating controls suggests a gap in proactive risk management, increasing the vulnerability of the Municipality to errors in grant recording and reporting, unspent grants, and ultimately, the underutilization of funds meant for development projects.</p>	Municipality to monitor grant funding/claims (payments) that are made to the Municipality (that all revenue is receipted).	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	100% grant receipts recorded	Bank statements and receipts showing all grant related payments	100% spending on conditional grants by meeting grant conditions				
			Municipality should monitor action plans to ensure that grants and subsidies are being spent efficiently in line with DoRA	In - House	In - House	Municipal Manager (to allocate responsibility)	01-Aug-25	31-Dec-25	100% of grants linked to approved action plans	Monthly or quarterly grant expenditure reports showing progress against plans.	100% spending on conditional grants by meeting grant conditions				
			Ring-fencing of conditional grants avoid roll-overs being declined due to a lack of cash backing for unspent grants	In - House	In - House	Municipal Manager (to allocate responsibility)	01-Aug-25	On going	00% of conditional grants ring-fenced in a dedicated or tracked funding structure	Grant cash flow tracking register distinguishing between own revenue and grant funds	100% conditional grants ring fenced.				
			Comprehensive update of SOPs, ensuring staff have the necessary skills, maintaining accurate and complete grants registers, and implementing robust risk management practices to improve the effectiveness of grant utilization and compliance with grant conditions.	In - House	In - House	Municipal Manager (post vacant, MM to allocate responsibility)	01-Aug-25	31-Dec-25	100% grant - related SOP reviewed and updated	Council resolution - approval of the grant SOP's	Financial benefits accruing from improved administrative and operational efficiencies				
			The municipality must ensure that VAT on grants, particularly for deemed supplies versus actual supplies, is accounted for in accordance with the principles set by the South African Revenue Service. This includes recognizing grants that subsidize taxable supplies, such as electricity and water, as zero-rated for VAT purposes, consistent with the equitable share policy by the government.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	VAT returns accurately reflecting grant treatment	VAT201 returns and supporting working papers	Financial benefits accruing from improved administrative and operational efficiencies				
			The municipality must recognise the necessity to proactively address any external challenges that may impact project timelines. This includes enhancing communication and engagement with all Small, Medium, and Micro Enterprises (SMMEs), ensuring they are fully informed about the municipality's procurement policies and regulations. Such measures are essential for clarifying procurement processes, addressing concerns, and fostering a collaborative environment that supports timely project completion and mitigates delays.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	SMME engagement sessions conducted	SMME workshop reports and attendance registers	Financial benefits accruing from improved administrative and operational efficiencies				
			Establishing a robust grant management system is crucial, with a focus on accurate tracking, reporting, and allocation of grant funds.	In - House	In - House	ICT Manager	01-Aug-25	Ongoing	Grant expenditure aligned to approved project budgets and grant conditions	Monthly Grant Reconciliation Reports	Financial benefits accruing from improved administrative and operational efficiencies				
12	mSCOA Implementation	<p>Kannaland has already spent an excessive amount on mSCOA implementation, and it should still be regarded as a work in progress with a lot that still needs to be done before it could be called a finished product.</p> <p>The municipality is owing the SAMRAS service provider R2,6 million</p> <p>The municipality is still struggling with budgeting balance sheet and cash flow concerns. Accounting movements are not populating in the contra accounts automatically, and those that do populate do not correspond to the amounts presented on the Income Statement.</p> <p>Non-adherence to MSCOA legislation.</p> <ul style="list-style-type: none"> - No functional Steering committee for MSCOA implementation - No mSCOA Road Map developed - Data Strings not credible <p>The municipality does not fully use of mSCOA modules on all business processes</p> <p>TIME REPORT:</p> <p>Misalignment between submitted c-schedules and the data strings, particular on the C7 Cashflow statement.</p> <p>Opening balance is not included in the year-to-date actual C7 Cash Flow Statement</p> <p>Incorrect classification of line items on the face of the Financial Position Monthly Budget Statement (C6)</p> <p>Municipality not following the Balance Sheet Budgeting method.</p> <p>Usage of non-funding segments when transacting on revenue and expenditure line items.</p> <p>Outstanding module = Asset Register</p> <p>SAMRAS Payroll giving problems</p>	Ensure the MTREF Budget and supporting tables fully completed to ensure credibility.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	100% of required budget schedules and tables completed	MTREF Budget Pack in full mSCOA compliance	Financial benefits accruing from improved administrative and operational efficiencies				
			Initiate a benchmarking exercise with George and Hesseque municipalities to investigate the functionality of the SAMRAS system	In - House	In - House	ICT Manager	01-Aug-25	30-Aug-25	Number of benchmarking engagements held with George and Hesseque	Meeting Minutes and Attendance Registers	Financial benefits accruing from improved administrative and operational efficiencies				
			Prepare MTREF budget in the mSCOA financial system and ensure all A1 schedules are produced directly from the financial system.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Aug-25	100% of MTREF budget prepared and captured within the mSCOA financial system	System-generated MTREF Budget Reports	Financial benefits accruing from improved administrative and operational efficiencies				
			Address the findings related to the segment tool analysis shared with the Municipality to ensure that the final budget considers all the recommendations and correct segment use is achieved.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	100% of segment tool findings resolved and corrected before final budget submission	Segment Tool Analysis Report	Financial benefits accruing from improved administrative and operational efficiencies				
			Municipality to consider the NT requirements stipulated in the MTREF Budget Circular No. 123 should municipality plan to acquire a new mSCOA compliant ERP financial system.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	100% of NT Circular 123 requirements addressed in ERP acquisition plan	Extract of MTREF Budget Circular 123 Compliance Checklist	Financial benefits accruing from improved administrative and operational efficiencies				
			Development of mSCOA Road Map	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Approved mSCOA Road Map	Approved mSCOA Road Map and published	Financial benefits accruing from improved administrative and operational efficiencies				
			Develop a mSCOA compliant chart of accounts (trial balance) - Also refer to budget section	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	mSCOA-Compliant Chart of Accounts	mSCOA-Compliant Chart of Accounts	Financial benefits accruing from improved administrative and operational efficiencies				
			Evaluate the capabilities of all mSCOA modules offered by the service provider and perform an assessment (contents of MFMA circular 123 must be considered should the financial system be found to be inadequate)	In - House	In - House	ICT Manager PT	01-Aug-25	31-Dec-25	100% of mSCOA modules evaluated using a structured tool	mSCOA Module Evaluation Tool/Checklist	Financial benefits accruing from improved administrative and operational efficiencies				
			Governance of mSCOA implementation, i.e., roadmaps in place and adequate. SteerComs in place and functional, champions appointed and active.	In - House	In - House	Chief Financial Officer	01-Aug-25	Ongoing	Number of functional SteerCom meetings held annually	Minutes on the steercom meetings	Financial benefits accruing from improved administrative and operational efficiencies				
			Promote the use of the FAQ database for all queries and report updates via forums (i.e., MAF, AWC).	In - House	In - House	Municipal Manager	01-Aug-25	31-Dec-25	100% of SCM, finance, and ICT staff trained on accessing and using the FAQ database	Training attendance report	Financial benefits accruing from improved administrative and operational efficiencies				

			Prepare MTREF budget in the mSCOA financial system and ensure all A1 schedules are produced directly from the financial system.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Approved funded MTREF budget per MCOA	Approved funded MTREF budget in full mSCoA compliance	Financial benefits accruing from improved administrative and operational efficiencies				
			Facilitate periodic in-house and external training on the use and implementation of the mSCOA charts	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Number of training sessions conducted	Attendance Registers, Training Reports	Financial benefits accruing from improved administrative and operational efficiencies				
13	Preparation of AFS	<p>2022/23 AFS submitted late</p> <p>Deteriorating audit opinion (Qualified to Disclaimer)</p> <p>The 2022/23 AFS was submitted to the Auditor-General after the MFMA compliance date of 31 August 2023.</p> <p>2023/24 AFS submitted on 31 Aug'24</p> <p>The 2022/23 performance information was not submitted together with the AFS to the Auditor General.</p> <p>The municipality does not compile interim financial statements (IFS).</p> <p>The municipality does not compile monthly reconciliations independent, reviewed and approved by designated officials and are all items outstanding for longer than a month escalated to senior managers. This could be one of the major reasons for the late submission of 2022/23 AFS as the municipality compiles all reconciliations at year-end.</p> <p>The municipality does not have standard operating procedures in place for the handling of all audit queries and does not address the prior period audit issues on time.</p>	<p>The municipality should strengthen its internal control measures to ensure that proper record keeping of all financial information is always kept in order to avoid the late submission of AFS which results in non-compliance.</p> <p>SALGA to assist with AFS preparation, including capacity building</p> <p>Reconcile and clear all suspense accounts monthly</p>	In - House	In - House	<p>Municipal Manager (post vacant; MM to allocate responsibility)</p> <p>Municipal Manager (to allocate responsibility)</p>	01-Aug-25	31-Dec-25	<p>100% of monthly financial records reconciled and filed on time</p> <p>AFS submitted on time to AGSA</p> <p>100% of suspense accounts cleared and reconciled monthly</p>	<p>Monthly Reconciliation Files</p> <p>Letter of Engagement or MoU with SALGA</p> <p>Suspense Account Reconciliation Schedule</p>	<p>Improved audit opinion</p> <p>Financial benefits accruing from improved administrative and operational efficiencies</p> <p>Cost-reflective tariffs are approved by Council</p> <p>NERSA approves the maximum allowable increase in electricity tariffs.</p> <p>Electricity distribution losses reduction targets:</p> <p>FY2025/26: 4.5% improvement</p> <p>FY2026/27: 5% improvement</p> <p>FY2027/28: 3% improvement</p> <p>A 12.5% increase in electricity sales is projected due to the adoption of cost-reflective tariffs, installation of smart meters and improvement in billing.</p>				
			Keep an Audit File in preparation for the annual external audit (compliant with the NT and AG norms and standards)	In - House	In - House	Internal Auditor	01-Aug-25	31-Dec-25	Audit Improvement actions completed	Audit Response Report, AGSA Correspondence	Financial benefits accruing from improved administrative and operational efficiencies				
			The municipality should ensure that performance information is submitted together with the AFS when submitting to the Auditor-General, as the late submission could affect the audit opinion.	In - House	In - House	Internal Auditor	01-Aug-25	31-Dec-25	Audit improvement actions completed	Audit Response Report, AGSA Correspondence	Financial benefits accruing from improved administrative and operational efficiencies				
			Develop standard operating procedures for the handling of all audit queries	In - House	In - House	Internal Auditor	01-Aug-25	31-Dec-25	Approved Audit Query SOP	Approved Audit Query SOP	Financial benefits accruing from improved administrative and operational efficiencies				
			Put processes should in place to ensure that prior period audit issues are addressed timely as this could be the result of regression in the audit opinion year on year.	In - House	In - House	Internal Auditor	01-Aug-25	Ongoing	Audit queries tracker	Audit queries tracker	Financial benefits accruing from improved administrative and operational efficiencies				
			The municipality should strengthen its internal control measures to ensure that proper record keeping of all financial information is always kept in order to avoid the late submission of AFS which results in non-compliance.	In - House	In - House	Municipal Manager (post vacant; MM to allocate responsibility)	01-Aug-25	31-Dec-25	100% of monthly reconciliations completed and signed off	Reconciliation Checklists and Logs	Financial benefits accruing from improved administrative and operational efficiencies				
			Reconcile and clear all suspense accounts monthly	In - House	In - House	Municipal Manager (to allocate responsibility)	01-Aug-25	On going	100% of suspense accounts reconciled monthly	Monthly Suspense Reconciliation Reports	<p>Cost-reflective tariffs are approved by Council</p> <p>NERSA approves the maximum allowable increase in electricity tariffs.</p> <p>Electricity distribution losses reduction targets:</p> <p>FY2025/26: 4.5% improvement</p> <p>FY2026/27: 5% improvement</p> <p>FY2027/28: 3% improvement</p>				
			Keep an Audit File in preparation for the annual external audit (compliant with the NT and AG norms and standards)	In - House	In - House	Internal Auditor	01-Aug-25	30-Aug-25	Complete audit file will all supporting schedules	Complete audit file will all supporting schedules	Financial benefits accruing from improved administrative and operational efficiencies				
			Ensure that all monthly reconciliations are compiled independently, reviewed, and approved by designated officials and that all items outstanding for longer than a month escalated to senior managers.	In - House	In - House	Manager: Revenue	01-Aug-25	31-Dec-25	100% of reconciliations independently prepared and reviewed	Internal Audit or Compliance Review Reports	<p>Cost-reflective tariffs are approved by Council</p> <p>NERSA approves the maximum allowable increase in electricity tariffs.</p> <p>Electricity distribution losses reduction targets:</p> <p>FY2025/26: 4.5% improvement</p>				
			Implement the approved standard operating procedures for the handling of all audit queries.	In - House	In - House	Internal Auditor	01-Aug-25	31-Dec-25	Audit Engagement Plans	Audit Engagement Plans	Financial benefits accruing from improved administrative and operational efficiencies				
15	Financial/ Technical Interface	<p>Poor Finance/ Technical interface</p> <p>Example: 324 consumers not buying since May 24 – reduced to 290 in Dec'24: Technical Department is slow to respond to the list provided by the CFO</p>	<p>Implement a communal drive to share information between departments and ensure that all additions and changes are accounted for (New connections, additions relating to housing projects, not approving building plans if in arrears etc.)</p> <p>Review the standard procedures for the technical/ finance interface.</p> <p>Ensure the standard procedures for the technical/ finance interface are adhered to by both departments with consequence for non-compliance</p>	In - House	In - House	<p>Municipal Manager (to allocate responsibility)</p> <p>Municipal Manager (to allocate responsibility)</p> <p>Municipal Manager (post vacant; MM to allocate responsibility)</p>	01-Aug-25	31-Dec-25	<p>Functional Communal Drive for effective interface</p> <p>Approved reviewed interface SOP</p> <p>Compliance reports</p>	<p>System reports</p> <p>Approved reviewed interface SOP</p> <p>Compliance reports</p>	<p>0.01% increase in revenue from consumers not buying</p> <p>Financial benefits accruing from improved administrative and operational efficiencies</p> <p>Financial benefits accruing from improved administrative and operational efficiencies</p>				
16	Asset Management	<p>Asset Management Policy outdated and not compliant</p> <p>FAR complete but inaccurately presented in the AFS</p>	Increase the budgeted ratio for repairs and maintenance as a percentage of PPE.	In - House	In - House	Chief Financial Officer	01-Aug-25	30-Apr-26	Improved Repairs and Maintenance ratio	Council Resolution, Budget Document	2% increase in repairs and maintenance expenditure				

		Low spending on repair and maintenance No budget for asset renewal and upgrading.	Review the Asset Management Policy and align it to the legislative prescripts, GRAP standards, and ISO 5001 definitions to ensure that the Policy aligns with the Municipality's strategic objectives.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Updated AMP policy approved by Council	Approved AMP Policy, Council Resolution	Financial benefits accruing from improved administrative and operational efficiencies					
			Establish documented Standard Operating Procedures, Segregation of duties and cross-functional roles and duties outlined.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	Approved Asset Management SOPs	Approved SOPs, council resolution	Financial benefits accruing from improved administrative and operational efficiencies					
			Review the asset management organisational structure to ensure that Asset Management Strategic objectives and operational prescripts can be addressed efficiently and effectively.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	Approved Organisational Structure	Approved Organisational Structure	Financial benefits accruing from improved administrative and operational efficiencies					
			Reflect all infrastructure assets that can be classified as assets that are being constructed as work in progress in the Asset Register until such time that the facility is completed	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	100% of infrastructure projects under construction recorded as WIP	Asset Register – WIP Section	Financial benefits accruing from improved administrative and operational efficiencies					
			Keep a WIP project documentation file to support the capitalization of assets	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	100 % of capitalised assets with complete WIP documentation files	Invoices and Payment Certificates, progress reports	Financial benefits accruing from improved administrative and operational efficiencies					
			Ensure all immovable assets in the Asset Register have GPS coordinates	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	100% of immovable assets in Asset Register with valid GPS coordinates	Asset Register with GPS Fields	Financial benefits accruing from improved administrative and operational efficiencies					
			Implement documented Standard Operating Procedures, Segregation of duties and cross-functional roles and duties outlined.	In - House	In - House	Director: Corporate & Community Services	01-Aug-25	31-Dec-25	100% of key finance and SCM functions covered by approved SOPs	Role Profiles or Delegation of Authority	Financial benefits accruing from improved administrative and operational efficiencies					
			Institutionalising non-conflicting segregation of duties. Where physical capacity cannot be addressed sufficiently, considerations should be given to further collaborations amongst user departments to assist with managing the Asset Management gaps.	In - House	In - House	Chief Financial Officer	01-Aug-25	31-Dec-25	100% of critical asset functions with non-conflicting roles assigned	Collaboration Agreements or Memos interdepartmental.	Financial benefits accruing from improved administrative and operational efficiencies					
PILLAR FOUR: SERVICE DELIVERY																
1	Technical Staff / Organogram	The municipality is experiencing significant service delivery challenges due to the absence of permanent appointments in key positions. For instance, a single acting official is currently fulfilling both the Technical Director and PMU roles, while the Manager: Electrical and Mechanical Services position remains vacant.	Urgently appoint or fill (substantively) positions for critical skills, including: - Director: Technical Services; - PMU Manager; - Manager: Electrical and Mechanical services; - Process Controllers (WTW & WWTW); - GIS System Controller; and - Town Planner (or regional shared service). (DLO to assist and advise on senior management appointments)	Inhouse	Inhouse; DLG	Municipal Manager HR Manager	01-Aug-25	31-Dec-25	Listed critical skills positions filled substantively.	Record of appointments e.g., appointment letter for officials.,	Appointment of critical positions for better operational management. Appoint the skills with a budget not exceeding R4 Million per annum					
2	Spatial Development Framework	There is a delay in the delivery of the Reviewed Spatial Development Framework.	Expedite completion and gazetting of the MSDF review. (get council adoption, gazette for public engagement, resolve and align with IDP, build internal capacity, implement and enforce MSDF principles, objectives and mandates, i.e. zoning, land use regulations, and building control).	Inhouse	Inhouse, PT, DLG, GRDM	Manager - Town Planning services	01-Aug-25	31-Dec-25	MSDF reviewed, approved, and gazetted; MSDP alignment with IDP completed	Council resolutions; Government gazette; Approved and adopted MSDP	Financial benefits accruing from improved administrative and operational efficiencies					
			Urgently appoint a land use inspector, with funding ring fenced from property rates revenue.	Inhouse	Inhouse	Manager - Town Planning services	01-Aug-25	30-Sep-25	Land use inspector position filled; Property rates revenue utilised to cover land use inspection's total operational costs.	Record of appointment of inspector. Performance reports	Financial benefits accruing from improved administrative and operational efficiencies					
			Urgently conduct a comprehensive land audit, analyse results, and update all GIS records, SDF, and billing registry accordingly.	Inhouse	Inhouse	Manager - Town Planning services	01-Aug-25	31-Dec-25	Land audit completed and records updated; Illegal land use and mismatch of actual land use and approved zoning detected; 100% alignment of land use to billing registry, IDP and SDF.	Land use audit reports; Exception and variance analysis report; Updated SDF, GIS reports, and billing registry	Financial benefits accruing from improved administrative and operational efficiencies					
3	Asset Management	Asset Management Committee not in place. Lack of integration in terms of joint management of municipal assets between the finance and service delivery units.	Establish an interdepartmental Asset Management Committee, comprising representatives from Finance, Infrastructure, and Operations, with clearly defined roles and terms of reference.	Inhouse	Inhouse	MM. Directors - Financial / Infrastructure Services	01-Aug-25	30-Sep-25	Asset committee established and constituted by a well representation of members from various departments; Roles and terms of reference clearly defined.	Record of appointment letters of all asset committee members, Terms of reference records	Financial benefits accruing from improved administrative and operational efficiencies					
			Asset committee to regularly meet (at minimum quarterly) to oversee, coordinate, and facilitate asset life cycle management processes and activities.	Inhouse	Inhouse	MM. Directors - Financial / Infrastructure Services	01-Oct-25	31-Mar-26	Asset management committees' quarterly meetings conducted; Asset life cycle management implemented and reviewed.	Committee seating minutes; GRAP compliant asset register; Asset management review reports and records.	Financial benefits accruing from improved administrative and operational efficiencies					

		<p>Asset maintenance activities are inadequate, and there is a declining trend in maintenance expenditure. (6% in FY 2023/24)</p>	Develop and approve annual maintenance plans, focusing on municipal facilities, water, sewer, electricity, and roads infrastructure.	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	31-Dec-25	Annual asset maintenance plans approved; Maintenance plans regularly updated; 100% available maintenance plans for each utility infrastructure and municipal facilities.	Updated and approved annual asset maintenance plans; Utility infrastructure (water, sewer, electricity, waste water) maintenance reports;	Financial benefits accruing from improved administrative and operational efficiencies						
			Prioritise and execute the implementation of asset maintenance as per annual plans and condition assessments.	Inhouse	Inhouse	Director - Financial Services	01-Aug-25	31-Dec-25	>75% compliance of planned maintenance schedule; Increased maintenance expenditure ratio to CRC (from 6% towards 8%)	Maintenance schedule implementation records; Service delivery and budget implementation plan (SDBIP)	Target >8% maintenance ratio Financial benefits accruing from improved service delivery efficiencies						
			Acquire and implement a maintenance job card or work order system with reports derived on a weekly and monthly basis.	Inhouse	DLG, MISA	Director - Infrastructure Services	01-Aug-25	31-Dec-25	Job card or work order system developed and implemented; Activity reports filed; Improved operational efficiency and resource utilisation.	Monthly job/work order performance reports; Asset's as-built and maintenance history records	Financial benefits accruing from improved administrative and operational efficiencies						
4	Water	<p>Aged water infrastructure leading to pressure problems in the networks, leaks and pipe bursts.</p>	Review and update the current 2022 WSDP with the funding and assistance from DLG and DWS.	Inhouse	Inhouse, DLG & DWS	Director - Infrastructure Services	01-Aug-25	31-Jul-26	Review and alignment of WSDP completed	WSDP updated	2025/26 Water Revenue Target = R26,4m						
		<p>Poor water quality surveillance programme (water sampling and monitoring activities); poor blue drop score</p>	Develop a water surveillance program; water sampling, lab tests, and corrective action programs (CAPs).	Inhouse	Inhouse	Manager - Demand Manager and Purification	01-Aug-25	30-Sep-25	Surveillance program incorporating sampling criterion, lab testing protocols and corrective action plan.	Water surveillance plan and reports to DWS; Blue Drop watch report	Financial benefits accruing from improved service delivery efficiencies						
			Conduct potable water monitoring and testing as per surveillance program at all 4 WTW in compliance with Blue Drop. [DLG grant funding for testing kits confirmed]	Inhouse	Inhouse, DLG	Director - Infrastructure Services	01-Aug-25	31-Mar-26	Consistent microbiological, chemical and physical parameter tests completed within 6 months; % chemical and biological compliance and surveillance monitoring.	Testing reports and corrective action implementation plans (CAPs)	Target Blue Drop score of >97%; Financial benefits accruing from improved operational efficiencies						
		<p>Poor management of the supply side of the water network:</p> <p>- No Bulk meters to fully account for water use</p>	Complete the installations of bulk meters, and zonal meters to enhance water usage tracking and profiling.	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	31-Oct-25	9 Bulk and 14 zone water meters installed; Water supply per area and zone established (100% availability of supply statistical).	Meter commissioning reports and calibration certificates; Records of monthly bulk water statements.	Financial benefits accruing from improved operational efficiencies						
			KLM to separate water filling points/stations for unbilled consumption (municipal use V residential/commercial use) and update billing registry accordingly.	Inhouse	Inhouse	Manager - Civil Engineering	01-Aug-25	30-Sep-25	Filling points separated and demarcated; 100% accountability of residential & commercial water consumption from filling points/stations;	Project commissioning reports; Water balance (WA) report, AFS	Financial benefits accruing from improved operational efficiencies						
			Install meters at truck filling points supplying water to 181 HH relying on water tank services.	Inhouse	Inhouse	Manager - Civil Engineering	01-Aug-25	31-Dec-25	Meters installation at truck filling points complete; 100% accountability on water tanker consumption per filling stations/point.	Meter commissioning reports and calibration certificates; Water balance (WA) report.	Financial benefits accruing from improved operational efficiencies						
		<p>- Water conservation and water demands management strategy not fully implemented.</p> <p>Poor planning of water infrastructure development and maintenance of reticulation system..</p>	Review and adopt the drafted Water Conservation and Water Demand Management (WCWDM) Strategy and Plan. (DWG, MISA, & DLG to assist)	Inhouse	Inhouse, MISA, DWS, SAICE	Director - Infrastructure Services	01-Aug-25	31-Dec-25	WCWDM strategy updated and approved	WCWDM strategy and plan; Council resolutions	Financial benefits accruing from improved operational efficiencies						
			Implement the Water Conservation and Water Demand Management (WCWDM) Strategy and Plan. (meter audits/repairs, basic night flow monitoring, water saving campaigns, pump/valve repairs, installation of low-flow fixtures)	Inhouse	Inhouse, DWS, MISA,	Director - Infrastructure Services	01-Oct-25	31-Mar-26	Implementation strategies completed (meter audits/repairs, basic night flow monitoring, water saving campaigns, pump/valve repairs, installed low-flow fixtures) Daily bulk water requirements reduced (from 75ML/d);	WCWDM strategy implementation reports and records. Exceptions reports and variance analysis.	Financial benefits accruing from improved service delivery efficiencies. Additional 1% annual increase in revenue due to reduction in water distribution losses as faulty meters are repaired or replaced. Additional 1.5% annual increase in water sales						
		<p>- Dysfunctional meters, valves, pumps, and network fittings</p> <p>- Lack of integrated leak identification and meter repair/replacement program.</p>	Develop and maintain a water components repair and replacement program.	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	31-Dec-26	Repair and replacement program approved; 100% faulty meters and water components repaired or replaced	Meter repair and replacement plan and implementation reports. Billing records and faulty meter register	Additional 0.5% annual increase in revenue due to reduction in water distribution losses as faulty meters are repaired or replaced.						
		<p>- Un-authorized connections</p> <p>- Billing inaccuracies</p>	Develop and Roll out a phased SMART meter installation program, (e.g. AMR meters), to replace all old conventional and prepaid meters to mitigate tampering, illegal connections, and billing errors.	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	30-Mar-26	SMART meter installations completed (>2500 meters installed/upgraded in 1st year and >1000y; there after) Water losses due to illegal connections and billing errors.	Project Implementation plan and reports (commissioning reports); Billing registry records. Exceptions report and variance analysis results	Additional 2% annual increase in revenue due to reduction in water losses as a result of installation of smart meters .						
5	Sanitation	<p>Municipality has four (4) waste treatment plants but there is poor management and operation of the waste water treatment works (WWTW). There is poor operational and compliance monitoring. Green drop record is 8% (2022).</p>	Train technical staff to operate the Water and Waste Water Treatment Works (WWTW) efficiently. (8 x Class 3 Process controllers - 1 at each plant minimum).	Inhouse	Inhouse	Manager - Civil Engineering	01-Aug-25	31-Dec-25	Refresher courses training completed for all WTW and WWTW technical staff Green drop score improved from current 8%	Training and competence assessment records.	2025/26 Sanitation Revenue Target = R10,8m						
			Monitor and maintain 24hr running operations for all WTW and WWTW plants recently refurbished and upgraded.	Inhouse	Inhouse	Manager - Civil Engineering	01-Aug-25	31-Dec-25	Consistent 6 months monitoring of percentage down time, operational parameters e.g. Average Dry Weather Flow (ADWF) and plant availability complete; Green drop score improved from current 8% to / towards >=80%	WTW and WWTW operation log sheets and performance reports. Blue/Green drop Watch report and TSA scores;	Target to recover >5% rehabilitation costs resulting from WWTW malfunctions. (bursts, spills, fines.)						

6	Electricity	There is a lack of effective electricity billing due to the following issues: - Poor metering and improper registration of meters by erf number. - Absence of meters in some areas.	Develop and Roll out a phased SMART meter installation program to replace all old conventional and prepaid meters (prioritise low collection rate wards; e.g., Bergsig Calitzdorp, Van Wykedorp, Nisenville)	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	31-Dec-25	SMART meter installations completed; Reduced electricity losses due to illegal connections and billing errors.	Project Implementation plan and reports (commissioning reports); Billing registry/ records. Annual performance reports.	Additional 2% annual increase in revenue due to reduction in electricity distribution losses as a result of smart metering.					
			Develop and maintain an electricity meter repair and replacement program, ensuring alignment with the billing registry in the Finance	Inhouse	Inhouse	Managers – Civil Engineering & Electrical and Mechanical Services	01-Aug-25	31-Dec-25	Electricity meter repair and replacement program approved and updated weekly; 100% faulty meters repaired or replaced within 1 week of detection. 100% alignment of meter status in billing registry	Meter repair and replacement plan and implementation reports.	2025/26 Electricity Revenue Target = R96,8m. Additional 0.5% annual increase in revenue due to reduction in electricity distribution losses as faulty meters repaired or replaced.					
		- Inaccurate meter reading by municipal personnel.	Train all meter reading operatives and billing clerks to record and support all possible billing scenarios and improve billing accuracy (currently only 7 staff assigned).	Inhouse	Inhouse	Directors - Financial / Infrastructure Services	01-Aug-25	30-Sep-25	100% of all meter readers and billing clerks trained; >90% of billing of all registered meters (either by reading or estimation)	Training and competence assessment records; Inconsistent meter and zero meter reading exceptions report; Billing registry	Additional 0.5% annual increase due to increase in billing as a result of better trained meter readers					
		- Illegal connections.	Roll out meter connection/disconnection programs, and reduce or eliminate illegal connections with support from security departments. (establish consequence management protocols)	Inhouse	Inhouse	MM, Directors - Financial / Infrastructure Services	01-Aug-25	31-Dec-25	The number of meter connection / disconnection blitz and activities completed; Number of illegal / tampered connections resolved within 6 months	Meter connection/disconnection program calendar or schedule; Financial Performance reports	Additional 0.5% annual increase in revenue due to reduction in electricity distribution losses as a result of tampered connections being resolved and penalties recovered from offenders					
		The municipality has poor load-limiting capabilities and is incurring penalties for exceeding the contracted nominated maximum demand (NMD).	Install load monitoring and limiting technologies. Complete installation of 4-pole-mounted transformer units in Ladsmith and add 5 more (4 in Calitzdorp, 1 in Van Wykedorp), in accordance with NERSA guidelines.	Inhouse	Inhouse	Managers – Electrical and Mechanical Services	01-Aug-25	31-Mar-26	100% installation of PMTCs Reduced electricity losses due to both technical and non-technical losses; Reduced grid downtime	PTMC commissioning reports Eskom Electricity invoices. Performance reports	Additional 0.7% annual saving from load monitoring efforts					
			Complete the installations of two electricity check meters at the main substations	Inhouse	Inhouse	Director - Infrastructure Services	01-Aug-25	31-Oct-25	2 off electricity check meters installed. Maximum demand and load control tracked and	Check meter commissioning reports and calibration certificates Maximum demand and load control exception reports; Eskom Invoices	Financial benefits accruing from improved service delivery efficiencies					
			Install Power Factor Correction Units (PFCU) at major substations as per NERSA guidelines, utilising INEP grant funding. (start with Calitzdorp and Ladsmith)	Inhouse	Inhouse	Managers – Electrical and Mechanical Services	01-Aug-25	31-Mar-26	PFCU units installed; 5% reduction in reactive energy. (NMD penalties eliminated); Power factor consistently >0.9 (therefore zero power)	PFCU commissioning reports; Eskom Electricity invoices	Additional annual 0.3% saving from load monitoring efforts					
7	Fleet Management	Relatively aged and inadequate vehicles to effectively support service delivery operational functions (development and maintenance)	Conduct fleet audits and inspections to identify unroadworthy and redundant vehicles, and cancel their respective licenses.	Inhouse	Inhouse	Fleet Controller	01-Aug-25	30-Sep-25	100% vehicle audits and inspections completed; Licenses for redundant / unroadworthy vehicles promptly identified and cancelled.	Audits and assessment reports; Asset register (vehicle register)	Financial benefits accruing from improved service delivery efficiencies					
			Expedite the delivery of a new compactor truck for solid waste management	Inhouse	Inhouse	Directors - Infrastructure Services	01-Aug-25	30-Sep-25	Compactor trucks received;	Delivery Notes Asset register (vehicle register)	Increased billing due to coverage of new areas with approximately 1% from solid waste services.					
			Prioritize repairs of yellow plant machinery to support service delivery functions	Inhouse	Inhouse	Directors - Infrastructure Services	01-Aug-25	30-Sep-25	100% compliance of planned yellow plant repairs; 48hr turnaround time on all yellow plant's emergency / breakdown maintenance	Fleet maintenance plan and completion schedules; Maintenance job cards and time sheets	Contribution to overtime reduction as result of improved yellow plant availability with approximately 0.1%					
8	Planning and Building Control	There is a notable rising number of informal buildings and developments as compared to the formal structures being built within the municipality. Some industrial and commercial stands are being billed property rates for residential	Finalize the zoning scheme through gazetting and enforcement. Update the billing registry to reflect correct zoning categories, particularly industrial and commercial properties.	Inhouse	Inhouse	Manager - Town Planning Services	01-Aug-25	31-Dec-25	Zoning scheme completed; 100% alignment of zoning certification and billing registry; % increase in revenue from property rates and permits issued	Government gazette, Zoning certificates; GIS records and mapping.	Per Target + 4% CPIX rate + 2% Growth Additional 2% increase in revenue due to the reconciliation of the billing rates and the valuation roll					
9	Waste and Refuse Removal	Non-compliance with Environmental Legislations: - No closure permit extensions for closed sites.	Urgently apply for closure/ expansion and rehabilitation permit extensions for inactive landfill and disposal sites	Inhouse	Inhouse	Manager - Community Services	01-Aug-25	30-Sep-25	Issued closure and rehabilitation permit extensions for the closed sites.	Landfill closure and rehabilitation permit extension letter	2025/26 Revenue Target = R10,6m. Financial benefits accruing from improved service delivery efficiencies					
10	Cemeteries	Municipality needs to allocate land for cemeteries in Ladismith and Calitzdorp.	Engage DRDLR for land allocation for new cemetery development. DLG to assist on negotiations with DRDLR. (Ladismith and Calitzdorp).	Inhouse	DLG, DRDLR	Managers - Town Planning Services & Community Services	01-Aug-25	31-Dec-25	Formal applications lodged; Feasibility studies completed (e.g., EIA, hydrology, and Geotech reports); Designated land transfers approved	Council resolutions; Feasibility assessment reports; Zoning certificates; Title deeds issued OR Signed land transfer or lease agreement.	Financial benefits accruing from improved service delivery efficiencies					
			Install basic services at new and existing cemetery sites (e.g., fencing, ablution facilities, and water); (Ladismith, Calitzdorp, and Van Wykedorp).	Inhouse	Inhouse	Managers - Town Planning Services & Community Services	01-Aug-25	31-Dec-26	100% installation of basic service infrastructure; Availability of burial services from municipality	Cemetery layout design and implementation plans; Installation and commissioning reports	Target 5% increase in Burial services provided new cemeteries are availed by the municipality, this will result in an approximate cemeteries and burial service revenue of R450 000 per annum.					
		Funding for a dedicated vehicle for the cemeteries function needs to be prioritised in the budget.	Develop and implement a funding plan for a dedicated vehicle for cemetery's functional needs with the assistance of a DLG contractor.	DLG	Inhouse, DLG	Managers - Town Planning Services & Community Services	01-Aug-25	31-Mar-26	Funding plan developed and approved. Applications for cemetery vehicle lodged.	Cemetery vehicle funding plan; Vehicle application records.	Financial benefits accruing from improved service delivery efficiencies					
11	Traffic Management & Licensing	Poor revenue collection due to: - Inadequate traffic contravention equipment due to financial challenges	Source funding and procure traffic management and enforcement equipment and resources.	Inhouse	Inhouse	Manager - Community Services	01-Aug-25	31-Dec-25	Funding and resources acquired; Enforcement equipment procured - 1xmobile	Acquisition register; Asset register (Fleet);	Financial benefits accruing from improved service delivery efficiencies					
		Poor revenue collection due to: - Inadequate traffic patrol vehicles / Officers	Appoint more traffic officers for traffic regulation enforcement.	Inhouse	Inhouse	Manager - Community Services	01-Aug-25	31-Dec-25	At least two traffic officers appointed	Record of appointments	Financial benefits accruing from improved service delivery efficiencies					
		Poor revenue collection due to: - traffic offenders defaulting payment of fines	Link traffic fines to vehicle licensing and registrations	Inhouse	Inhouse	Manager - Community Services	01-Aug-25	30-Sep-25	100% linked traffic fines to vehicular registry within 48hrs; Payment rate of traffic fines	Traffic fines register and logbook; Licensing monthly reports;	75% collection rate in 2025/26 80% collection rate in 2026/27 90% Collection rate in 2027/28					

PILLAR THREE: GOOD GOVERNANCE														
1	Governance Model	MPAC Terms of reference not aligned with MSA sec 79A, and MFMA Circular 92	Arrange training for MPAC Councillors.	in - house	in - house	MM	01-Aug-25	31-Oct-25	All MPAC councillors trained in financial oversight and MFMA roles by 31 October 2025.	Training program agenda; attendance registers; training completion certificates	Financial benefits accruing from improved governance efficiencies			
		Staff and Councillors in arrears on municipal bills	Enter into payment agreements with staff and councillors in order to ensure that arrears are paid within six-month timeframe and quarterly report progress to Council.	in - house	in - house	MM	01-Aug-25	30-Sep-25	By 01 August 2025, 100% of staff and councillors in arrears are enrolled in signed repayment plans	Signed repayment agreements per staff member/councillor; Council Reports	Financial benefits accruing from improved governance efficiencies			
			Implement a Debt Management Policy including agreed upon deduction of arrear debt from salaries of staff and councillors	in - house	in - house	MM	01-Oct-25	30-Mar-26	By 01 August 2025, 100% of staff and councillors in arrears are enrolled in signed repayment plans and monitored monthly for compliance. Arrears cleared by 31 December 2025	Signed repayment agreements per staff member/councillor; Monthly arrears reconciliation reports and Council report on recovery progress	Financial benefits accruing from improved governance efficiencies			
2	Contract Management	Inadequate contract management processes	Amend the contract register to include all active contracts and ensure that all payments are accounted for, so it reflects an accurate representation of all contracts in place.	in - house	in - house	Chief Financial Officer	01-Sep-25	28-Feb-26	By 28 Feb 2026, 100% of all active contracts are recorded in a digital Contract Register, updated monthly and aligned to MFMA Section 116 requirements	Digital Contract Register extract; CFO-signed validation report; Internal audit verification; Council report noting the register status.	Financial benefits accruing from improved governance efficiencies			
			Develop and adopt a contract management and administration SOP and standardised templates.	in - house	in - house	Chief Financial Officer	01-Aug-25	30-Nov-25	Contract Management SOP and templates developed and formally adopted by Council by 30 November 2025.	Approved SOP document; Council resolution adopting the SOP; standardized contract template files distributed to departments.	Financial benefits accruing from improved governance efficiencies			
			Conduct monthly performance assessments as per MFMA section 116 and implement timely corrective actions.	in - house	in - house	Chief Financial Officer	01-Aug-25	31-Jan-26	100% of active service provider contracts are subjected to performance review each month with any under-performance addressed within 30 days.	Monthly contract performance reports; performance evaluation forms for each contractor; records of corrective actions taken (warning letters, contract termination notices) for any issues identified.	Financial benefits accruing from improved governance efficiencies			
			Assign responsible officials to record, monitor, and track contract management issues and resolution of contracts queries.	in - house	in - house	MM	01-Aug-25	01-Mar-26	Maintain and update a complete UIF&W Register monthly from Aug 2025, reviewed quarterly by internal audit	UIF&W Register with entries and status updates	Financial benefits accruing from improved governance efficiencies			
			Assign responsible officials to record, monitor, and track contract management issues and resolution of contracts queries.	in - house	in - house	MM	01-Aug-25	01-Mar-26	Maintain and update a complete UIF&W Register monthly from Aug 2025, reviewed quarterly by internal audit	UIF&W Register with entries and status updates	Financial benefits accruing from improved governance efficiencies			
		Contracted services at 11.46% (norm is 2% - 5%)	Accounting Officer to oversee the internalisation of projects execution and the transfer of skills from consultants to internal staff.	in - house	in - house	MM	01-Aug-25	28-Jan-26	Reduce total contracted service expenditure to <5% of operating budget by end of Q2 2025/26 FY, as verified by internal audit.	Financial reports; Internal audit verification of expenditure breakdown	Financial benefits accruing from improved governance efficiencies			
3	UIF&W and Consequence Management	No gap analysis done before appointment of contracted service providers and consultants	Institutionalise a mandatory Capacity/ Skills Gap Analysis Process prior to the procurement of any consultants or service providers	in - house	in - house	MM	01-Aug-26	29-Mar-27	100% of professional service appointments from July 2026 undergo documented skills gap analysis prior to procurement.	Filed gap analysis reports; Bid specification committees minutes referencing analysis; Procurement file checklist; HR skills gap verification report.	Financial benefits accruing from improved governance efficiencies			
		Incomplete UIF & W Register	Establish and maintain a complete, regularly updated UIF&W Register capturing all incidents,	in - house	in - house	MM	01-Aug-25	31-Jan-26	Maintain and update a complete UIF&W Register monthly from Aug 2025, reviewed quarterly by internal audit	UIF&W Register with entries and status updates	Financial benefits accruing from improved governance efficiencies			
				in - house	in - house	MM	01-Aug-25	31-Jan-26	Maintain and update a complete UIF&W Register monthly from Aug 2025, reviewed quarterly by internal audit	UIF&W Register with entries and status updates	Financial benefits accruing from improved governance efficiencies			
4	Powers and Functions	Housing mandate is underfunded by R 1,237,000 in Yr. 2023/24	Conduct a costing exercise to determine the actual cost of the service and commence negotiations with the Western Cape Department of Infrastructure on the funding terms to ensure comprehensive coverage of expenditures.	in - house	in - house	DIRECTOR - CORPORATE & COMMUNITY SERVICES	01-Aug-25	31-Jan-26	By 31 Jan 2026, formal funding agreement covering all costs reached with Western Cape Department of Infrastructure.	Signed addendum or termination notice; Council resolution approving action; Meeting minutes with Western Cape Department of Infrastructure	Financial benefits accruing from improved governance efficiencies			
		Licencing mandate is underfunded, funding gap 2023/24 R 11,055,000	Conduct a costing exercise to determine the actual cost of the service and commence negotiations with the Western Cape Department of Transport and Public Works on the funding terms to ensure comprehensive coverage of expenditures.	in - house	in - house	DIRECTOR - CORPORATE & COMMUNITY SERVICES	01-Aug-25	31-Jan-26	By 31 Jan 2026, formal funding agreement covering all costs reached with Western Cape Department of Transport and Public Works	Signed addendum or termination notice; Council resolution approving action; Meeting minutes with Western Cape Department of Transport and Public Works	Financial benefits accruing from improved governance efficiencies			
		Fire service is underfunded by R 405,000 in Yr. 2023/24	Conduct a costing exercise to determine the actual cost of the service and commence negotiations with GRDM on the funding terms to ensure comprehensive coverage of expenditures.	in - house	in - house	DIRECTOR - CORPORATE & COMMUNITY SERVICES	01-Aug-25	31-Jan-26	By 31 Jan 2026, formal funding agreement covering all costs reached with Garden Route District Municipality.	Signed addendum or termination notice; Council resolution approving action; Meeting minutes with Western Cape Department of Transport and Public Works	Financial benefits accruing from improved governance efficiencies			
		Library Services is underfunded by R 71,364 in 2023/24	Conduct a cost savings analysis to reach break-even point	in - house	in - house	DIRECTOR - CORPORATE & COMMUNITY SERVICES	01-Aug-25	31-Jan-26	Achieve break even by end of 2025/26 FY end of Q2	Cost saving analysis report and recommendations approved by Council	Financial benefits accruing from improved governance efficiencies			
5	Information and Communication Technology	ICT Steering Committee not meeting regularly.	Reactivate and formalise the ICT Steering Committee with quarterly meetings and formal reporting protocols.	in - house	in - house; DLG	MM	01-Aug-25	30-Aug-25	At least one ICT Steering Committee meeting held per month commencing Aug 2025, with documented decisions and follow-up actions	Meeting invitations; signed attendance registers; minutes with action items; consolidated report submitted to Council	Financial benefits accruing from improved governance efficiencies			
		No Disaster Recovery Plan	Development and adoption of ICT contingency plan	in - house	in - house; DLG	MANAGER - ICT	01-Aug-25	31-Dec-25	Municipal ICT Contingency Plan (disaster recovery/ backup plan) developed and approved by Council by 31 December 2025	Council resolution of approval of ICT Governance Framework and ICT contingency plan	Financial benefits accruing from improved governance efficiencies			

		Fire hazard due to storage of flammable materials (old PC boxes) in server room.	Immediately clear the server room of non-ICT materials; enforce strict server room fire safety protocols.	in - house	in - house	MANAGER - ICT	01-Aug-25	31-Aug-25	All non-ICT and flammable materials removed from the server room and fire safety compliance inspection completed by 31 August 2025	Inspection checklist signed off by Facilities/SHE officer; dated photos (before and after); approved fire protocol document; risk compliance memo	Financial benefits accruing from improved governance efficiencies				
6	Audit Action Plans	Persistent adverse audit outcomes and stagnation (2021/22–2023/24 disclaimers).	Development and approval of a comprehensive Post Audit Action Plan (PAAP)	in - house	in - house	MM	01-Aug-25	31-Jan-26	Comprehensive Audit Improvement Plan approved by Council and at least 50% of corrective actions implemented by 31 Jan 2026	Council-approved AIP; progress tracking dashboard; implementation progress reports; Audit Committee minutes.	Financial benefits accruing from improved governance efficiencies				
			Implement and report to Council on the implementation of PAAP	in - house	in - house	MM	01-Aug-25	31-Jan-26	100% of Auditor-General audit findings (from the 2024/25 audit) are addressed by 31 March 2026, with progress on the Post Audit Action Plan reported to Council quarterly.	Post Audit Action Plan document with updated status on each finding; Council meeting minutes reflecting tabling of PAAP progress reports; evidence of corrective actions implemented for each audit finding (policy changes, reconciliations, disciplinary letters)	Financial benefits accruing from improved governance efficiencies				
7	Internal Audit and Audit Committees	No reports submitted by Internal Audit to Audit Committee – Non-compliance with legislation	Implement a structured internal audit plan with quarterly reporting	in - house	in - house	MM	01-Aug-25	31-Mar-26	Internal Audit Plan for FY 2025/26 approved by 31 August 2025, and quarterly internal audit reports submitted on time to the Audit Committee and Council thereafter.	Approved 2025/26 Internal Audit Plan document; Audit Committee meeting minutes approving the plan; quarterly internal audit reports for Q1, Q2, Q3; Audit Committee and Council minutes acknowledging receipt of those reports	Financial benefits accruing from improved governance efficiencies				
		Audit Committee failed to meet the minimum four meetings per financial year in 2023/24 (only met twice).	Enforce a structured meeting schedule ensuring at least four statutory Audit Committee meetings are held annually, with agenda and minutes tracking.	in - house	in - house	MM	01-Aug-25	31-Mar-26	Audit Committee annual schedule approved by Mar 2026, ensuring at least 4 meetings in 2025/26, with agendas and minutes produced for each meeting	Approved Audit Committee meeting calendar (showing dates for at least 4 meetings in the year); invitations notifications for meetings; Audit Committee agendas and minutes for each meeting; attendance registers of committee members.	Financial benefits accruing from improved governance efficiencies				
8	Immovable Property Management	Rentals paid on rental stock not market related	Conduct market analysis to determine appropriate market-related rentals for municipally owned properties.	in - house	in - house	CFO	01-Sep-25	31-Dec-25	Comprehensive market rental analysis completed by 31 December 2025; benchmarking all municipal property rental rates against market rates, with recommendations approved by Council.	Market analysis report detailing current v. market rental values for each property; record of methodology (comparator data, valuations); Council meeting minutes endorsing the recommended rental adjustments or noting the findings	Financial benefits accruing from improved governance efficiencies				
			Develop and maintain a rental property register in order to monitor occupancy, payments and expiration dates.	in - house	in - house	CFO	01-Aug-25	30-Nov-25	Complete rental property register established by 30 November 2025, capturing 100% of municipal rental properties with details of occupants, rental amounts, payment status, and lease expiry dates.	Rental property register (database or spreadsheet printout) listing all municipal rental properties and key details; evidence of monthly updates (monthly summary reports highlighting any changes in occupancy, payments, or expirations).	Financial benefits accruing from improved governance efficiencies				
			Internal audit to review all lease agreements and assess performance of lessors obligations. Municipality to evict non-paying tenants.	in - house	in - house	CFO	01-Dec-25	31-Mar-26	Internal Audit reviews 100% of municipal lease agreements by 28 February 2026, assessing tenant compliance with lease terms. All identified non-paying or non-compliant tenants (100%) are issued notices/remedial action or eviction proceedings by 31 March 2026.	Internal Audit report on lease agreement compliance (listing each lease and any breaches or arrears identified); list of defaulters with amounts owed; copies of enforcement notices or eviction letters sent to non-paying tenants; Council or management meeting minutes if any decisions taken on major lease issues.	Financial benefits accruing from improved governance efficiencies				
		Rental of fixed assets lacking rental or lease agreements and expired lease agreements on rental stock with no evidence of renewal submitted.	Implement valid lease agreements for all municipal rental properties.	in - house	in - house	CFO	01-Sep-25	31-Mar-26	100% of municipal rental properties have signed, valid lease agreements in place by 31 March 2026.	Copy of each signed lease agreement (or a register confirming lease status for each property); standardised lease template used; Council approval for any new long-term lease contracts if required; documentation of any tenants removed for failure to sign or pay.	Financial benefits accruing from improved governance efficiencies				
PILLAR FOUR: INSTITUTIONAL															
1	Operating Model	The municipality has not redefined its operating model.	Document current service delivery model (as-is).	in - house.	in - house.	MM Director: Corporate Services and Community.	01-Aug-25	28-Feb-26	Documented current service delivery model.	Documented current service delivery model	Financial benefits accruing from administrative and operational efficiencies.				
2	Organisational Structure	The 2023 approved organizational structure is not fit for purpose and is not aligned with the organization's strategy and needs.	Unbundle Corporate Services and Community Services departments.	in - house	in - house.	MM. Section 56 managers.	01-Aug-25	28-Feb-26	Unbundled departments report.	Approved unbundled report.	Financial benefits accruing from administrative and operational efficiencies.				
			Review and cost the Organisational Structure.	in - house	in - house.	MM Section 56 managers.	01-Aug-25	28-Feb-26	Reviewed and costed organisational structure.	Council resolution on the approved staff structure, including the Provincial Minister's comments, the Diagnostic Report, Business Case Report, Service Delivery Model, Design Principles, Design Metrics, Implementation Plan, and HR Plan.	Financial benefits accruing from administrative and operational efficiencies.				

3	Employee Cost	<p>Staff costs are unaffordable.</p> <p>High increases in the cost of employment due to irregular appointments</p> <p>Overtime expenses increased by 155% in the 2nd Quarter of 2024/25 FY</p> <p>Employee-related expenditure not backed by source documents causing disclaimer audit opinions</p> <p>Unauthorised expenses mainly caused by unbudgeted and high salary payments.</p> <p>There is no clarity on the appointment of 70 new staff members guarding council assets, inclusive of the boreholes.</p> <p>Ageing infrastructure contribute immensely to the overtime.</p>	Control overtime by, prepare a monthly forecast to monitor employee overtime; managers to preapprove overtime; implement consequence management for unauthorized approvals or unapproved work. .	In - house.	In - house	MM Section 56 managers.	01-Aug-25	28-Feb-26	Reduce overtime payments by 10% in the 2025/26 financial year.	Approved overtime Schedules.	Financial benefits accruing from administrative and operational efficiencies.						
			Review, update and adopt the Overtime Policy	In - house.	In - house	MM Section 56 managers.	01-Aug-25	30-Sep-25	Revised Overtime Policy developed, submitted for consultation, and adopted by Council by 30 September 2025.	Draft and final versions of the Overtime Policy; consultation records (labour forum, HR); Council resolution and minutes approving the revised policy.	Financial benefits accruing from administrative and operational efficiencies.						
			Decrease employee expenditures and other allowances by 5% in the 2025/26	In - house.	In - house	MM Section 56 managers.	01-Aug-25	31-Dec-26	Reduced expenditure schedules.	Approved expenditure schedules.	Financial benefits accruing from administrative and operational efficiencies.						
			Conduct payroll audit for all staff detailing all amounts paid during 2024/5, 2023/4 and 2022/3 financial years, inclusive of salary and all other allowances/benefits received by staff and councillors. Assess payroll audit findings for compliance against legislation and applicable policies. Independent service provider to review staff remuneration against T-levels and conduct	In - house.	PT WC.	MM CFO	01-Aug-25	28-Feb-26	Conducted payroll audit with findings.	Independent audit report submitted to council. Council resolutions. Accounting officer reports on recovery of undue payments/benefits.	Financial benefits accruing from administrative and operational efficiencies.						
			Overtime should be budgeted per department, and schedules thereof be pre-approved by HOD's.	In - house.	In - house	MM CFO	01-Aug-25	31-Dec-26	Overtime schedules.	Approved reduced overtime per dept.	Targeted 10% saving per annum						
			Develop overtime policy and its SOP.	In - house.	In - house	HR Manager.	01-Aug-25	31-Dec-26	Overtime policy and SOP.	Approved overtime policy and SOP.	Financial benefits accruing from administrative and operational efficiencies.						
			Investigate high increase in the cell phone allowance and implement the recommendations thereof.	In - house.	In - house	HR Manager.	01-Aug-25	28-Feb-26	Approved report in high increase in the cell phone allowance and implementation of the	Approved report in high increase in the cell phone allowance.	Financial benefits accruing from administrative and operational efficiencies.						
			Probe temporary and permanent staff appointments, promotions and increases and recover irregular and fruitless and wasteful expenditure and any loss or damage suffered by the Municipality in accordance with section 32 and s176(2) of the MFMA.	In - house.	Independent service provider/ PT	MM	01-Aug-25	31-Jul-26	Outcomes on the appointment of 70 staff members and clear steps on reversing and cancelling them.	Independent service provider report submitted to council. Council resolutions. Accounting officer reports on recovery of UIF&W.	Financial benefits accruing from administrative and operational efficiencies. Estimated cost R7m.						
			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.														
4	Filling of critical vacancies	<p>The vacancy rate of the Municipality was 33.37% in the year 2021/22.</p> <p>Acting positions pose risk of illegitimate appointments</p>	Prioritise the phased filling of all Section 56 managers, Manager BTO, Manager HR, Manager SCM and all core service delivery positions with due consideration of affordability.	In - house.	In - house	Director: Corporate Services and Community Services HR manager.	01-Aug-25	28-Feb-26	All section 56 managers positions filled.	Appointment letters.	Financial benefits accruing from administrative and operational efficiencies.						
			Develop recruitment strategy/plan/ Develop recruitment and selection policy.	In - house.	In - house	Director: Corporate Services and Community Services.	01-Aug-25	31-Dec-26	Developed recruitment plan/strategy/policy that is responsive to scarce skills	Approved recruitment plan/strategy.	Financial benefits accruing from administrative and operational efficiencies.						
5	Skills and Competencies	<p>The municipality is plagued with capacity and competency challenges</p> <p>Municipality unable attract critical skills due to location, and remuneration packages.</p> <p>The MM, Director Corporate Services and Community Services, Acting Manager Budget, Manager Treasury and Manager Revenue Collection do not meet the Minimum Competency Levels.</p>	Appoint Skills Development Facilitator.	In - house.	In - house.	HR Manager	01-Aug-25	28-Feb-26	Appointed Skills Development Facilitator.	Appointment letter.	Financial benefits accruing from administrative and operational efficiencies.						
			Verify and vetting of all staff qualifications and take disciplinary action against staff who misrepresented or do not have the necessary qualifications in relation to the requisite minimum requirements of JD and institute disciplinary action against those responsible for	In - house.	In - house.	HR Manager	01-Aug-25	31-Mar-27	Capacitated officials meeting Minimum competency levels and statement of results.	Vetting reports. Report to council on vetting process and action taken to address findings.	Financial benefits accruing from administrative and operational efficiencies.						
			Make use of LGSETA mandatory funds to train officials in SCM, Traffic, Licencing and Infrastructure.	In - house.	In - house/ LGSETA	HR Manager	01-Aug-25	28-Feb-26	Training reports and statement of results.	Competency certificates and attendance certificates.	Financial benefits accruing from administrative and operational efficiencies.						
6	Labour Relations	<p>Local Labour Forum (LLF) is established.</p> <p>The LLF calendar is not available.</p> <p>No employee engagement strategy.</p>	Develop and implement LLF calendar.	In - house.	In - house.	Director: Corporate Services and Community Services HR manager.	01-Aug-25	31-Oct-26	Developed LLF calendar.	Approved LLF calendar.	Financial benefits accruing from administrative and operational efficiencies.						
			Appoint LLF sub – committees	In - house.	In - house.	Director: Corporate Services and Community Services HR manager.	01-Aug-25	31-Oct-26	List of subcommittee members.	Approved subcommittees of LLF.	Financial benefits accruing from administrative and operational efficiencies.						
			Develop and apply employee engagement strategy.	In - house.	In - house.	Director: Corporate Services and Community Services.	01-Aug-25	31-Dec-26	Developed employee engagement strategy and LLF agendas addressing core issues affecting the municipality.	Approved employee engagement strategy.	Financial benefits accruing from administrative and operational efficiencies.						
			Management to constantly consult with organised labour.	In - house.	In - house.	Director: Corporate Services and Community Services	01-Aug-25	28-Feb-26	Convened LLF's meetings.	Minutes of LLF meetings.	Financial benefits accruing from administrative and operational efficiencies.						
			Engage SALGA and or Bargaining Council to conduct and maintain training for LLF members.	In - house.	In - house.	Director: Corporate Services and Community Services.	31-Dec-25	28-Feb-26	Training sessions for 100% of current LLF members conducted by SALGA and/or Bargaining Council by 31 October 2025.	Training programme and agenda; attendance registers signed by all LLF members; training report by SALGA/Bargaining Council; pre/post-training evaluation forms.	Financial benefits accruing from administrative and operational efficiencies.						
			Implement and monitor resolutions of the LLF.	In - house.	In - house.	Director: Corporate Services and Community Services.	01-Aug-25	28-Feb-26	100% of LLF resolutions recorded from 1 August 2025 to 31 March 2026 are tracked, with implementation progress reported at every monthly LLF meeting.	Resolution register (signed by LLF chairperson); implementation status reports for each resolution; monthly LLF minutes capturing follow-ups and progress updates.	Financial benefits accruing from administrative and operational efficiencies.						
7	Staff Discipline	<p>Disciplinary cases are not handled expeditiously.</p>	Draft a schedule/plan on finalisation of outstanding misconduct cases against officials.	In - house.	In - house.	MM Section 56 managers.	01-Aug-25	28-Feb-26	Finalised outstanding disciplinary cases.	Register with finalised outstanding disciplinary case.	Financial benefits accruing from administrative and operational efficiencies.						
			Request SALGBC to train section 56 managers and other managers in labour relations management.	In - house.	In - house.	Director: Corporate Services and Community Services HR manager.	01-Aug-25	28-Feb-26	Trained officials.	Competency certificates.	Financial benefits accruing from administrative and operational efficiencies.						
			Develop a Case Register for all pending disciplinary cases.	In - house.	In - house.	HR manager.	01-Aug-25	28-Feb-26	Developed case management register.	Approved case management register.	Financial benefits accruing from administrative and operational efficiencies.						
8	Performance Management	The municipality lacks an integrated performance management framework that also manage operational performance.	Section 56 managers to sign both employment and performance contracts.	In - house.	In - house.	MM.	01-Aug-25	31-Oct-26	Developed employment and performance contracts.	Signed employment and performance contracts.	Financial benefits accruing from administrative and operational efficiencies.						

		Performance agreements not signed by Senior managers. Performance management is not cascaded to all employees.	Cascade performance management from post levels 19 to 12 and ensure signed performance agreements	In - house.	In - house.	MM.	01-Aug-25	31-Jan-26	100% of employees from post levels 19 to 12 signed Performance Agreements by 31 January 2026. Agreements must be aligned with departmental SDBIP and KPA	Performance Agreement template for levels 12-19; signed agreements per employee; HR compliance register; summary sheet confirming all performance agreements submitted.	Financial benefits accruing from administrative and operational efficiencies.				
9	Consequence Management	The municipality does not have a consequence management strategy and policy.	Review and adopt Consequence Management Policy with clear roles and responsibilities.	In - house.	In - house.	HR manager.	01-Aug-25	31-Dec-26	Developed consequence management policy.	Approved consequence management policy.	Financial benefits accruing from administrative and operational efficiencies.				
			Tabling of the Consequence Management and Accountability (CMA) Framework issued by NT to Council for information, training and adoption. Incorporate the implementation of the CMA Framework as a key results area in the Performance Agreements of all Senior managers.	In - house.	In - house.	MM.	01-Aug-25	31-Jan-26	CMA Framework tabled to Council by 31 January 2026, with 100% of Senior Managers' Performance Agreements updated to include CMA implementation as a KRA by 31 March 2026.	CMA Framework official document; Council meeting minutes; signed Senior Manager Performance Agreements with CMA implementation as a key result area; staff training records (if training conducted)	Financial benefits accruing from administrative and operational efficiencies.				
10	Key HR Policies	All HR policies are old and must be reviewed in line with the Municipal Staff regulations. Critical policies on recruitment and selection need to be realigned. No Migration and placement policy	Review of all key HR policies and SOP's, inclusive of recruitment & selection, and migration and placement policies.	In - house	WC DLG	Director: Corporate Director Services and Community Services.	01-Aug-25	28-Feb-26	Reviewed HR policies.	Approved HR policies.	Financial benefits accruing from administrative and operational efficiencies.				
11	Leave Management	Leave management policy is not aligned to the administration of leave system. No appropriate work attendance management system that is linked to the payroll, which could lead to poor leave management & abuse and absenteeism	Align and approve leave management policy and SOP. Comprehensive leave audit and monthly audit leave records and reconcile with the system (data integrity). Leave management policy to be clear on officials not signing on behalf of others.	In - house.	Garden Route District Municipality	Director: Corporate Director Services and Community Services. HR manager	01-Aug-25	28-Feb-26	Reviewed leave policy.	Approved leave policy.	Financial benefits accruing from administrative and operational efficiencies.				
				In - house.	In - house.	MM	01-Aug-25	28-Feb-28	Data integrity report.	Review reports	Financial benefits accruing from administrative and operational efficiencies.				
				In - house.	In - house.	MM	01-Aug-25	31-Jul-26	Leave management policy.	Approved leave management policy.	Financial benefits accruing from administrative and operational efficiencies.				
				In - house.	In - house.	MM	01-Aug-25	31-Jul-26	Automated leave management.	Functional biometric time attendance system linked to payroll.	Financial benefits accruing from administrative and operational efficiencies.				
12	HR Strategy	The Municipality does not have an HR strategy and lacks critical competencies to develop the HR strategy for a competitive organization. Job descriptions are not regularly updated in line with the Regulations.	Garden Route District Municipality to expedite the finalisation of job descriptions that are in line with TASKS JE system. Develop and adopt HR Strategy that aligns with the FRP objectives.	In - house.	Garden Route District Municipality	Director: Corporate Director Services and Community Services.	01-Aug-25	31-Dec-25	Job descriptions that are in line with TASKS JE system.	Approved job descriptions that are in line with TASKS JE system.	Financial benefits accruing from administrative and operational efficiencies.				
			Conduct job evaluation through TASK.	In - house.	WC DLG	Director: Corporate Director Services and Community Services.	01-Aug-25	28-Feb-26	HR strategy.	Approved HR strategy. Council resolution	Financial benefits accruing from administrative and operational efficiencies.				
			Conduct job evaluation through TASK.	In - house.	Garden Route District Municipality	HR manager.	01-Aug-25	28-Feb-26	Conducted job evaluation report.	Approved job evaluation report.	Financial benefits accruing from administrative and operational efficiencies.				
13	Physical Verification of Staff and Qualifications	Staff verification has not been conducted in the past 3 years. A qualification audit is only done when officials are appointed.	Conduct physical verification of employees to confirm that there are no ghost employees.	In - house	In - house.	HR manager. Internal audit manager.	01-Aug-25	28-Feb-26	Verification reports on staff and qualifications.	Staff verification report to council attaching evidence of physical verification, Council resolutions and adopted policies/SOPs.	Financial benefits accruing from administrative and operational efficiencies.				
		The qualifications of Sections 56/57 were not	Conduct audit on section 56 managers qualifications.	In - house	In - house.	Director: Corporate Director Services and Community Services.	01-Aug-25	31-Oct-26	Audit report on section 56 managers qualifications.	Approved report on section 56 managers qualifications	Financial benefits accruing from administrative and operational efficiencies.				
14	Records Management	The municipality is having an approved records management framework. The municipality is having an approved file plan. The municipality is having an electronic records management system. There is lack of space for records at records Staff morale is too low. There is no culture of work.	Optimise the current automated Record Management System. Document Record Management Work Flow Management System.	In - house.	In - house.	Director: Corporate Director Services and Community Services. Manager Records.	01-Aug-25	28-Feb-26	Optimised utilisation of record management system.	Improved management of records.	Financial benefits accruing from administrative and operational efficiencies.				
				In - house.	In - house.	Manager records.	01-Aug-25	28-Feb-27	Documented Record Management Work Flow Management System	Improved management of records.	Financial benefits accruing from administrative and operational efficiencies.				
15	Change Management		Development of change management strategy (request assistance of DLG if required).	In - house.	COGTA WC	HR manager.	01-Aug-25	28-Feb-26	Developed change management strategy.	Approved change management strategy.	Financial benefits accruing from administrative and operational efficiencies.				
			Conduct employee satisfaction survey.	In - house.	In - house.	HR manager.	01-Aug-25	28-Feb-26	Employee satisfaction survey report.	Approved employee satisfaction survey report	Financial benefits accruing from administrative and operational efficiencies.				