



# ERWAT: Third Quarter Departmental Performance Reporting Template

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## 2025/26 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

### 1. Executive Summary by the Department

ERWATs focus is on sustainable wastewater management and resources recovery to deliver compliant, efficient and environmentally responsible services that protect public health in the broader City of Ekurhuleni. ERWATs strategy is anchored in two key objectives:

1. **Achieving and maintaining Green Drop Certification at all Water Care Works** – This focus ensures that the entity strengthens its operational efficiency, reduces environmental and health risks and is responsive to community needs.
2. **Ensuring financial sustainability** through commercialization and finance management – Ensuring that the entity operates within its financial means, generating sufficient revenue and efficiently managing resources to sustain service delivery, meet statutory obligations and support investment in infrastructure.

These objectives are aligned with the City of Ekurhuleni's, Integrated Development Plan (IDP) and the long-term Growth and Development Strategy (GDS). A key focus is ensuring adequate wastewater treatment capacity for current and future needs. ERWAT continues to invest in infrastructure renewal. The SDBIP areas for ERWAT emphasize the following:

- Improved quality of water, including wastewater
- Improved revenue and debtors' management
- Improved municipal administration
- Enhanced municipal budgeting and budget implementation
- Growing inclusive local economies
- Improved expenditure management,
- Improved asset management
- Improved supply chain management

ERWATs performance in Quarter 3 of 2025/2026 was 64% which was consistent with the performance of 63% recorded in Quarter 2. The entity achieved seven (7) of the eleven (11) reportable indicators, which is considered for performance in the third quarter of 2025/2026, as shown in Table A, below. There are in total fourteen (14) performance indicators, comprising of four (4) city wide indicator of

which three (3) are reportable in Quarter 3 and ten (10) departmental indicators, of which eight (8) are reportable in Quarter 3. The entity achieved two (2) of the three (3) city-wide indicators and five (5) of the eight (8) departmental indicators, which are reportable for performance in Quarter 3.

**Table A: Summary of Service Delivery Performance**

<b>Service Delivery Monitoring</b>					
	<b>Total number of targets</b>	<b>Total number of targets set for performance measurement in the quarter</b>	<b>Achieved</b>	<b>Not achieved</b>	<b>Variance</b>
<b>City Wide SDBIP</b>	4	3	2	1	-1
<b>Department SDBIP</b>	10	8	5	3	-3

ERWAT continues to meet the city-wide indicators for external revenue generation and compliance with the wastewater treatment license conditions, which demonstrates the entity's commitment to the improving the service delivery outcomes as defined by City of Ekurhuleni's Integrated Development Plan (IDP). However, one city wide target was not achieved as follows:

- The city-wide target for wastewater capacity unused was not achieved due to an increased hydraulic load caused by the high rainfall experienced during this quarter.

Important to note is that the City of Ekurhuleni has increased the MTREF for ERWAT for its capex programme. ERWAT continues to align expenditure with achieving Green Drop objectives, protecting the environment and public health. However, the three departmental targets which were not achieved included:

- The underperformance on the total operating expenditure indicator, mainly due to the under expenditure on repairs and maintenance, interest expenditure, bulk purchases and general expenditure.
- Number of repeat audit findings, which included overtime recalculation discrepancies and findings on Olifantsfontein Water Care Works. The remedial action for the overtime includes implementing review and verification controls, whereas the Olifantsfontein forms part of the catalytic, ISA and beneficiation projects that are currently underway.

- The Irregular, Fruitless, Wasteful and Unauthorised Expenditure incurred was as a result of prior year findings raised by the AG on non-compliance matters

ERWAT, with support from the City of Ekurhuleni, has advanced well in the planning stages of its Mega Catalytic Projects, which is aligned with the entity's 50-year master and regionalisation plan to support future development. Parallel to this, the programme has also been selected as one of South Africa's Top 7 projects for preparation funding by Infrastructure South Africa (ISA). ISA acts as the central coordinator for South Africa's infrastructure pipeline, focusing on projects that drive economic growth and improve service delivery. As part of this process, ERWAT's wastewater conveyance and treatment systems regionalisation project, which is anchored by its 50-year Master Plan is moving into the project preparation phase to establish a bankable feasibility study. Concurrently, the Waterval and Olifantsfontein Water Care Works has been identified for the effluent and sludge beneficiation projects that are administered by the Water Partnership Office and the Development Bank of South Africa in a strategic partnership with Rand Water Services. Significant progress is being made into the project preparation phase, moving to the next stage to appoint a transactional advisor tasked to convert this strategic initiative into bankable investment opportunities. The implementation of these strategic initiatives is critical to address the current backlogs and support future growth. Important to note is that in addition, ERWAT has met its capex spending targets for Quarter 3 in 2025/2026 to address short-term infrastructure needs.

## 2. Service Delivery Monitoring

### 2.2 CITY-WIDE SDBIP

#### KPI 1 – City-wide

#### Percentage of wastewater treatment capacity unused

#### Method of Measure

(1) Total volume of wastewater treated over the last year / ((2) Daily wastewater treatment plant available design capacity x cumulative number of days)

#### Evidence

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

#### Q3 Target

-50%

#### Q3 Actual

-52%

#### Comment

Target not achieved

#### Reasons for Variance

Higher inflows into the WCW due to the high rainfall experienced during the period under review.

#### Corrective Measure

IPAP has contracted service providers to complete the detailed design work for the WCWs, which will contribute to increasing the available capacity at ERWAT.

## **KPI 2 – City-wide**

### **Net Surplus /Deficit Margin for Wastewater**

#### **Method of measure:**

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

#### **Evidence**

Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financial statements should be used.

#### **Q3 Target**

N/A

#### **Q3 Actual**

N/A

#### **Comment:**

N/A

#### **Reasons for variance**

N/A

#### **Remedial actions:**

N/A

### **KPI 3 – City-wide**

**Total revenue generated from external business.**

#### **Method of measure**

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

#### **Evidence**

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

#### **Q3 Target**

R9 250 000

#### **Q3 Actual**

R9 617 279

#### **Comment:**

Revenue target for Q3 was achieved with a positive variance of R367 279

#### **Reason for variance**

Target for Revenue generated was achieved due to current projects that were maintained.

#### **Remedial action**

None

## **KPI 4 – City-wide**

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

#### **Method of measure**

The indicator measures the percentage compliance of wastewater works effluent to the requirements of physical, biological and chemical water quality indicators as per the water use license issued by the Regulator.

The Annual target is an average percentage compliance for all ERWAT operated water care works across all quarters, calculated:

Formula 1: % Water Quality Compliance, per determinant/parameter = Number of determinants/parameters complying with Water Use Authorizations divided by number of analyzed determinants/parameters (8 main parameters) multiply by 100.

Formula 2: % Water Quality Compliance, per water quality category = Sum of % water quality compliance of all parameters in the category / number of parameters in the category

Formula 3: % Water Quality Compliance, per WCW = Average of the 3 water quality categories per WCW, in %

Formula 4: % Compliance with wastewater treatment works license conditions and/or exemptions standards = Sum of % Water Quality Compliance for all 19 WCW divide by 19 (i.e averaged % Water Quality Compliance for all 19 WCW)

#### **Evidence**

Water quality analyses of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet used to calculate average compliance of each of the 3 compliance categories and then the average of the 3 categories gives the overall compliance per WCW and then ERWAT system (19 WCW). Applicable Water use authorization limits of each Wastewater Treatment Works

#### **Q3 Target**

75%

#### **Q3 Actual**

86%

#### **Comment**

Target achieved.

The entity attained 86% with a positive variance of 11% against its quarterly target of 75%.

### **Reason for variance**

Although the Quarterly target has been met the following ongoing challenges are experienced by the WCW operated by ERWAT.

- Critical equipment failures. Also see Section 3.3.
- Industrial pollution
- Power supply interruptions
- Intermediate chemical shortages

#### • **Critical equipment failures**

The critical equipment failures are expressed as a percentage (%) of the number of critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality. The following WCWs—Rynfield, Benoni, Dekema, Rondebult, Esther Park, Hartebeestfontein, Tsakane, Welgedacht, Vlakplaats, JP Marais, Ratanda, Heidelberg, Olifantsfontein and Waterval—recorded the highest number of critical equipment failures during Quarter 3. These failures had a direct impact on effluent compliance. However, there was an overall improvement of 11.32%, with the critical equipment failure rate decreasing from 21.16% in the previous quarter to 9.84% in Quarter 3.

It should be noted that several critical equipment failures from the previous quarter remain unresolved, and their impact on compliance continues to carry over into subsequent reporting periods.

**Table B: Percentage (%) Critical Equipment Not Available**

<b>WCW</b>	<b>% of critical equipment not available Q3 2025/2026</b>	<b>% of critical equipment not available Q2 2025/2026</b>	<b>Comments on the regression</b>
Ancor	0%	10%	None
Benoni	29%	64%	None
Carl Grundlingh	0%	0%	None
Daveyton	0%	0%	None
Dekema	25%	39%	Ongoing repairs were done on critical equipment reported during Q2, this includes Biofilters, PSTs, and Biofilters feed pumps
Esther Park	17%	17%	None
Hartebeestfontein	15%	38%	None
Heidelberg	5%	0%	Power trippage at the inlet works
Herbert Bickley	0%	11%	

<b>WCW</b>	<b>% of critical equipment not available Q3 2025/2026</b>	<b>% of critical equipment not available Q2 2025/2026</b>	<b>Comments on the regression</b>
Jan Smuts	3%	12%	Critical breakdowns included: Faulty Generator, Booster pumps 1 and 2
JP Marais	6%	12%	Inlet works and BNR Generator changeover units PST fine screen and conveyor motor trippage Degritter pump blockage.
Olifantsfontein	4%	26%	None
Ratanda	6%	6%	None
Rondebult	18%	39%	Primary and secondary biofilters, Humus tank 4
Rynfield	32%	37%	None
Tsakane	10%	17%	Aerator #6 and PST bridge drive
Vlakplaats	7%	26%	Aerator 1, and 3, RAS pump 2, Module C fine screens, Module D compactor unit, Biofilters
Waterval	1%	3%	RAS pumps module 1 stage 2, RAS pumps module 4
Welgedacht	9%	45%	Aerator 2 and 7 Recurring breakdown with inlet works screens 5X Mixer at module 2 Reactor A Module 1 and module 1 inlet compressors Module 1 classifier no,1 shaft and classifier screw no.2 faulty worm Screw pump number 4 module 2 Faulty RAS screen Faulty dewatering belt no.1 out of alignment
<b>Average of 19 WCW</b>	<b>9.84%</b>	<b>21.16%</b>	
4 remain unchanged, 14 improvements and 1 deteriorated.			

The average critical equipment failures between Quarter 3 and Quarter 2 have decreased by about 11.32%.

## **Power supply interruptions**

Although Eskom no longer implements load shedding with some areas still experiencing load reduction, WCWs continue to experience significant power supply interruptions. The WCWs listed below recorded frequent power failures during Quarter 3, which directly impacted compliance. It should be noted that power outages negatively affect the ability of WCWs to effectively treat wastewater, despite the availability of standby generators. The existing generators are limited in capacity and can only support critical process units, not the entire plant operations. A total of 1,307 hours of power interruptions were recorded across WCWs in Quarter 3, compared to 1,598 hours in Quarter 2—reflecting a reduction of 291 hours from the previous quarter.

The available operating generators don't have the capacity to power the entire sections of the WCWs.

**TABLE C: Power failures**

Plant		Quarter 3 2026				Total hours without power
		Scheduled Loadshedding	Total hours Loadshedding	Power failures	Total hours Power Failures	
Benoni	DD 3	0	0	6	362	362
Esther Park	DD 3	0	0	2	56	56
Hartebeestfontein	DD 3	0	0	0	0	0
Olifantsfontein	DD 3	0	0	1	3	3
Rynfield	DD 3	0	0	0	0	0
Ancor	DD 4	0	0	2	3	3
Daveyton	DD 4	0	0	18	82	82
Jan Smuts	DD 4	0	0	2	1	1
JP Marais	DD 4	0	0	8	39	39
Welgedacht	DD 4	0	0	2	19	19
Herbert Bickley	DD 5	0	0	4	34	34

Plant		Quarter 3 2026				Total hours without power
		Scheduled Loadshedding	Total hours Loadshedding	Power failures	Total hours Power Failures	
Heidelberg	DD 5	0	0	29	136	136
Tsakane	DD 5	0	0	20	106	106
Ratanda	DD 5	0	0	7	82	82
Carl Grundlingh	DD 5	0	0	3	13	13
Dekema	DD 6	0	0	20	91	91
Rondebult	DD 6	0	0	15	234	234
Vlakplaats	DD 6	1	3	1	43	46
Waterval	DD 6	0	0	0	0	0
Totals		1	3	36	569	1307

It is important to note that although the water quality compliance target was achieved, significant and persistent challenges remain, primarily due to power outages associated with bulk electrical supply failures and load reductions in certain areas.

The following WCWs experienced the highest number of power supply interruption hours during Quarter 3: Benoni (362), Rondebult (234), Heidelberg (136), Tsakane (106), Dekema (91), Daveyton (82) and Ratanda (82).

### **Industrial pollution incidents:**

The industrial pollution is a phenomenon whereby industries (or other users) clean tanks, process units and dump the contents in the sewer lines. Such contents are normally characterised by high concentrated impurities which the WCW wouldn't have been designed for, e.g. vehicle oils or lubricants. Even though ERWAT monitor, analyse the sample and report to CoE the industrial pollution received at the various WCWs daily, it is often too late to track the source once the pollution enters the WCWs, due to the vast sewer networks it should also be noted that even though some of the WCW listed in the Table met the final effluent compliance target, they are still negatively impacted by industrial pollution on specific days.

The WCWs (water care works) listed in the Table below received industrial pollution during Quarter 3. The pollution impacts negatively on the biochemical treatment

processes, the operation of the Works and subsequently results in the inability of the Works to meet the final effluent compliance levels. The total number of industrial pollution incidents decreased in Quarter 3 as compared to Quarter 2, as detailed in the Table below.

**Table D: Industrial Pollution**

	<b>Number Of Industrial Pollution Incidents during Q3 2025/2026</b>	<b>Number Of Industrial Pollution Incidents during Q2 2025/2026</b>
Benoni	43	31
Esther Park	7	18
Hartebeestfontein	24	36
Olifantsfontein	87	70
Rynfield	2	0
Ancor	4	10
Daveyton	0	0
Jan Smuts	3	3
JP Marais	1	0
Welgedacht	16	63
Carl Grundlingh	0	0
Heidelberg	10	24
Herbert Bickley	24	15
Ratanda	0	2
Tsakane	0	0
Dekema	8	1
Rondebult	10	18
Vlakplaats	2	0
Waterval	2	1
<b>Total</b>	<b>245</b>	<b>292</b>

Olifantsfontein, Benoni, Hartebeestfontein, Herbert Bickley, Welgedacht, and Heidelberg WCWs were the most impacted by industrial pollution during Quarter 3. Overall, pollution incidents decreased by 47 compared to Quarter 2. Notably, the pollution incidents at Hartebeesfontein decreased by 12 quarter-on-quarter, from 36 to 24. This reduction may largely be attributable to dilution effects resulting from increased rainfall.

**Intermediate Chemical Supplies**

The bid for the supply and delivery of chemicals was awarded in 2024-2025 Financial Year, the commodities included in this tender includes, Chlorine gas, Alum, Calcium Hypochlorite tablets, defomer, and polymer. The listed chemicals are essential in ensuring that effluent and sludge disposed to the environment meet the required set standards as per Water Use License. The remaining period before the elapse of the current contract is 24 months.

**Table E: Chemical Shortages**

	Chlorine gas Shortages days	Disinfection by chlorine tablets days	Ferric Shortages days
Ancor	-	-	-
Benoni	-	-	67
Carl Grundlingh	-	-	-
Daveyton	-	-	-
Dekema	-	-	-
Esther Park	18	18	-
Hartebeestfontein	1	1	-
Heidelberg	-	-	-
Herbert Bickley	15	15	-
Jan Smuts	-	-	2
JP Marais	-	-	-
Olifantsfontein	-	-	-
Ratanda	3	3	-
Rondebult	-	-	-
Rynfield	-	-	-
Tsakane	6	6	-
Vlakplaats	-	-	-
Waterval	-	-	-
Welgedacht	-	-	-

**Chemical Shortages**

Tsakane, Ratanda and Hartebeestfontein experienced 6, 3 and 1 days of 925kg chlorine gas shortages respectively attributed to delays in chlorine delivery in January 2026 wherein the service provider failed to deliver product timeously following the December shutdown period, alternative disinfectant (chlorine tablets) was used during the period when there was no chlorine gas.

Herbert Bickley and Esther park experienced 15 and 18 days of 70kg chlorine gas shortages respectively due to ongoing packaging challenges experienced by the manufacturer NCP Chlorochem.

Benoni experienced 67 days of ferric shortage due to defective storage tank, which has since been repaired during the Quarter.

**Remedial Action:****1. Critical equipment failures**

Asset Care plans for critical equipment were developed but only partially implemented. Breakdowns still occur frequently, and the number of outstanding jobs for critical equipment is significant, impacting the final effluent quality directly. Adequate OPEX

funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability. A War Room (comprising of Operations, Maintenance, Finance, Strategy, Monitoring & Evaluation, Infrastructure Planning and Projects Departments and Office of the Managing Director) has been established to closely monitor progress implementation of outstanding critical maintenance work and improve the internal business processes. Furthermore, the current arrangements for the Maintenance team to report to the Operations Executive has resulted in more coordinated efforts to address critical equipment failures. The average critical equipment failures between Q3 2025-2026 and Q2 2025-2026 have decreased by about 11.32 %. The contract for mechanical maintenance services has been awarded in Q2, this will provide the much-needed services to repair and maintain equipment failures, in addition allow for improved implementation of planned maintenance activities. Implementation of priority repair work commenced in early Q3 and remains ongoing. Several work orders are still active due to the long-term nature of these interventions, with repairs being proactively addressed and progressively completed.

## **2. Power supply outages**

Short to medium term: Standby diesel generators are available at some of the most critical process units of the various WCW. Several new generators have been procured to cover all WCW critical process units. In Q3 a total of 2 preventative maintenance job cards were loaded

## **3. Industrial pollution incidents**

ERWAT works closely with the CoE and report all incidents as soon as detected to assist in tracing the source of the pollution. However, the pollution source is not often identified as it is difficult to trace in the vast sewer networks. Illegal tanker discharges were however identified to be one of the primary sources of pollution. Subsequently, some of the authorised open manholes used by tanker services were closed by the COE to tighten supervision, but more interventions are required. Fingerprinting of the pollution by the ERWAT Laboratory is a valuable tool to assist CoE in identifying the industrial pollution sources and to apply the By-Laws. ERWAT has also introduced an organic tariff formula, included in the Service Delivery Agreement whereby the City will be invoiced for increased organic content (strength) beyond the capabilities of the relevant WCW.

An intervention with stakeholders comprising of Department of Water & Sanitation (DWS) national & Provincial offices, City of Tshwane (CoT), City of Ekurhuleni (COE) and ERWAT has been developed with the purpose of addressing the challenges, mainly pollution incidents experienced at Hartebeestfontein WCW.

Furthermore correspondence received from the City of Ekurhuleni HOD dated 15 January 2026, issued a directive to prohibit the discharge of tanker waste into sewer manholes. This decision is aimed at strengthening environmental compliance, improving control over tanker activities, and mitigating industrial pollution impacting WCWs. A steering committee has been developed with monthly meetings being held to closely monitor the matter, the process is still a work in progress.

#### **4. Chemical Shortages**

The alternative disinfectant (chlorine tablets) was used during the period when there was no chlorine gas, mainly the 70kg chlorine cylinders. ERWAT is planning to phase out the 70 kg cylinders in line with the manufacturer's plan to phase-out these cylinder sizes, thus mitigate the shortage of chemical. The current chemical bid will lapse in about 25 months period, this challenge would no longer be experienced beyond this contract, as ERWAT intends to upgrade the chlorine systems within the same period.

## **KPI 5 – Departmental SDBIP**

### **Audit Opinion**

#### **Method of measure**

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

#### **Evidence**

Dated and signed Audit report from Auditor General South Africa (AGSA).

#### **Q3 Target**

Unqualified.

#### **Q3 Actual**

Unqualified.

#### **Comment:**

Target achieved.

#### **Reason for variance**

None as the target was achieved.

#### **Remedial action**

None as the target was achieved.

## **KPI 6 – Departmental SDBIP**

### **Total Capital Expenditure as a percentage of total capital budget**

#### **Method of measure:**

This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment.

Formula: 1) Actual Capital Expenditure / (2) Budgeted Capital Expenditure

#### **Evidence**

Dated and signed Finance year to date expenditure report

#### **Q 3Target**

70%

#### **Q3 Actual**

72.59%

#### **Comments**

Target Achieved

#### **Reasons for variance**

The positive variance of 2.59% in total capital expenditure is driven by the strategic advancement of major Wastewater Care Works (WCW) upgrades from the Preliminary Design Report (PDR) stage to the Detailed Design Report (DDR) stage. The commencement of these professional services has enabled the achievement of technical and financial milestones that were originally projected for later periods for the following plants:

- Waterval
- Olifantsfontein
- Welgedacht
- Ancor

#### **Remedial action:**

None

## **KPI – 7 Department SDBIP**

### **Percentage of procurement spend allocated to SMME's**

#### **Method of measure**

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

**Indicator Formula:** (1) rand value of procurement spend allocated to SMME's / (2) rand value of total procurement spend \*100.

#### **Evidence**

Award and payment listing (Report) of SMME expenditure amount (including invoices).

#### **Q3 Target**

60%

#### **Q3 Actual**

64%

#### **Comments**

Target Achieved.

#### **Reasons for variance**

The bid documents provide for points for EME or QSE bidders with 51% or higher ownership, that enables qualifying bidders to score the highest points

#### **Remedial action**

None

## **KPI 8 – Departmental SDBIP**

### **Number of Repeat Audit Findings**

#### **Method of measure:**

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

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

#### **Evidence**

Dated and signed Audit report from Auditor General South Africa (AGSA).

#### **Q3 Target**

0

#### **Q3 Actual**

2

#### **Comment:**

Target not achieved

#### **Reason for variance**

Repeat audit findings on:

- 1) Overtime recalculation discrepancies
- 2) Olifantsfontein Wastewater Treatment Works findings.

#### **Remedial action**

- 1) Management to implement enhanced review controls at the final verification stage of the overtime payment process.
- 2) Management to ensure that the preliminary design phase for the planned upgrades/refurbishments is completed timeously, and management to address the other recommendations made by the auditor general in the management report.

## **KPI 9 – Departmental SDBIP**

### **Green Drop Score**

#### **Method of measure:**

The latest available Green Drop assessment results. A Green Drop certification is a result obtained through an audit conducted by the Department of Water and Sanitation on the entire business of the municipal wastewater services (entire value chain)

The formula for the indicator is number of Green drop certification(s) achieved by the municipality through a Green Drop Assessment

#### **Evidence**

The Green Drop results as published by the National Department of Water and Sanitation

#### **Q3 Target**

N/A

#### **Q3 Actual**

N/A

#### **Comment:**

N/A

#### **Reasons for variance**

N/A

#### **Remedial actions:**

N/A

## **KPI 10 – Departmental SDBIP**

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

### **Method of measure:**

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

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

### **Evidence**

Signed Expenditure report on municipal operating expenditure spent on contracted services.

### **Q3 Target**

6%

### **Q3 Actual**

58%

### **Comment:**

Target achieved with a positive variance of 52% accumulative year to date.

### **Reasons for variance**

The bid documents provide for points for EME or QSE bidders with 51% or higher ownership who reside within the CoE area.

### **Remedial actions**

None

## **KPI 11 – Departmental SDBIP**

### **Total Operating Expenditure as a percentage of Total Operating Expenditure Budget**

#### **Method of measure:**

The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations.

**Indicator Formula:** (1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure This indicator results will be reported quarterly.

#### **Evidence**

Signed Excel spreadsheet as extracted from Budget statements for the period.

#### **Q3 Target**

70%

#### **Q3 Actual**

64.77%

#### **Comment:**

Target not achieved with a negative variance of 5.23%

#### **Reasons for variance**

Primarily due to cumulative effect of under expenditure on the following items:

- Employee Related Costs - Salaries & Wages
- Repairs and Maintenance
- Bulk purchases
- General Expenses

#### **Remedial actions:**

Management to address under expenditure per each category identified with the appropriate measures to ensure that the target for next quarter is achieved.

## **KPI 12 – Departmental SDBIP**

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

#### **Method of measure:**

The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. Unauthorised expenditure includes overspending of the total amount appropriated in the approved budget.

**Indicator Formula:** ((1) Irregular + (2) Fruitless and Wasteful + (3) Unauthorised Expenditure) / (4) Total Operating Expenditure.

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

#### **Evidence**

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

#### **Q3 Target**

0%

#### **Q3 Actual**

0.08%

#### **Comment:**

Target not achieved.

#### **Reasons for variance**

A total of R1 126 516.00 irregular expenditure and R0 new Fruitless and wasteful expenditure was noted. The irregular expenditure incurred is as a result of prior year findings raised by the AG on non-compliance matters. Total operating expenditure was R1 334 422 473 for the 2024/2025 financial period.

#### **Remedial actions:**

Checklists and internal procedures implemented to reduce and eliminate irregular, fruitless and wasteful expenditure.

### **KPI 13 – Departmental SDBIP**

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

#### **Method of measure:**

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

#### **Evidence**

Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financial statements should be used.

#### **Q3 Target**

N/A

#### **Q3 Actual**

N/A

#### **Comment:**

N/A

#### **Reasons for variance**

N/A

#### **Remedial actions**

N/A

## **KPI 14 – Departmental SDBIP**

### **Percentage of tender cancellations**

#### **Method of measure:**

This indicator measures the percentage of tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.

**Indicator Formula:** (1) Number of tenders cancelled / (2) Total number of tenders advertised and closed. The indicator is reported quarterly.

#### **Evidence**

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

#### **Q3 Target**

10%

#### **Q3 Actual**

0%

#### **Comment:**

Target achieved.

#### **Reasons for variance**

No bids were cancelled during quarter 3.

#### **Remedial actions:**

None.

3.1 City-Wide/Institutional SDBIP 2025/26

Refer to the City-wide SDBIP 2025/26

Table1: City-Wide Indicators

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

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
METRO TRADING SERVICES CLUSTER																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variatio n	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 3	Actual Output Quarter 3						Planned Budget Quarter 3	Actual Expenditure Quarter 3	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
GDS Thematic Area: Re-Urbanise: To achieve urban integration.																					
Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance																					
East Rand Water Care Association (ERWAT)	WS4. Improved quality of water (Inc. Wastewater)		WS4.31 Percentage of wastewater treatment capacity unused	Dated and signed report indicating actual flow received and treated per WCW and totalized for ERWAT system (19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW).	-43%	-50%	-50%	-52%	-2%	Performance expectations were not met	Target not achieved	The high rainfall experience during the period under review	IPAP has contracted service providers to complete the detailed design work for the WCW, which will contribute to increasing the available capacity at ERWAT.	CAPEX		73126460020TCXBA ZZER 73146460020TCXBA ZZER 73436456020TCXBC ZZER 73526449420TCXBH ZZER 73536449420TCXBH ZZER 73546449420TCXBH ZZER 73616449420TCXBH ZZER	-	P-CNIN FURN & OFF EQUIP P-CNIN FURN & OFF EQUIP P-CNIN MACHINERY & EQUIP P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS	-	-	-
GDS Thematic Area: Re- Govern to achieve effective cooperative governance.																					
Strategic Objective 2: To build a clean capable and modernized local state																					
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.1 Total revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported	R39 837 478,83	R37,752,000	R9,250,000	R9 617 279	R367 279	Performance expectations exceeded	Target Achieved	Target for revenue generated was achieved due to current projects that were maintained	None	OPEX					Various votes: 1414 votes	-	OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRAS TRUCTURE: WASTE

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
METRO TRADING SERVICES CLUSTER																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 3	Actual Output Quarter 3						Planned Budget Quarter 3	Actual Expenditure Quarter 3	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
																				WATER TREATMENT: EARTHWORKS	
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.3 Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	Water quality analyses of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet used to calculate average compliance of each of the 3 compliance categories and then the average of the 3 categories gives the overall compliance per WCW and then ERWAT system (19 WCW). Applicable Water use authorization limits of each Wastewater Treatment Works.	81%	75%	75%	86%	11%	Performance expectations were exceeded	Target Achieved	A positive variance was due to, lower raw inflow sewage strength, which aided the treatment process	Target Achieved	R211 908 457	R217 222 571	7312138090 0FAZZZZER 7325114447 0FAZZZZER 7348142330 0FAZZZZER 7348132301 0FAZZZZER 7343142330 0FAZZZZER	None	DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS	OPEX	OPEX	OPEX
East Rand Water Care Company (ERWAT)	FM7. Improved revenue and debtors management	FM7.3 Percentage of net operating surplus margin	FM7.33 Net Surplus /Deficit Margin for Wastewater	Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financial statements should be used	New KPI	5%	N/A	N/A	N/A	N/A	N/A	N/A		OPEX							

3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2025/26

Table 2: Departmental Entity's SDBIP

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 3	Actual Output Quarter 3						Planned Budget Quarter 3	Actual Expenditure Quarter 3	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
<b>IDP Strategic Objective 2: To build a clean, capable and modernized local state</b>																					
Ekurhuleni Water Care Company (ERWAT)	To build a clean, Capable and Modernized Local State		ERW1.2 Audit Opinion	Dated and signed Audit report from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	None	Performance expectations met	Target achieved	None as the target was achieved		OPEX							
	Improved Quality of Water including Wastewater		FM1.11 Total Capital expenditure as a percentage of total capital budget	Dated and signed Finance year to date expenditure report	99.56%	95%	70%	72.59%	2.59%	Performance expectations exceeded	Target Achieved	Strategic advancement of major WCWs upgrades from the Preliminary Design Report stage to the Detailed Design Report stage.	None	CAPEX	72.59%	73126460020TC XBZZER	XBH	P-CNIN FURN & OFF EQUIP	-	-	-
	Improved Quality of Water including Wastewater		ERW 3M Percentage of procurement spent allocated to SMME's	Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing (Register) of SMME supported with support amount	91.4%	60%	60%	64%	4%	Performance expectations exceeded	Target achieved	The bid documents provide for points for EME or QSE bidders with 51% or higher ownership, that enables qualifying bidders to score the highest points	None	OPEX /CAPEX	R98 323 972.05	Various votes	-	-	Various votes	-	-
	Improved Quality of Water including Wastewater		GG3.11 Number of Repeat Audit Findings	AGSA signed management letter	8 repeat audit findings noted in the AGSA signed management letter	0	0	2	2	Performance expectations not met	Target not achieved	Repeat audit findings on: Overtime recalculation discrepancies Olifantsfontein Wastewater Treatment Works findings.	Management to implement enhanced review controls at the final verification stage of the overtime payment process.  Management to ensure that the preliminary design phase for the planned upgrades/refurbishments is completed timeously, and management to address the other recommendations made by the auditor general in the management report.	OPEX							

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 3	Actual Output Quarter 3						Planned Budget Quarter 3	Actual Expenditure Quarter 3	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
	Improved quality of water including wastewater		ERW1.5 Green Drop score	The Green Drop results as published by the National Department of Water and Sanitation	6	6	N/A	N/A	N/A	N/A	N/A	N/A		OPEX		-	-	-	Various votes	OPERATIONAL:MAINTENANCE	
	LED1. Growing inclusive local economies		LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	Signed Expenditure report on municipal operating expenditure spent on contracted services	8%	8%	6%	58%	52%	Performance expectations exceeded	Target achieved	The bid documents provide for points for EME or QSE bidders with 51% or higher ownership who reside within the CoE area.	None	OPEX	R241 863 603.68 accumulative TYD	-	-	-	Various votes	OPERATIONAL	
	FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget	FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	Signed Excel spreadsheet as extracted from Budget statements for the period	New KPI	95%	70%	64.77%	-5.23%	Target not achieved	Target not achieved	Primarily due to cumulative effect of under expenditure on the following items:  Employee Related Costs - Salaries & Wages  Repairs and Maintenance  Bulk purchases  General Expenses	Management to address under expenditure per each category identified with the appropriate measures to ensure that the target for next quarter is achieved.	1 249 385 384	1 067 388 870	-	-	-	Various votes: 1414 votes	OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTEWATER TREATMENT: EARTHWORKS	
	Financial Management	FM4.11	FM4.11 Irregular, Fruitless and Wasteful, Unauthorized Expenditure as a percentage of Total Operating Expenditure	The Audited Annual Financial Statements for the previous financial year as finalized in January of the current financial period for the previous financial period.	0%	0%	0%	0.08%	0.08%	Performance expectations not met	Target not achieved	N/A	N/A	OPEX	R1 126 516 – Irregular Expenditure R0 new fruitless wasteful expenditure R1 334 422 473 opex for 24/25 FP	N/A	N/A	N/A	N/A	N/A	N/A
	FM5. Improved asset management	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment	Annual Financial Statements. In the absence of the audited figures, unaudited	4%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX		N/A	N/A	N/A	Various vote: includes Employee costs l, Repairs and maintenance	OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE:	

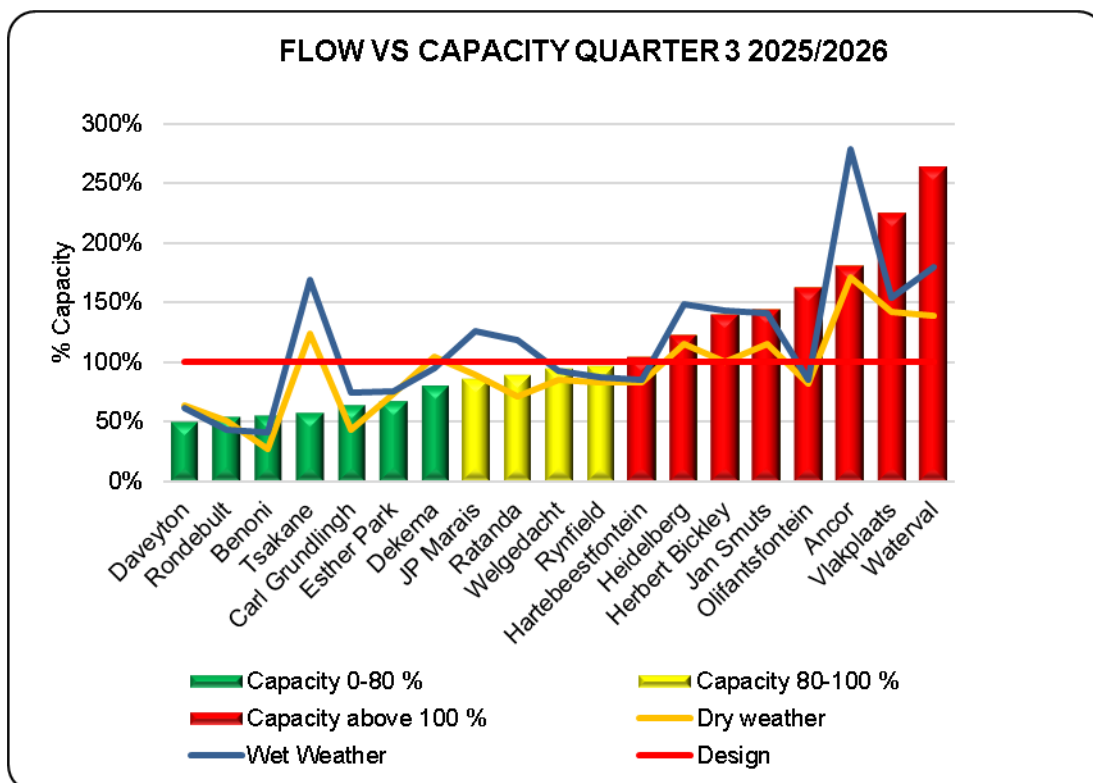
2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 3	Actual Output Quarter 3						Planned Budget Quarter 3	Actual Expenditure Quarter 3	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
			and investment property	annual financial statements should be used																	
	FM6. Improved supply chain management		FM6.13 Percentage of tender cancellations	Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that were recorded, advertised and closed.	New KPI	10%	10%	0%	-10%	Performance expectations exceeded	Target achieved	No bids cancelled during Q	N/A	OPEX	N/A	N/A	N/A	N/A	N/A		

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

NB: Reflect on the day to day activities that may not be in the Departmental Scorecard but constitute a key mandate of the department. Some of the day to day activities may be in the DH: Scorecards. This may also include the Mayoral Lekgotla Action Plan, State of the City Pronouncements etc

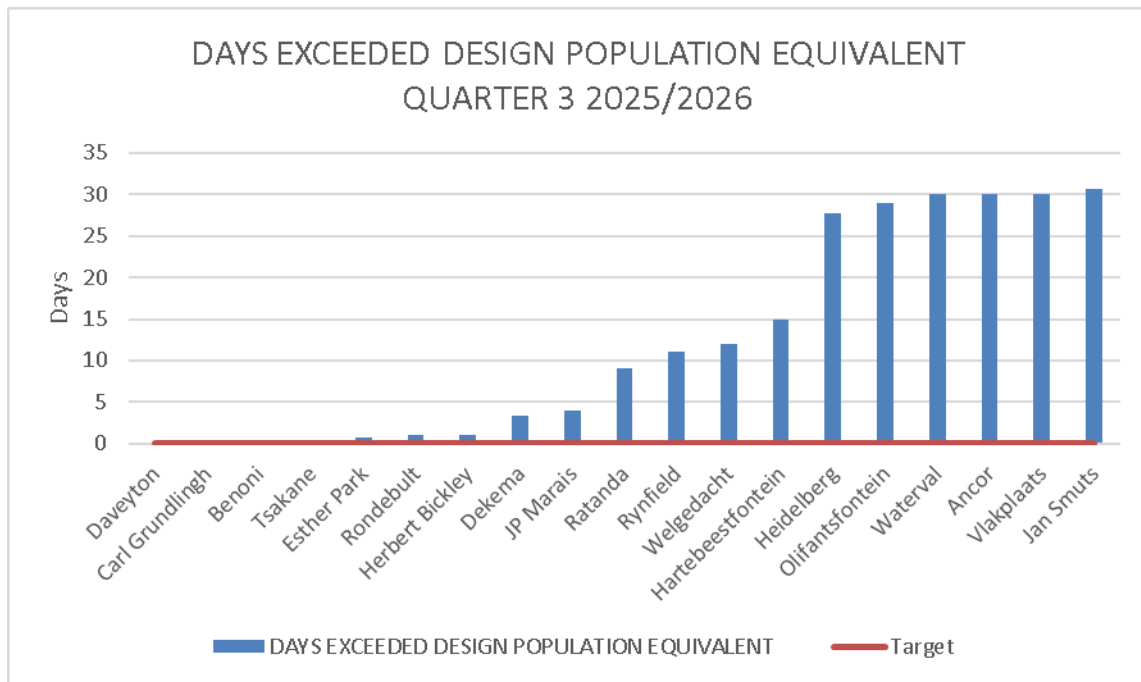
#### Quarterly Flows:

The figure below illustrates the amount of sewage inflows the plants received in Quarter 3 2025-2026, as compared to the available/design treatment capacity of each plant.



**Figure 1: Q3 Flow Records per WCW: Flow vs Design Capacity**

The Figure below shows the number of days in which the plants received excessive flows as compared to their available/design treatment capacity (for a specific population size), during Quarter 3 2025-2026.



**Figure 2: Quarter 3 2025-2026 Days Design Capacity were exceeded**

**Flow and Rainfall**

Plant	Hydraulic Design Capacity	Quarter 3	Actual Rainfall Quarter 3
Ancor	15.00	27.10	202.00
Benoni	7.50	4.06	229.00
Carl Grundlingh	5.20	3.29	216.00
Daveyton	19.00	9.39	246.00
Dekema	31.00	24.66	180.50
Esther Park	1.40	0.94	264.00
Hartebeestfontein	63.00	65.49	196.00
Heidelberg	5.40	6.60	333.31
Herbert Bickley	15.10	21.07	274.40
Jan Smuts	6.00	8.67	310.00
JP Marais	15.00	12.98	280.00
Olifantsfontein	65.00	105.06	303.30
Ratanda	4.70	4.23	314.10
Rondebult	20.00	10.75	245.50
Rynfield	9.80	9.41	226.66
Tsakane	20.00	11.40	177.00
Vlakplaats	55.00	123.89	401.00
Waterval	170.00	447.96	267.00
Welgedacht	95.00	89.78	229.00
<b>Total</b>	<b>623.10</b>	<b>986.71</b>	<b>4894.77</b>

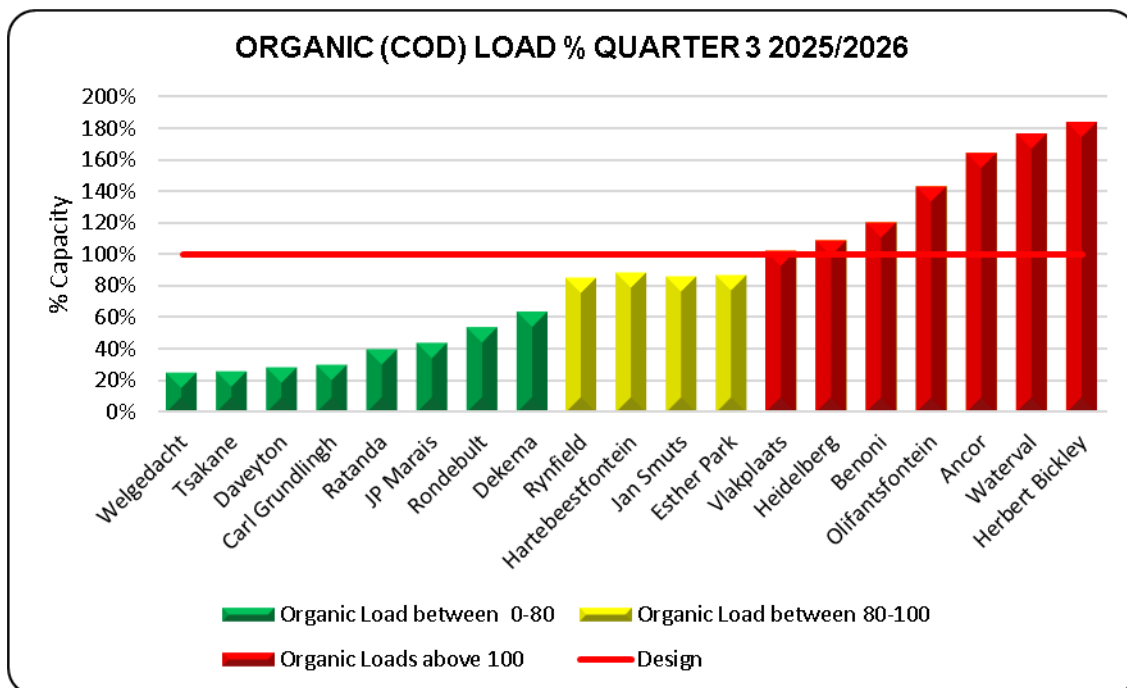
A total of 88 804.06 MI was treated in Quarter 3 2025-2026, at an average of 986.71MI/day, utilising 158.36% of the available treatment capacity, as compared with Q2 2025-2026 83 683.65MI was treated, at an average of 909.60 MI/day, utilising 145.95% of the available treatment capacity of the available capacity.

As illustrated in the graph above, during Quarter 3, eight (8) out of nineteen (19) WCWs were operating above their hydraulic design capacity, four (4) were operating between 80% and 100% of capacity, and seven (7) were operating below their hydraulic design capacity.

During Quarter 3, several WCWs operated significantly above their hydraulic design capacity. Waterval recorded the highest loading at 264%, followed by Vlakplaats at 225%, Ancor at 181%, Olifantsfontein at 162%, Jan Smuts at 142%, Herbert Bickley at 140%, Heidelberg at 122%, and Hartebeestfontein at 104% of their respective design capacities.

Until the overloaded WCW are upgraded/extended, serious challenges remain to achieve Green Drop for all the 19 plants and to support the CoE in meeting the Growth Development Strategy (GDS 2055) and the development of the Aerotropolis. Planning for the upgrading of the 5 regional works (Waterval, Anchor, Welgedacht, Olifantsfontein and Vlakplaats) has however commenced.

**Organic Load**



**Figure 3: Quarter 3 Organic Loads per WCW**

As can be noted, 7 (seven) WCW operated above 100% organic load, 4 (four) operated between 80 and 100% of the organic load and 8 (eight) below their design capacity during Q3 2025-2026 as compared to 6 (six)WCW operated above 100% , 2 (two) operated between 80 and 100% of the organic load and 9 (nine) below their design capacity design capacity during Q2 2025-2026.

### 3.4. Service Delivery Highlights and Challenges

#### 3.4.1 Plant/WCWs Specific Challenges

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Benoni	Benoni complied with overall WUL effluent standards with compliance of Physical =98% Chemical = 95% Micro = 86% The Average compliance target of 90% was achieved with the overall compliance of 93%in Q3	Plant operated at 54% of re-graded hydraulic capacity in Q3	Plant operated at 120 % of re-graded organic capacity in Q3 due to pollution from industries	There were abnormal flow fluctuations in Q3, due to broken rising main on Tom Jones pumpstation and burnt and faulty motors , Vandalisation of mini substation at Mckenzie park pumpstation and CoE Energy department working on Apex mini substation.	There were 43 high strengths of COD from industrial pollution in Q3	There were 12 Level 3 Equipment failure occurred in Q3.	There was a total of 6 unplanned power failures which lasted for a duration of 362 hours Q3	Open digesters walls are cracking,	None	None	Dried sludge is stockpiled on the plant	Unlined sludge paddies and maturation ponds could cause possible ground water pollution in Q3	None	None	Sludge classification is B1a for drying beds and B1a for stockpiled. Sludge.Samples were taken to the Laboratory on 30/03/2026 for analysis of the new sludge classification. Screenings and grits that are generated at the plant, are collected by CoE.	Road is accessible	Potable water is available

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Esther Park	Esther Park did not comply with overall WUL effluent standards with compliance of Physical =74%Chemical = 50% Micro = 92% The average compliance target of 84% was not achieved with the overall compliance of 72% in Q3.	Plant operated at 67% of hydraulic capacity in Q3.	Plant operated at 87% of organic capacity in Q3	The plant experienced abnormal fluctuations in inflows in Jan - March 2026 (Q3). On 4th Jan and 2nd Feb inflow of 1.41 MI/D was received. The average inflow was 0.94 MI/d (67%) for the quarter.	Plant received industrial high strength effluent 8 times out of 90 days during Jan - March 2026 (Q3).	Two Alert Level 3 Equipment failures occurred in Q3 (Compactor, Screw Conveyor	There were 2 power outages Jan - March 2026 for duration of 56 hours.	Reactor walls are leaking.	Not applicable.	None	Not applicable.	Not applicable	Not applicable	Not applicable	Screenings and grits collected by service provider.	Access road repaired. Road inside plant must be compacted.	Drop in water pressure occasionally that affects chlorine dosing.
Hartebeestfontein	Hartebeestfontein did not comply with overall WUL effluent standards with compliance of Physical = 83%Chemical = 68%Micro = 65% The average compliance target of 50% was Achieved with the overall compliance of 72%	Plant operated at 104% hydraulic capacity in Q3	Plant operated at 89% of organic capacity in Q3	The plant experienced fluctuations in inflows in January to March 2025 (Q3) due to rainfalls with an average flow of 63.45MI/d.	Plant received industrial high strength effluent 5 times out of 90 days during Janaury- March 2026 (Q3).	36 Alert Level 3 Equipment failures occurred in Q3.	There were no unplanned power outages in January- March 2026 (Q3).	Aging infrastructure: chlorine, thickeners, clarifier 2-4 bridge and siphons.	Digester 1, 4,6 and 9 sludge recirculation nozzles blocked. Digester 1-9 feeding lined was blockedConstant blockage of digester feed lines (1-9)PST 2 & 3 Blocked	There was no veld fires experienced in January- March 2026 (Q3)	252181kg of dry sludge was irrigated to the 200 hectares farm in Q3	Borehole two has high concentration of Nitrates.	Sinkhole next to the fence towards FST 5 & 6 and around the Farm.	License amendment with relaxation on Electrical conductivity, Ammonia, E.coli.	Sludge classification is B2b, not suitable for the intended purpose; this requires further engagement with the farmer.	The grading was done around the fence in May 2025.	There was 4 portable water leak around the plant and farm.

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Olifantsfontein	Olifantsfontein did not comply with overall WUL effluent standards with compliance of Physical = 57% Chemical = 58% Micro = 95% The average compliance target of 60% was Achieved with the overall compliance of 70%	Plant operated at a hydraulic capacity of 162% in Q3 25/26	Plant operated at 143% of organic capacity for Q3 25/26	There were abnormal fluctuations of inflows in Q3 25-26 With ranges of 80.74 - 115.24 MI/d in Jan 2026, 89.25-137.17 MI/d in Feb 2026, and 98.09 - 145.42 MI/d in Mar 2026.	Plant received industrial high strength effluent (very high Electrical Conductivity above 100 mS/m) with 61 days out of 92 days in Q3. Plant also experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.	25 Level 3 Equipment failures occurred in Q3.	There was 1 power outage for a total of 3 hours in Q3	Module 3 Anaerobic digesters and module 1, 2 and 3 reactors.	1 of 6 digesters.	There was 0 veld fire incident reported in Q2	Total sludge of 128 633 kg was produced in Q3.	Unlined emergency dams contaminating borehole no.2&3. Borehole 1 runs dry during dry seasons	2x Sinkholes behind and in front of the old laboratory which occurred in Dec 2019 and 1x behind return pump station which occurred in March 2024. All sinkholes still not rehabilitated	Olifantsfontein WUL is stringent on Ammonia of < 2mg/l, SS of 15 mg/l and EC of < 80 mS/m.	Sludge is classified into three streams: (1). Dewatering unit(B3a), the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A3a), No restrictions and requirements apply 3) Grit and screenings are collected by service provider from the water works to the registered landfill.	Road to upstream sampling point need to be graded and there is high erosion on the banks. To be reported to the CoE..	Yes, there is a water leak that is reoccurring and resulting in water loss

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Rynfield	Rynfield did not comply with overall WUL effluent standards with compliance of 60 % Physical = 96% Chemical = 52% Micro = 32% The average compliance target of 65% was not achieved with the overall compliance of 60%	Plant operated at 96% of re-graded hydraulic capacity in Q3, which was higher than design capacity.	Plant operated at 86% of re-graded organic capacity for Q3	There were fluctuations of the flows received during the Q3 due to high rainfall received and low flows caused by nonoperational pumps at N12 pumpstation.	None	0 Level 3 Equipment failures occurred in Q3.	There were 0 power outages in Q3	Pavement, Digesters, Reactor tank and Bio-feeder structures are cracked	3 of 4 digesters are blocked due to defective desludging valves	There was no veld fire incident in the plant in Q3.	Dried sludge is stockpiled at the plant.	Unlined sludge paddies, contact tank and maturation ponds could cause possible ground water pollution	None	None	CoE collects screenings and grits from the inlet works. Dried sludge is stockpiled at the plant	Road is accessible	Portable water is available
Ancor	Ancor complied with overall WUL effluent standards with compliance of Physical = 76% Chemical = 63% Micro = 100% The average compliance target of 50% was achieved with the overall compliance of 80%	Ancor received an average inflow of 27.10 (181%) ML/day in Q3, higher than the design capacity of 15 ML/d.	Plant operated at 165% of its organic capacity in Q3, with an average incoming COD of 695 mg/l, higher than the COD limit of 760 mg/l.	Ancor received storm water ingress during Q3, with a total rainfall of 202mm.	Plant received high COD industrial effluent in 4 out of 90 days.	Ferric dosing pumps experienced blockages and affected phosphate compliance for 6 days during Q3.	There were 2 unplanned power outage incidents during Q3 which lasted for a total of 3 hrs.	Bio filter flow division boxes partially collapsed, humus tanks/ PST's- and digesters structures are crumbling /cracked. Ancor also do not have a chlorine contact tank for disinfection.	1 digester blocked with sand and 2 are partially in operation. This cause the plant to run out of sludge handling capacity, which prevent proper desludging and resulting in non-compliances.	No Veld fires occurred during Q2.	Stockpile area not lined. Stockpiles on plant is a risk due to veld fires and environmental pollution	Unlined sludge paddies pollute underground water.	Area around humus tanks and final effluent channel are dolomitic according to Geotech study performed .	N/A	CoE/MCC removes solid waste (screenings and grit) and transport it to the designated landfill. Dried is dried in unlined sludge paddies and, stockpiled when it dry and given to	Access road to the plant is in bad condition with lots of potholes.	About 6 taps inside the plant and 3 geysers at the houses are leaking and wasting portable water

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
															the local farmers.		
Daveyton	Daveyton complied with overall WUL effluent standards in Q3 with compliance of Physical = 100% Chemical = 99% Micro = 97% The average compliance target of 90% was Achieved with the overall compliance of 99%	Plant operated at 49% of its hydraulic capacity in Q3.	Sufficient capacity. Plant operated at 28% of its organic capacity in Q3.	Numerous sewer blockages in the CoE network, and power supply interruption to Etwatwa ext. 10 pumpstation.	N/A. Domestic only.	22 Alert level 3 equipment failures occurred in Q3, which was the generator at the BNR, Ferric dosing system, Screw conveyor at inlet works and Aerators	18 power failures totalling 82 hours in Q3.	CCT and Inlet works channel sometimes leaking. Do not have direct impact on the operations of the plant at the moment	N/A	No veld fires in Q3.	Sludge lagoons are unlined Space for solar drying is insufficient	Unlined sludge lagoons pollute the ground water.	N/A	N/A	Screenings are collected by contractor for proper disposal.	N/A	N/A
Jan Smuts	Jan Smuts complied with overall WUL effluent standards with compliance of Physical = 93% Chemical = 76% Micro = 100% The average compliance target of 70% was Achieved with the	Plant operated at 145% of its hydraulic capacity	Plant operated at 87% of its organic capacity.	90 days of High incoming flows in Q3	Plant received industrial high strength effluent on 3 of the 90 days in Q3.	Q2, had 2 critical equipment failures for November and December 2025. The Generator and both Booster pumps 1 and 2 were faulty	2 Power outages (1 hours total) due unplanned maintenance. Generator backup was operational	Humus Tanks scum boards, digester number 2's wall and drying beds' walls.	None	None	Dried sludge is stockpiled on site.	Unlined sludge stockpile area can cause groundwater pollution.	No	No	Screenings are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions.	Fair	Rand Water

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	overall compliance of 90%																
JP Marais	JP Marais complied with the overall WUL standard for Q3 was Physical = 100%, Chemical = 98% and Micro = 99% the average compliance target of 90 was achieved with a overall compliance of 99%	The plant operated at 12.98ML/d which is 87% of the design capacity.	Plant operated at 44% of the design organic capacity.	N/A	N/A	17 Alert level 3 equipment failures were reported in Q3 which included: BNR and Inlet works generator changeover units, PST fine screen conveyor, Inlet works screen #1, RAS pumps 1, 2 and 4, irrigation pump #1, chlorine rotometer pipe, Chlorine dosing pipe and	8 power failures which amounted to 39 hours were reported for Q3	N/A	N/A	No veld fire incident experienced in Q3	Sludge pumped to Welgedacht, where it is treated.	Some boreholes polluted. Ongoing monitoring of boreholes.	No dolomitic soil	N/A	Screenings and grit removed and disposed of at landfill site	N/A	No issues relating to potable water reported for Q3

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						Degritter pump #1											

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Welgedacht	Welgedacht didn't achieve to comply with overall WUL effluent standards with compliance Physical =100%Chemical = 90%Micro = 82%The average compliance target of 81% was achieved with an overall compliance of 90%	Plant operated at a hydraulic capacity of 95% in Q3 25-26	Sufficient capacity Plant operated at 26% organic capacity. Under Achievement.	N/A	Welgedacht received High EC noticed as possible industrial pollution in february for 16 days.	48 Alert level 3 critical equipment failures occurred in Q3 2025/2026 Module 1 blocked RAS pump 2,5 and 6,Module 1 blocked recycle pump no 3,Module 2 faulty scrapper inlet fine screen, Borehole pump,leaking poly pump no #2 and #3, Blocked compactor A and B module 2 ,Module 1 chlorine booster pump no 1 leaking mechanical seal ,Dewatering sludge pumps 1,2 and 3, MV main power supply reset and Module 1 screw pump no	2 power outage unplanned power outages which lasted for 19hours due transformer failure at ESKOM substation.	Module 1 electrical panel for aerators and digesters at module 2	Digester no.2 waste line was blocked, unblocked on 03 December 2025.	No veld fires occurred.	None	Unlined Dichlorination channels and Emergency dam	N/A	None	Screenings are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions.	Gravel access roads are in very bad condition and very slippery when wet.	No potable water supply to the plant. Borehole water is used for hygiene. Drinking water is being transported in from other plants.

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						6, Aerator 4,12 13.											

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Carl Grundlingh	Carl Grundlingh complied with overall WUL effluent standards with compliance of Physical = 98% Chemical =95% Micro = 93% The average compliance target of 88% was Achieved with the overall compliance of 96%	Plant operated at 63% hydraulic capacity in Q3	Plant operated at 30% organic capacity in Q3	none	none	None	There were 3 unplanned power outages with a total of 13 hours hours for Q3	BNR structure	None	No veldfires reported in Q3	Land application of sludge is being used	Unlined sludge to land posing ground water pollution	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	Access road to the plant is damaged and requires an upgrade.	None

Heidelberg	Heidelberg complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 91% Micro = 98% The average compliance target of 80% was Achieved with the overall compliance of 96%	Plant operated at 122% of its hydraulic capacity	Plant operated at 110% of organic capacity in Q3	High incoming flows above the design of the 5.4 Ml/d	The plant received 10 high COD levels that are above the design in the current quarter.	Total equipment failures in January is 6, so there was a call-out for a fitter to remove motors at the inlet work, an electrician to disconnect, and again for a fitter to install the motors and an electrician to connect them. There was a call-out to fix the PST screen and a separate call-out to check the system. aerator no. 1 at module 1. Total equipment failures in February were 2; there was a call-out on 21/02/2026 to fix the PST screen and a call-out on 28/02/2026 to restore the power in the guard room; therefore, the total in this quarter is 8 equipment	Heidelberg had 29 unplanned power outages with a duration of 136 hours. Diesel used was 6 228 L	The joint sealants of Carousel reactor concrete wall are damaged	None	None	Sludge at the plant stockpiled after dewatering, and is also applied/irrigated to the lands and could potentially contaminate groundwater resources	Unlined sludge paddies/lack of groundwater monitoring in the sludge paddies	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	The access road to Heidelberg works requires a new-tarred road is required urgently	Leakage on the pipeline to the inlet works due to a rusted pipeline.
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						failures. In the month of March, call-out was done on 24/03/2026 to switch on power from the mini-sub. The plant had total 9 critical equipment failure in this quarter.												
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Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Herbert Bickley	H. Bickley complied with overall WUL effluent standards with compliance of Physical = 99% Chemical = 96% Micro = 93% The average compliance target of 80% was achieved with the overall compliance of 96%	Bickley operated at 140% of the regraded hydraulic capacity	The organic load is 155% of the organic capacity	The plant continues to experience high flows, the Jamson park pump station is not working, LLM using discharge tankers	24 industrial pollution incidents reporter 23x high COD incidents and 1x high NH3	RAS pump 3 down to earth, no pumps contract to repair the pump.	4 power failure incidents lasting for 34 hours	Biofilter module structure cracked and the anaerobic digester structure also cracked	Anaerobic digester underflow line blocked	none	none	Groundwater r analysis fluctuates showing signs of pollution	none		CoE collect screenings and grit while sludge is used for cultivation of lawn	Roads are damaged	Low paoratable water pressure to minimal flow
Ratanda	Ratanda complied with overall WUL effluent standards with compliance of Physical = 99% Chemical = 93% Micro = 96% The average compliance target of 85% was Achieved with the overall compliance of 96%	WCW operated at 90% of its hydraulic capacity	WCW operated at 40% of organic capacity	Leaking pipe to the WCW, Manhole blockages, incidents reported to Lesedi LM the custodian of the sewer network and DWS.	None	Generator failure	WCW experience d 7 unplanned power outages for a duration of 82 hours	Drying beds drainage system and chlorine contact tanks are badly leaking structures	N/A	No veldfires occurred during Q3.	Dried sludge is stockpiled on-site.	Unlined sludge ponds and leaking drying beds	None	None	Screenings and grit generated at the plant are collected by the service provider to a licensed landfill site	The access road to Ratanda Works is severely damaged and a new-tarred road is required urgently	No link to the Municipal Potable Water Supply, water transported from Heidelberg Works and borehole water is used for other domestic purposes

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Tsakane	Tsakane complied with overall WUL effluent standards with compliance of Physical =98% Chemical = 85% Micro = 92% The average compliance target of 75% was Achieved with the overall compliance of 92% in Q3	Plant operated at 57% hydraulic capacity in Q3	Plant operated at 26% organic capacity in Q3	none	none	There was 1 Alert level 3 failure for Sludge to land pump #1 in Q3	There was 1 unplanned power outages with a total of 11 hours, 19 load reduction with total of 95 hrs for Q3.	None	None	No veldfires reported in Q3	Sludge pumped to unlined lagoons/paddies for solar drying	Unlined sludge lagoons and paddies and lack of groundwater monitoring at the sludge lagoons due to sample not yet analysed and paddies. Unfenced drying paddies.	None	None	Screenings and grit collected by City of Ekurhuleni (CoE) and MCC contractor to a dedicated landfill site	None	Potable water leaks around the plant and hostel. created a wetland.
Dekema	Dekema complied with overall WUL effluent standards with compliance of Physical = 89% Chemical = 83% Micro = 82% The average compliance target of 75% was achieved with an overall compliance of 85% in Q3	Plant operated at 80% of hydraulic capacity	Incoming organic concentration was within design organic capacity. Plant operated at 63% organic capacity	The plant received an average of 24.9 ML/d for Q3 and 181mm total rainfall	Plant received 7 industrial pollution during Q3	4 x Level 3 Equipment failures occurred in Q3: Generator,Biofilter pump,outflow meter ,PST 4 gearbox	1 x Unplanned power outages for 5 hours, and 19 load reduction for 86 hours.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked.	1 out of 12 Anaerobic digesters roof is damaged.	No veld fires occurred during Q3	Sludge pumped to unlined sludge paddies for solar drying and dried sludge spread to land area to be ploughed into land	Unlined sludge paddies. Screenings and grit are disposed of to suitable landfill that is lawful according to the NEMA.	None	N/A	Screenings and grit generated at the plant are disposed to suitable landfill that is lawful according to the NEMA. A Service Provider screenings and grit transport to authorised landfill site	The access road to Dekema WCW needs to be tarred as it gets muddy and slippery during rainy season.	No issues relating to portable water reported

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
															courtesy of CoE		

Rondebult	Rondebult complied with overall WUL effluent standards with compliance of Physical =100% Chemical = 97% Micro =93% The average compliance target of 90% was achieved with the overall compliance of 97% in Q3	Plant operated at 54% of hydraulic capacity	Plant operated at 63% organic capacity	The plant received an average of 12.27 ML/d for Q2 and highest flow recorded was 31.84 ML/d. Total rainfall measured during Q2 at the plant was 390 mm.	Plant received high COD industrial effluent on 8 of 92 days	10 Level 3 Equipment failures occurred in Q2. 0 critical equipment reported during the month of October 2025. 5 x critical equipment reported during the month of November 2025. 5 x critical equipment reported during the month of December 2025	10 x Outages with the total hours of 95.49 hours occurred during Q2.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked. Biofilter walls cracked. Brick work of open channels are unstable, collapsing and cracked. The feed pipe from the primary biofilters to the secondary biofilters has collapsed. The wall that has a feed pipeline to the PSTs has collapsed due to heavy rainfalls. Anaerobic digester #4 and #5 walls have cracks. Digester #6 dome has open/ visible cracks on the surface. Office building cracked and leaking during heavy rainfalls	1 of 6 digesters is blocked	No veld fires occurred during Q2	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area and ploughed into land. WUL noncompliant and an audit finding.	Unlined sludge lagoons, Collection and transportati on of screenings, grit disposed of at a registered hazardous waste landfill sites	The entire area of the plant are dolomitic	N/A	Collection and transportation of waste (screening and grit) to a waste disposal site done by service providers.	The access road in and around the plant are deteriorating and will need attention	Potable water pipeline rusted and needs to be replaced
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Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Vlakplaats	Vlakplaats didn't comply with overall WUL effluent standards with compliance of Physical = 91% Chemical =62 % Micro =48 % The average compliance target of 47% was achieved with the overall compliance of 67 % in Q3	Plant operated at 225 % of hydraulic capacity. Needs to be upgraded	Plant operated at 102% of organic capacity	The plant received an average of 110 ML/d for Q2 and highest flow recorded was 205 MI/d. Rainfall measured at the plant was 331 mm. Fluctuation of inflow is due to inconsistent Pump stations.	Plant received industrial high strength effluent on 10 of 91 days	30 Level 3 Equipment failures occurred in Q2. - Namely: 1 x damaged electrical cable at main supply DBF dosing station 30 x failure of Module 1-4 Level 3 Equipment failures occurred in Q2. 33 x failure of raw sludge pumps 1x failure of Gensets.	1 Outages occur (35 hours in total) faulty cable supplying power to the surrounding areas.	Office building, Biofilters, Digesters have some acks.	Most digesters are full of sand and require to be emptied and cleaned. Contractor started cleaning module A digesters and thi Q2 they are busy with module C digesters.	No veld fires occurred during Q2	Dried sludge is stockpiled on the drying beds. Demand for instant lawn application is seasonal	Unlined Maturation Pond.	Area around bio filters at Mod A are dolomitic	N/A	Screenings and grit tender is awarded generated solid waste at the plant is disposed to landfill site starting from the 1 Feb 2023	Access road to DBF dosing station is slippery during rainy season	0 days water supply cut incidents were experienced during Q2.

Plant	Q3	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Waterval	Waterval complied with overall WUL effluent standards with compliance of Physical =95% Chemical = 92% Micro = 83% The average compliance target of 80% was Achieved with the overall compliance of 90% in Q3	Plant operated above hydraulic capacity (operated at 264% capacity)	Plant operated at 177% organic capacity.	Average flow of up to 447.80 Ml/day received due to developments and bypasses from upstream plants. Total rainfall of 200 mm was received in Q3	Plant operated at 179% organic capacity.	17 alert level 3 Critical equipment failures occurred in Q3 2025/2026 Mainly from ,1x Pond effluent short circuiting, 8 x Blowers failure, 2 x inlet screens failure, 1 x chlorine dosing regulator failure, 3x DBF power failure, 1 x DAF conveyor failure, 1 x module 4 auto desludging failure	0 Hours planned blower outage	None	None	0 veld fires at sludge land occurred during Q3	Dried sludge is stockpiled on the plant and paddies. Demand for agricultural applications is seasonal.	Unlined Emergency dams and paddies.	None	N/A	Screenings and grit generated at the plant are now disposed at landfill site, this to prevent underground seepage	N/A	0 days water supply cut incidents were experienced during Q3

### **3.5.1 Running Projects**

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

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

Replacing pumps that are inefficient or pumps that are operating outside the expected service life. The objective of the project is to enhance plant performance, efficiency and reliability to ensure compliance of wastewater works effluent to the requirements as per the water use license granted by the Regulator.

#### **3.5.1.2 Scientific Services Projects**

This project involves the strategic procurement, installation, and commissioning of high-precision analytical laboratory instrumentation. The primary focus is to replace obsolete equipment at the Hartebeestfontein Office Park (Scientific Services) laboratory. Q2 CAPEX included the procurement of high-capacity UPS backup systems for the Microbiology Wing and other Analytical Instruments for the laboratory.

#### **3.5.1.4 Medium Voltage (MV) Infrastructure Upgrade Program**

During Quarter 2, ERWAT maintained its strategic focus on the modernization of the electrical "backbone" across its various Water Care Works (WCW). The MV Upgrade Project is a multi-year initiative aimed at mitigating the risks of power instability and equipment obsolescence. Key activities this quarter centred on the procurement and installation of MV Switch Gears, Ring Main Units (RMUs), and specialized cabling to establish a redundant and resilient network.

#### **3.5.1.5 Minor Capex Projects**

These projects are often below a certain monetary threshold or involve assets with a short lifespan. Acquisition of small, low-cost assets like ICT project, Office equipment and Feasibility studies for smaller projects. ERWAT reports on all capital expenditure, including minor projects, as part of ERWAT's financial reporting requirements.

### **3.5.2 Wastewater Care Works (WCW) Capacity Upgrade.**

#### **3.5.2.1 Waterval WCW.**

The scope of work entails provision of additional 250ML/d treatment Module for Waterval WCW and the respective Refurbishment/upgrade of existing Modules.

Following the successful completion of Stage 1 (Inception) and Stage 2 (Preliminary Design) by the City of Ekurhuleni, ERWAT has taken over management of the remaining stages. This

quarter focused on transitioning into **Stage 3 (Detailed Designs)**, with significant milestones reached regarding infrastructure layout and technical specifications.

- **New Pipeline Design:** The detailed engineering designs for the new pipeline infrastructure are 100% complete. This includes hydraulic modelling, material specifications, and route finalization to ensure seamless connectivity with the new treatment module. Design Drawings and Tender Documentation have been submitted for review and approval.
- **Detailed Design Report (DDR):** The comprehensive DDR is now complete. This document outlines the final technical parameters, process flow diagrams, and equipment selections required for the 250ML/d capacity increase.

#### **3.5.2.2 Olifantsfontein WCW.**

The scope of work entails the additional 50ML/d treatment Module and restoration of the current regraded 65 ML/d back to 105ML/d design capacity.

Following the successful completion of Stage 1 (Inception) and Stage 2 (Preliminary Design) by the City of Ekurhuleni, ERWAT has taken over management of the remaining stages. This quarter focused on transitioning into Stage 3 (Detailed Designs), with significant milestones reached regarding infrastructure layout and technical specifications.

- **Detailed Design Report (DDR):** The comprehensive DDR is now complete. This document outlines the final technical parameters, process flow diagrams, and equipment selections required for the 250ML/d capacity increase.

#### **3.5.2.3 Vlakplaats WCW.**

Upgrade/refurbish existing works (Restore current regraded 55 ML/d to 83ML/d) design capacity. Provision has not been made for additional capacity for the WCW due to the Regionalization strategy which has capped the capacity of the plant and diverting the additional flow to the Waterval WCW. The initial strategy was to Cap the flow at 55 ML/d, however due to the demand of the plan, it was determined that the plant capacity needs to be restored.

The Inception (Stage 1) phase is complete, and the Preliminary Design (Stage 2) is currently underway. The Detailed Design (Stage 3) phase is scheduled to commence in the 2025/2026 financial year upon completion of the current phase.

- **Preliminary Design Report (PDR):** The PDR has been finalized currently circulating for formal signatures and approval. This report outlines the technical baseline, cost estimates, and implementation timelines.

#### **3.5.2.4 Welgedacht WCW.**

The primary objective of this intervention is the provision of a new 60 ML/d treatment module alongside the comprehensive refurbishment and uprating of existing modules. Following the successful completion of the Inception (Stage 1) and Preliminary Design (Stage 2) phases by the City of Ekurhuleni, ERWAT has transitioned the project into the Detailed Design (Stage 3) phase under the guidance of the newly appointed service provider.

The project is currently on Preliminary Design Report (PDR) The engineering team is focusing on the following core activities to finalize the DDR: Key focus areas include:

- I. **Technical Refinement:** Finalizing civil, mechanical, electrical, and instrumentation (CMEI) specifications for the new 60 ML/d module
- II. **Tender Document Readiness:** Preparing accurate Bills of Quantities (BoQ) and technical drawings to facilitate the upcoming procurement stage.

#### **3.5.2.5 Ancor WCW.**

The scope of work entails the additional 15ML/d treatment Module and restoration of the current regraded 15 ML/d back to 35ML/d design capacity.

The Inception (Stage 1) and Preliminary Design (Stage 2) phases have been completed by the City of Ekurhuleni. ERWAT has since appointed a service provider to complete the remaining stages, with the Detailed Design (Stage 3).

The project is currently on **Preliminary Design Report (PDR)** The engineering team is focusing on the following core activities to finalize the DDR: Key focus areas include:

- I. **Technical Refinement:** Finalizing civil, mechanical, electrical, and instrumentation (CMEI) specifications for the new 15 ML/d module.
- II. Detailed assessment and design of the components required to upgrade the regraded section back to 35 ML/d.
- III. **Tender Document Readiness:** Preparing accurate Bills of Quantities (BoQ) and technical drawings to facilitate the upcoming procurement stage.

#### **3.5.3 Department of Human Settlements (DHS) Funded Wastewater Care Works Capacity Upgrade.**

Department of Human Settlements (DHS) Gauteng had initiated and funded the capacity upgrade and refurbishment of the Ratanda WCW of the new development of Obed Mthombeni Nkosi which lies within the Lesedi Local Municipality.

##### **3.5.3.1 Ratanda WCW.**

The scope of work entails the refurbishment of the existing works and upgrade by extension of the works with an additional capacity of 5 ML/d, by provision of a new module.

Construction of the project is ongoing. Foundation work preparation is sitting at 100%.

Construction of BNR Reactor at 95%, Dewatering Slabs at 100%, Dewatering Structures at 80%, Flow Control Chamber at 95%, splitter box and RAS at 90% and Electrical House at 95%. The project practical completion is estimated in March 2026.

#### **3.5.3 Conclusion**

ERWAT is striving and working hard towards addressing all Mega Catalytic projects to accommodate all new developments within the City of Ekurhuleni. As discussed above, the mentioned Water Care Works need to be upgraded urgently to cater for the current backlog in capacity and to make provision for future housing and industrial developments.

### 3. Financial Report

Table 5: Operational expenditure

Description	Revised Budget	Budget Q3	Actual Q3	YTD Budget	YTD Actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
<b>EXPENDITURE BY TYPE</b>							
Employee Related Costs - Salaries & Wages	579 185 686	142 323 014	126 073 152	434 389 265	364 832 410	-11,42%	-16,01%
Remuneration of Directors	3 245 394	811 349	380 527	2 434 046	1 309 668	-53,10%	-46,19%
Bad Debts (Provision for Bad Debts)	1 829 993	457 498	56 300 354	1 372 495	53 912 408	12206,14%	3828,06%
Impairment (gain)/loss	10 500 000	2 625 000	-	7 875 000	-	-100,00%	-100,00%
Depreciation	108 378 896	25 990 302	29 066 261	81 284 172	86 571 891	11,84%	6,51%
Repairs and Maintenance	208 932 198	52 232 933	42 553 298	156 699 149	122 303 158	-18,53%	-21,95%
Interest Expense	26 390 424	1 980 606	2 546 820	19 792 818	11 849 155	28,59%	-40,13%
Bulk purchases	454 058 475	80 895 732	107 642 631	340 543 856	308 353 323	33,06%	-9,45%
General Expenses - Other	273 326 112	86 057 975	49 802 753	204 994 584	128 097 910	-42,13%	-37,51%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1 665 847 178</b>	<b>393 374 408</b>	<b>414 365 796</b>	<b>1 249 385 384</b>	<b>1 077 229 923</b>	<b>5,34%</b>	<b>-13,78%</b>

The total overall underspending in the 3rd Quarter can be attributed to the following reasons:

1. Employee related costs: Major contributing factor to manpower under expenditure:
  - Budget provision of 7.5% for annual, however bargaining council increase was approved at 5%.
  - Employee related costs:
    - Major contributing factor to manpower under expenditure:  
The number of vacancies that were expected to be filled during Q4 were not realised which resulted in under expenditure on the manpower costs. It is expected that the outstanding vacancies will be filled by year-end, subject to the completion of the recruitment process.
2. Director's remuneration: Under expenditure as the budget provided for 8 Directors, however only three vacancies were filled and one director resigned during the third quarter.
3. Provision for bad debts, the significant variance between the actual and the budgeted amount is mainly attributable to the Johannesburg Water Service Charges debt that has been outstanding for more than 90 days.
4. Impairment (gain)/loss: The impairment review of assets is performed at year-end therefore this expenditure will only be realised at year-end.
5. Depreciation: The year-to-date variance of 6.51% can be attributed to the estimated budget for depreciation being slightly less than what was realised at the end of the third quarter.
6. Repairs and maintenance:

Several work orders remain active due to the long-term nature of the repairs and maintenance activities related to the jobs. As a result, the associated expenditure is expected to be realised in Q4, with funds already committed as at the end of Q3. At the close of Q3, total repairs and maintenance expenditure, including commitments, amounted to R166,019,210.40, representing 80% performance against the Q3 target of 75% (R156,699,148.50). This indicates that while some projects are still in progress, spending is ahead of the planned target, with committed funds to be expended in the next quarter.
7. Interest Expense, the expenditure incurred was lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.
8. General expenditure:

The transport and freight - The projects are still in progress however underspending due to work that could not be completed as planned within the third quarter.

*Bulk purchases:*

*Bulk purchases, the variance is mainly due to the dispute with Johannesburg Water which has resulted in a reduction in the amounts billed to ERWAT for the 2025/2026 year which is less than what was originally budgeted for.*

*Health, safety and protective clothing: In the third quarter, ERWAT submitted a request to include additional PPE items beyond the critical category under transversal contracts. Approval was subsequently granted in December, allowing for broader procurement. POs were created for additional items and we are awaiting delivery. Delivery is anticipated before the end of May.*

Table 6: Capital expenditure

Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Total Budget for the year	Actual for FY (Yr. to date)	Variance for year (Yr. to date)	% Completion
CAPEX PROJECT	R 294 995 612,00	-	R 103 248 464,20	R101 522 924,75	-R1 725 539,45	R 294 995 612,00	R 214 128 083,55	R80 867 528,45	72,59%

The positive variance of 2.59% on total capital expenditure is driven by the strategic advancement of major Wastewater Care Works (WCWs) upgrades from the Preliminary Design Report (PDR) stage to the Detailed Design Report (DDR) stage. The commencement of these professional services has unlocked technical and financial milestones that were originally projected for later intervals for the following plants:

- Waterval
- Olifantsfontein
- Welgedacht
- Ancor

The total original CAPEX budget of R294 995 612 is comprised of as follows:

R200 500 000 USDG  
R 94 495 612 Self-funded  
**R294 995 612 Total**

The Actual year to date CAPEX spend of R113 621 593.20 is comprised of as follows:

R144 296 434 USDG  
R 69 831 650 Self-funded

**R214 128 084 Total**

The % Completion is comprised of as follows:

71.96% USDG (Budget vs Actual)

73.89% Self-funded (Budget vs Actual)

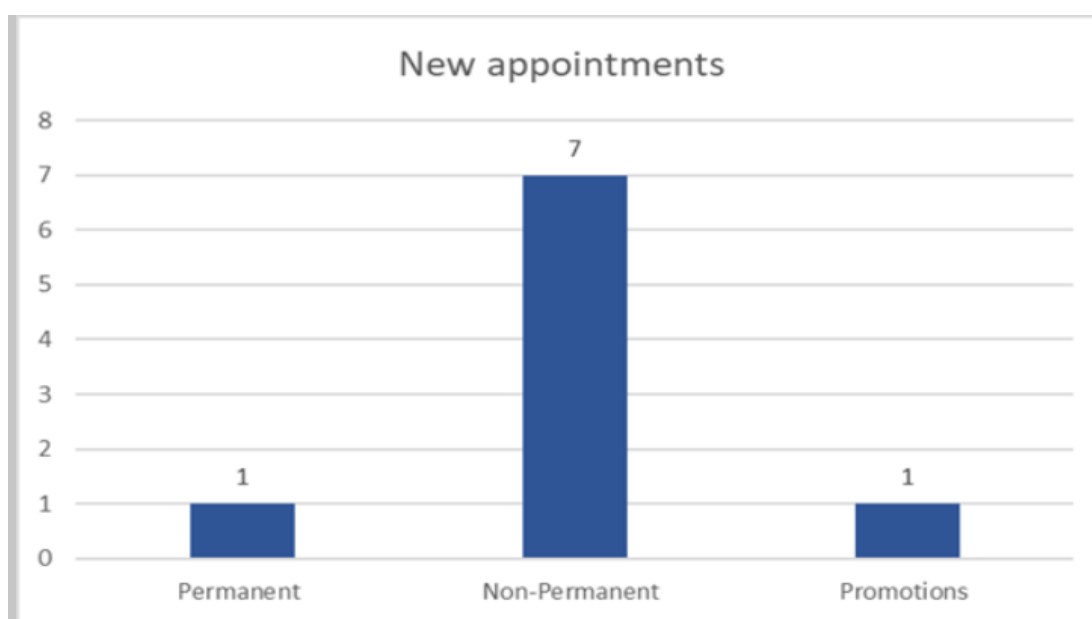
**72.59% Total (Total budget vs Total Actual)**

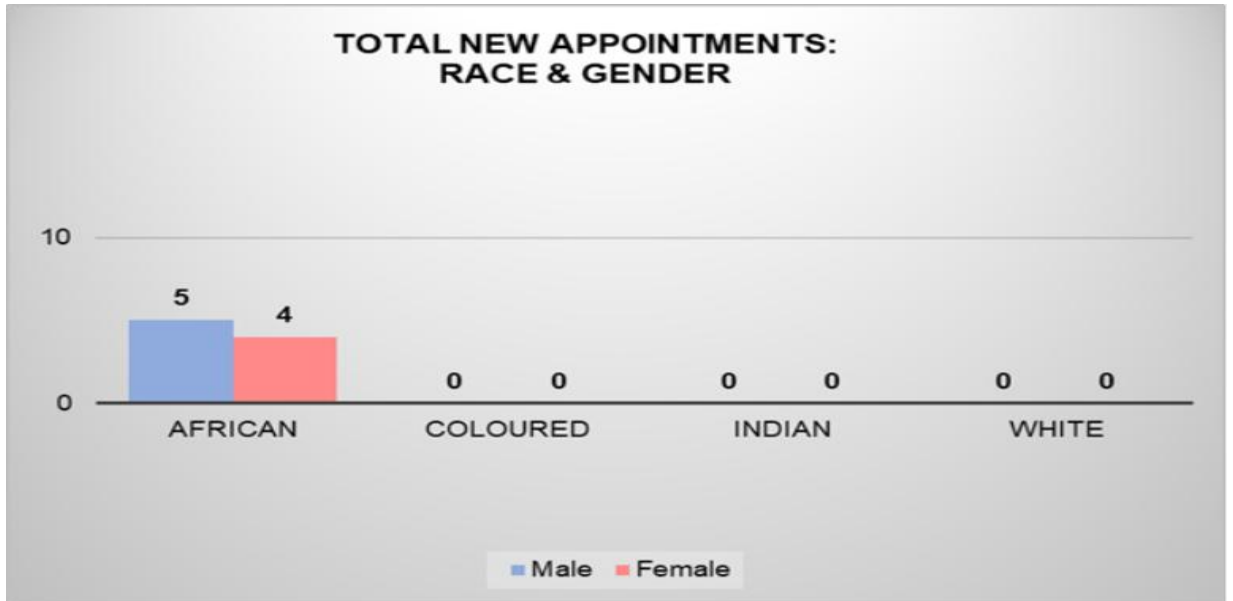
## 4. Human Resources

### 4.1 Staff Movements

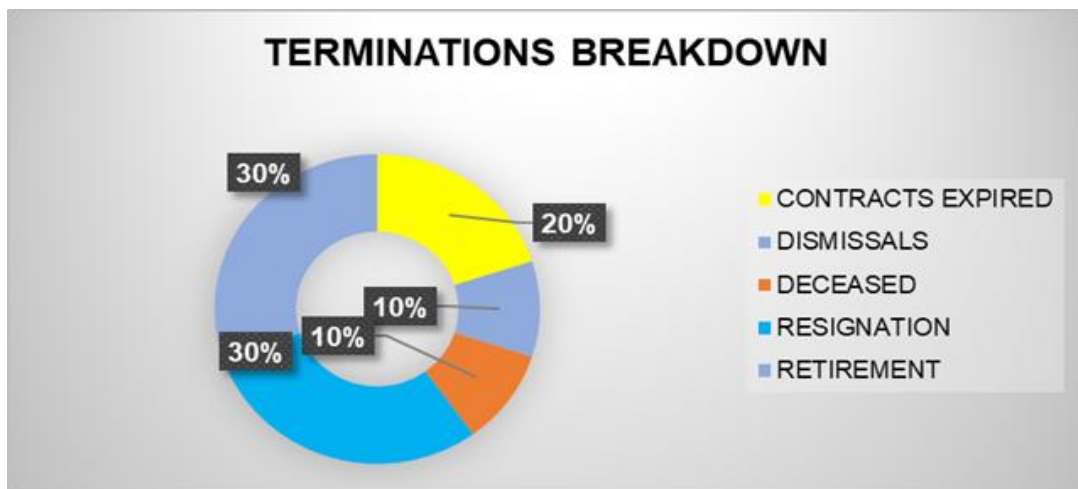
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	5	3	0	0	0	0	0	0	8
Resignations	1	2	0	0	0	0	0	0	3
Retirements	3	0	0	0	0	0	0	0	3
Contract Expired	1	1	0	0	0	0	0	0	2
Dismissals	1	0	0	0	0	0	0	0	1
Deceased	1	0	0	0	0	0	0	0	1
Promotions	0	1	0	0	0	0	0	0	1

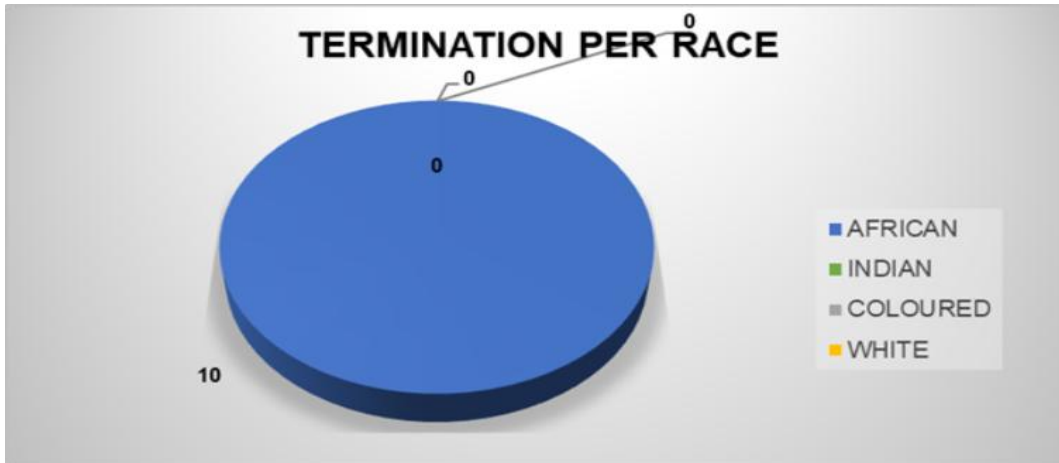
#### 4.1.1 Appointments





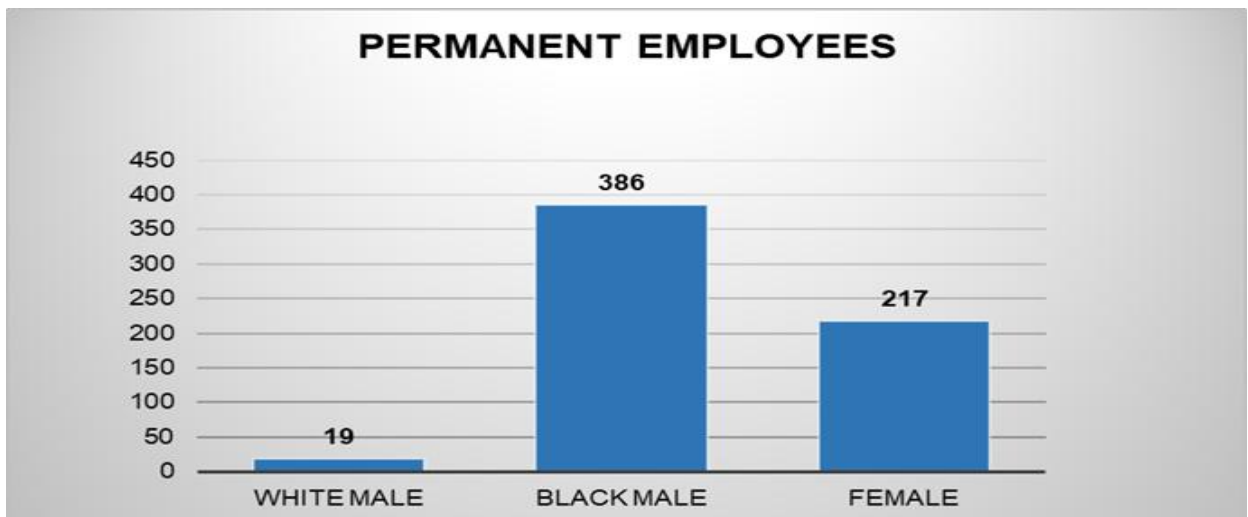
#### 4.1.2 Terminations





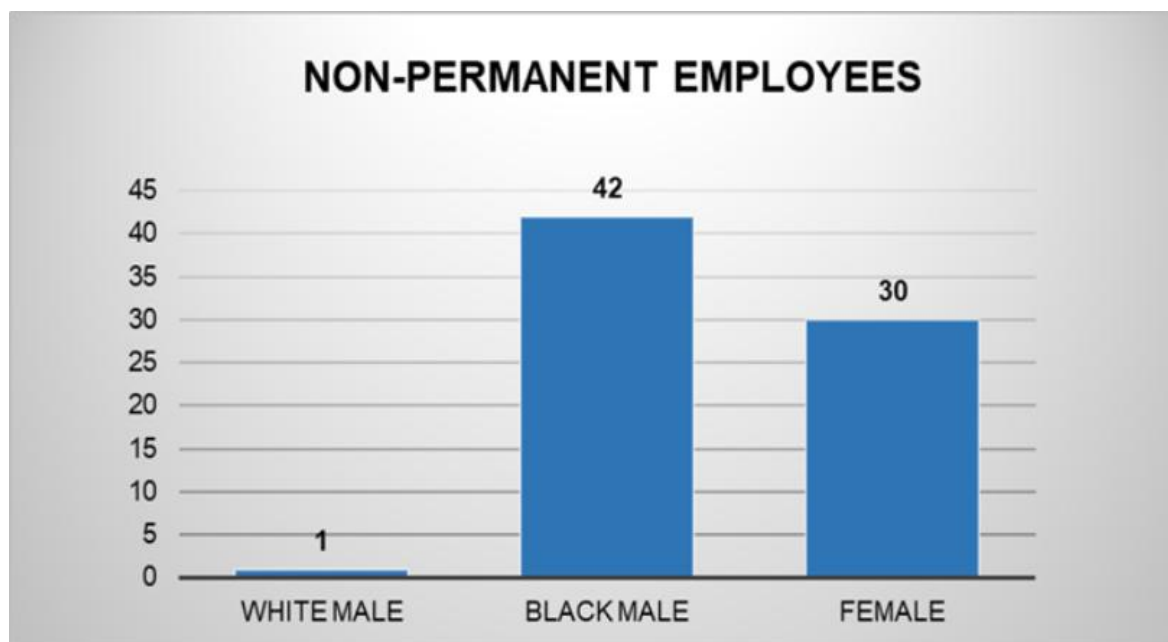
**Status Analysis**

- During the period under review, 9 employees were appointed.
- During the period under review, 10 employees exited the organisation for the following reasons:
  - (v) 2 contracts expired.
  - (v) 3 employees resigned.
  - (v) 1 employee passed away
  - (v) 1 employee was dismissed and
  - (v)** 3 employees went on retirement during the period under review



## 4.2 Employment Equity Demographics

ERWAT has **622** permanent employees.



ERWAT has **73** non-permanent employees.

### Status Analysis

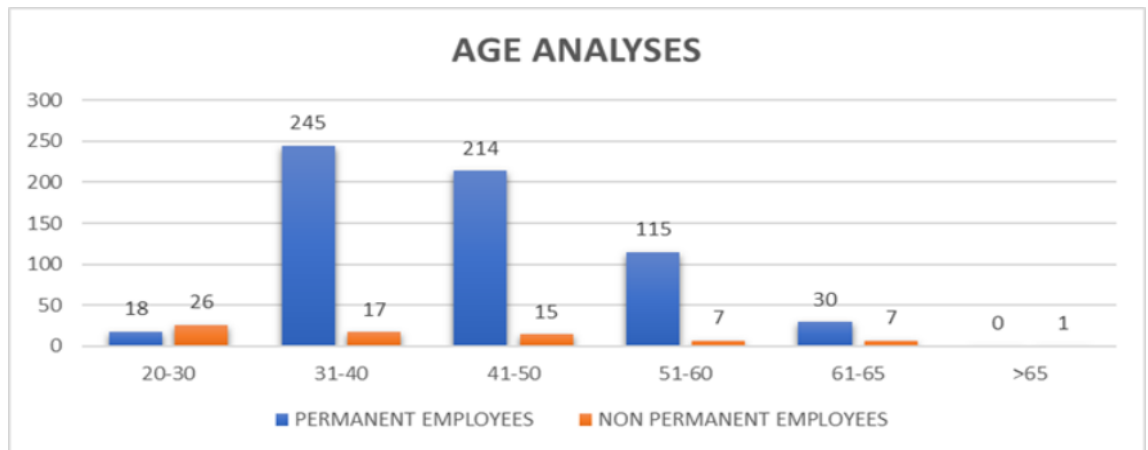
- The employment demographics of ERWAT as at 31 March 2026 reflects:
  - Females in both permanent and non-permanent positions within ERWAT account for 247 or 35.5% of total positions filled.
  - Males in both permanent and non-permanent positions within ERWAT account for 448 or 64.5% of total positions filled.

## 4.3 Employment Equity Update

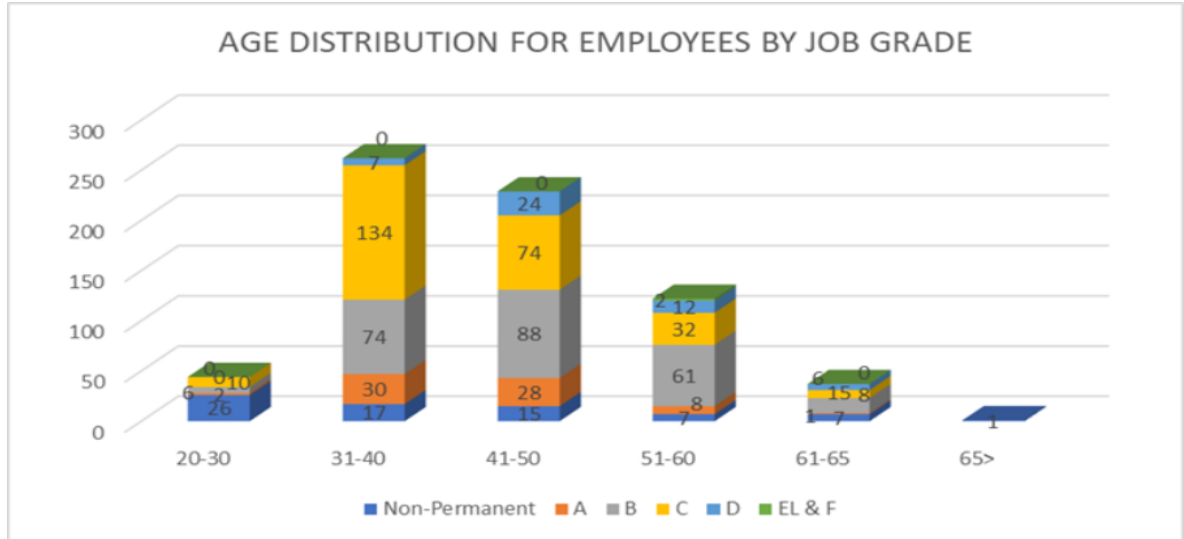
- i. During the quarter, the Employment Equity Committee and the Skills Development Committee were merged to improve alignment between employment equity and skills development initiatives within the organisation.
- ii. An induction and orientation training session was conducted for all committee members to ensure a clear understanding of their roles, responsibilities, and the legislative requirements of the Employment Equity Act.

- iii. A committee will develop a constitution for Employment Equity and Skills Development.
- iv. The Employment Equity Plan (01 September 2025 – 31 August 2030) continues to guide recruitment and workforce planning, ensuring that appointments support the achievement of employment equity targets within identified occupational categories

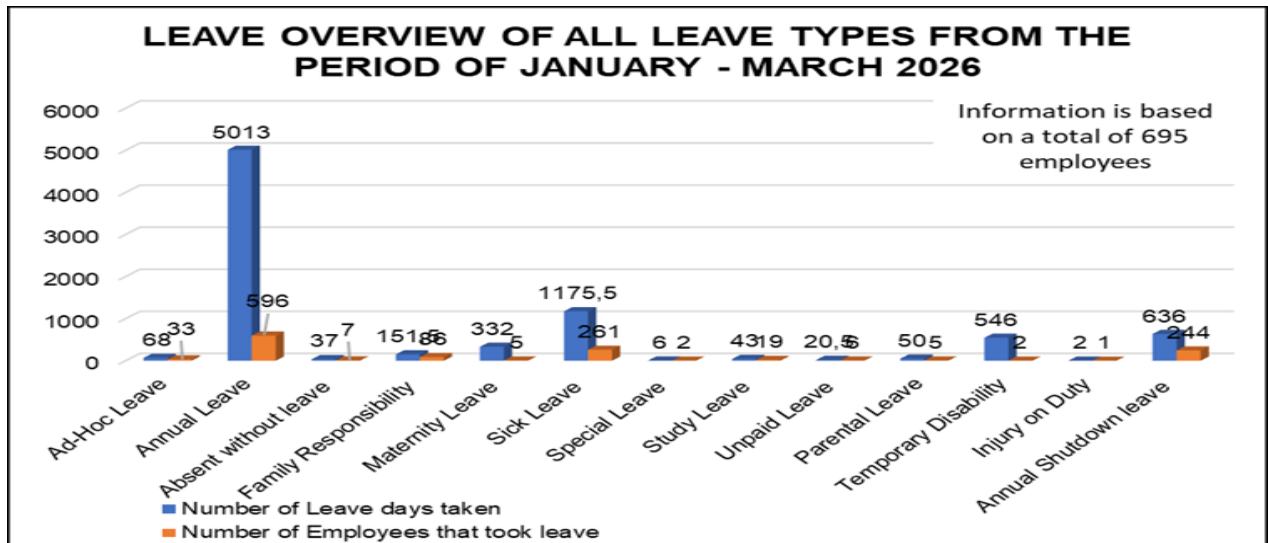
### Age Analysis



- Average age as at 03/2026 = 43.2



#### 4.4 Leave Management



#### Status Analysis

- Total number of employees who took sick leave during the period under review are 261. The total sick leave taken equates to an approximate minimum of **4.5** days per employees.

#### 4.5 Unstructured Overtime Trends

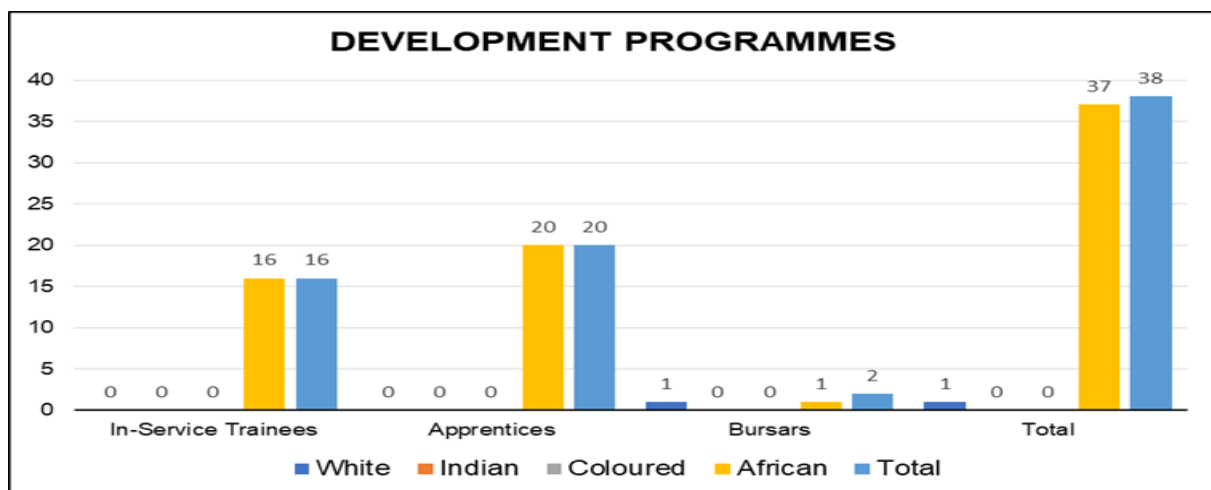
Department	2025/2026 Annual Budget	Quarter 1		Quarter 2		Quarter 3	
		Hours	Expenditure	Hours	Expenditure	Hours	Expenditure
Office of the MD	0	0	0	0	0	0	0
Security	426 480,00	176,00	77 068,99	165,00	71 992,55	166,00	73 128,01
Company Secretariat	70 839,00	0	0	0	0	0	0
Financial Services	268 118,00	51,33	20 432,74	34,00	9 989,39	27,00	10 851,15
Human Resources	30 528,00	0	0	0	0	0	0

		Quarter 1		Quarter 2		Quarter 3	
Department	2025/2026 Annual Budget	Hours	Expenditure	Hours	Expenditure	Hours	Expenditure
Strategy, Monitoring and Evaluation	39 011,00	27,00	11 210,76	0	0	0	0
Maintenance	4 180 029,00	3 044,50	959 161,43	3 418,50	1 130 552,81	4 096,00	1 339 464,24
IPAP	0	0	0	0	0	0	0
Scientific Services	2 529 744,00	1 870,99	648 487,77	1 786,00	618 224,19	1 922,25	670 900,71
Commercial Business	2 636 778,00	2 682,90	471 774,85	2 146,50	351 168,12	2 403,50	429 012,73
Operations	9 508 859,00	9 072,50	2 431 510,44	8 319,50	2 239 685,92	10 071,50	2 744 582,39
<b>Total</b>	<b>19 690 386,00</b>	<b>16 925,22</b>	<b>4 619 646,98</b>	<b>15 869,50</b>	<b>4 421 612,98</b>	<b>18 686,25</b>	<b>5 267 939,23</b>

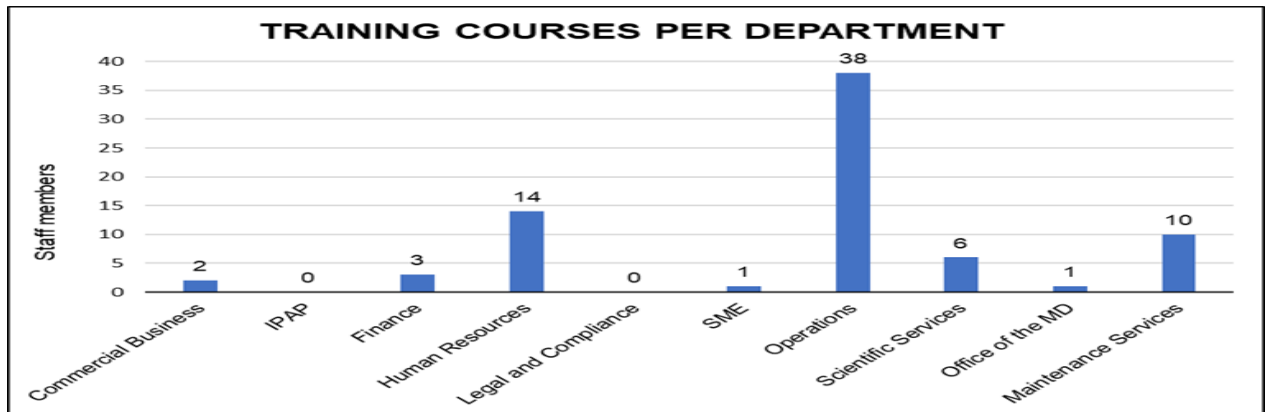
- Overtime is monitored and approved by management, as per the needs of the various business units.

#### 4.6 Training and Development

The Status Quo remains for Q3 with regards to Development Programmes



This report summarizes the number of training courses undertaken by different departments within the organization.

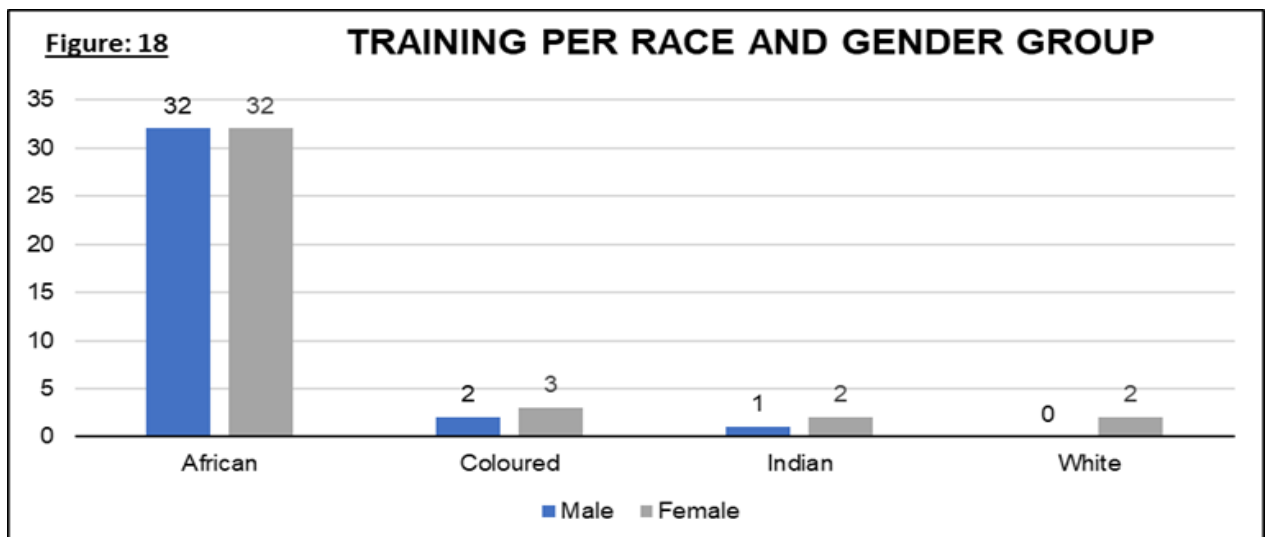


### Key Training Initiatives for Q3

- Employment Equity Training
- Study Assistance Beneficiaries Program
- Job Evaluation Training Course
- Contracts Management Course

### Key Insights:

Operations have the highest number of training courses, with 38 courses conducted, indicating a strong focus on operational training. Human Resources follows with 14 courses, emphasizing the importance of staff development and compliance within HR practices. Commercial Business and Maintenance Services have engaged in a moderate number of courses (2 and 10 respectively).



### Key Insights:

The African racial group is the most represented, with an equal distribution of 32 males and 32 females.

The Coloured group consists of 2 males and 3 females, indicating a slightly higher female representation.

The Indian group has 1 male and 2 females, again showing a higher number of females.

The White group has 0 males and 2 females, indicating no male representation in this category.

The data reflects a significant representation of African individuals in the workforce, with gender balance within this group. Other racial groups show varying degrees of representation, particularly with an absence of male representation in the White category.

## 4.7 Performance Management

### Status Analysis

Year End 2023/2024 and Mid-Year 2024/2025 evaluations will be completed in Quarter 4 of the 2024/2025 Financial Year.

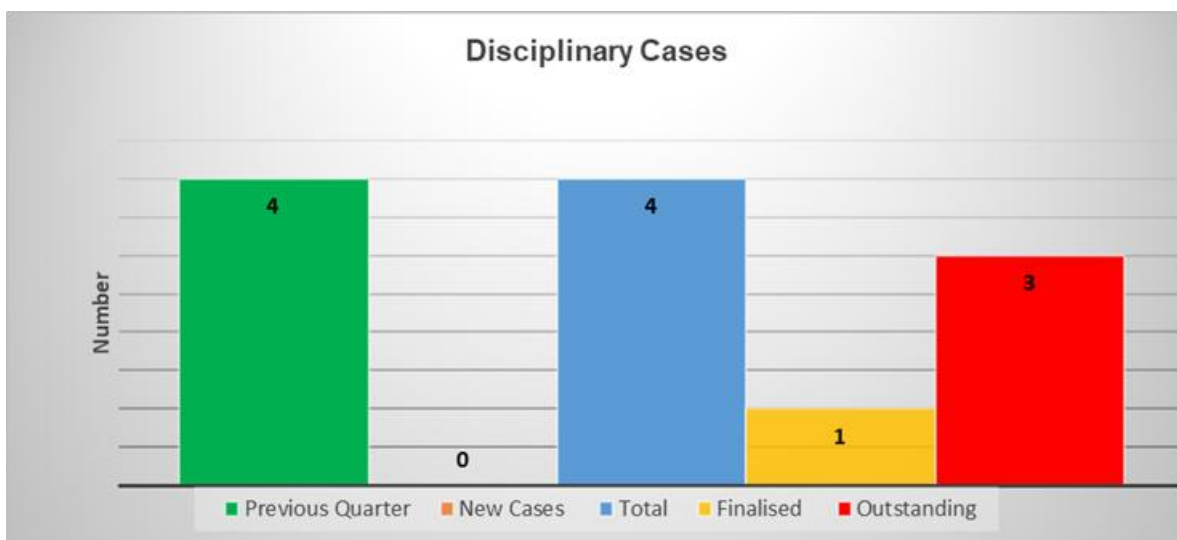
## 4.8 Employee Relations

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



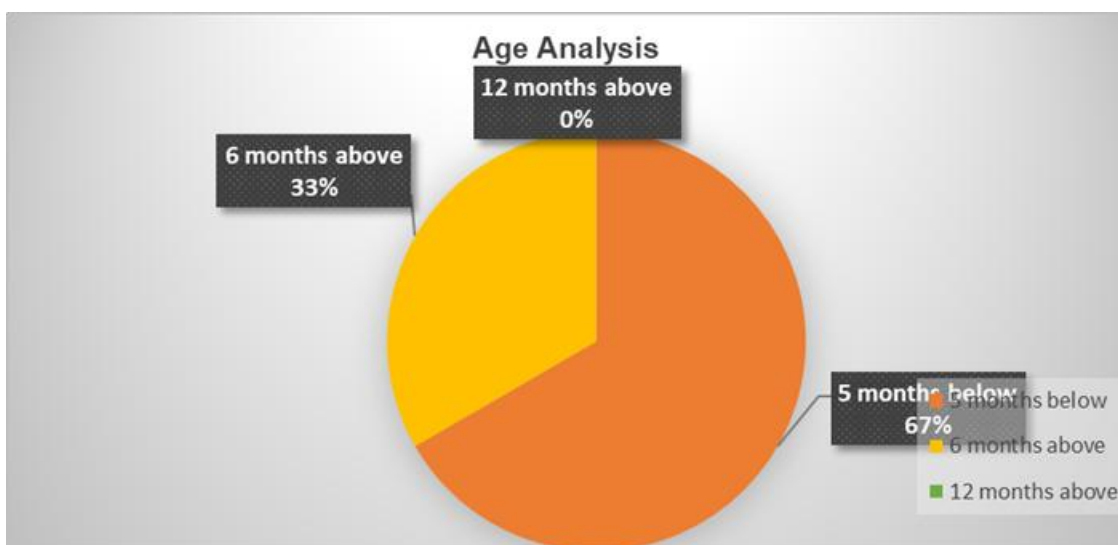
### 1.a.4. Disciplinary Cases

- Four (4) cases were not concluded in the previous quarter, hence brought forward.
- No new cases were received; the total for all disciplinary cases is four (4). The total number of cases finalized is one (1), with a remaining balance of three (3) cases outstanding.



### 1.a.5. Age Analysis of Disciplinary Cases

- The age analysis of the three (3) cases outstanding, 67% are below five (5) months, and 33% are below twelve (12) months old.



The age analysis of the two (3) outstanding cases is as follows:

- Cases that are less than 1 month old = 0
- Cases that are one (1) month old = 0
- Cases that are two (2) months old = 0
- Cases that are three (3) months old = 1
- Cases that are four (4) months old = 1
- Cases that are five (5) months old = 3
- Cases that are six (6) months old = 0
- Cases that are seven (7) months old = 0
- Cases that are eight (8) months old =
- Cases that are eleven (11) months old = 1
- Cases that are more than twelve (12) months old = 0

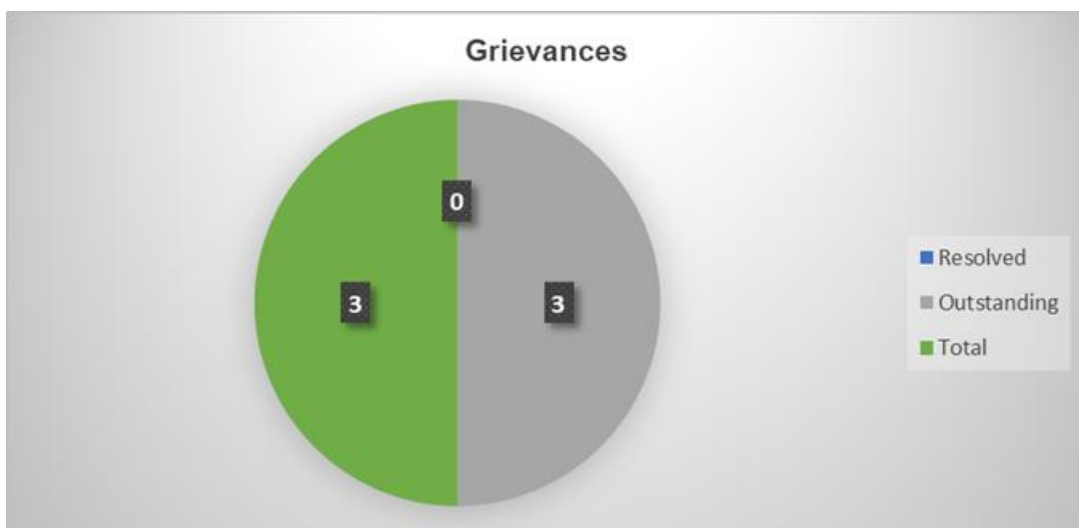
### 1.a.6. Disputes, Arbitrations & Labour Court Cases

- Total cases brought forward three (3) as at the end of the previous quarter.
- No new case was received
- No cases have been finalised
- In respect of disputes at the Bargaining Council and Labour Court cases, ERWAT is sitting on three (3) cases
- The above cases are pending adjudication at the appropriate forums.



*The graph illustrates the statistical data of disputes at the Bargaining Council and Labour Court, as at the end of Q3, with three (3) cases still pending*

### 1.a.7. Grievances



*The total grievances outstanding is three (3).*

### 1.a.8. Suspensions

There is no suspension for the period under review.

#### **4.9 Employee Wellness Programme & OHS**

ERWAT Occupational Health Services offers Wellness Programme as follows:

- ERWAT has 46 Wellness Champions (WC) that are placed in all 19 Plants, including the Scientific Services and Head Office.
- The core function of the WC is to assist the Occupational Health Services in identifying any health and wellness concerns amongst employees and monitor absenteeism; they also provide health education in the form of frequently scheduled meetings with employees on-site
- Life Health Solutions has been contracted to provide Psychosocial Support Services for all ERWAT employees. Services include:
  - o 7 days a week and 365 days a year, telephonic counselling, and support services
  - o Wellness training
  - o Life Management Services (Legal Wellness, Financial Wellness, Family Care Support, HIV Aids Counselling, Medical Advisory Services, Education and Support Services)
  - o Musculoskeletal Health Management
  - o Critical incident stress debriefing or trauma interventions
  - o Managerial Consultancy and Referral Services ( Managerial referrals, Custodian referrals, Absenteeism,
  - o Incapacity Consultancy Services)

The period under review – Q3,

- A medical surveillance drive facilitated through Health Services was conducted by Innovo Mobile Health Services (Current Service Provider) in January, February and March 2026, where approximately 286 employees from different work areas in ERWAT participated, and 156 medical reports were received. Outstanding reports will be forwarded to Health Services once all employee reports have been completed by the service provider.

Life Health Solutions conducted counselling for various work-life challenges, including plant visit for Product launch at all plants, with approximately 30 employees consulting via telephonic communication.

#### 4.10 Percentage of Salary to OPEX.

	Quarter 1		Quarter 2	Quarter 3		YTD - Actual	
Total Manpower Cost	119 524,00	129	120 558 875,00	126 679,00	453	366 078,00	142
Total Operational Expenditure	396 426,00	637	266 226 701,00	404 743,00	524	1 067 870,00	388
<b>% of Salary to OPEX</b>	<b>30%</b>		<b>45%</b>	<b>31%</b>		<b>34%</b>	

## 5. Procurement Practices, Job Creation and Mainstreaming

FIVE (5) bids were awarded during Quarter 3 (Annexure A

- 1 BEE spend in respect of supplier and contractor (PDIs):
- 1.1 Bid ERW2403/01 was awarded to various service provider(s). Below is a summary of bidder's BBBEE scorecard:

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	SMALL	BLACK FEMALE 30-100%	HDI 50-100%	YOUTH	EME	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	JANUARY
ERW2403/01	Ngwakamo Construction	The Appointment of Contractors to provide General Repairs & Maintenance of Buildings for various ERWAT sites 'As When required" for a Fixed Term Period.	100%	X		51%	49%			QSE	YES	TEMBISA	R 7 415 559.75
	YJ Civils		100%		X	100%			EME		NO	CENTURION	R 7 415 559.75
	V-Tech Investments		100%	X			100%			QSE	YES	EDENVALE	R 7 415 559.75
	Mesh Civils		100%		X					EME	YES	BENONI	R 7 415 559.75

- 1.2 Bid ERW2411/04 was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	SMALL	BLACK FEMALE 30-100%	HDI 50-100%	YOUTH	EME	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	JANUARY
ERW2411/04	Striving Mind Engineers & Contracts	The Appointment of Service Providers to render Mechanical Maintenance Support Services to ERWAT 'As When required" for Thirty Six (36) months.	100%		X		100%		EME		YES	BRAKPAN	R 13 750 000.00
	Manya Engineering & Industrial Services		100%	X			100%			QSE	NO	GLEN AUSTIN	R 13 750 000.00
	Blessed Engineering Solutions JV.		100%	X		100%				QSE	NO	ROODEPOORT	R 13 750 000.00
	MKSA Holdings		100%	X			100%			QSE	YES	GERMISTON	R 13 750 000.00

- 1.3 Bid ERW2303/16 was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	SMALL	BLACK FEMALE 30-100%	HDI 50-100%	YOUTH	EME	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	FEBRUARY
ERW2303/16	Compubooks (Pty) Ltd.	The Appointment of a Panel of to Supply & Delivery Stationery for ERWAT, 'As &	100%	X		100%				QSE	NO	PRETORIA	R 2 250 000.00
	NTS Holdings (Pty) Ltd.		100%	X		100%				QSE	NO	ROODEPOORT	R 2 250 000.00

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	SMALL	BLACK FEMALE 30-100%	HDI 50-100%	YOUTH	EME	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	FEBRUARY
		When required' for a period of Three (3) years.											

- 1.4 Bid ERW2410/02 was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	BLACK FEMALE 30-100%	YOUTH	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	FEBRUARY
ERW2410/02	Cool Corner Trading	The Appointment of Estate Maintenance Services at ERWAT Sites for a period of Thirty Six (36) months 'As & When required'	100%	X		100.00%	QSE	YES	TEMBISA	R 24 924 513.50
	Rejuvenate Investments		100%	X	100%		QSE	YES	NIGEL	R 24 924 513.50

- 1.5 Bid ERW2408/03 was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	BLACK FEMALE 30-100%	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	FEBRUARY
ERW2408/03	Velepa Trading cc.	Re- Tender The Appointment of a Panel	100%	X	100%	QSE	NO	KYALAMI	R 4 010 994.40

BID NUMBER	BIDDER	DESCRIPTION	100% HDI	MEDIUM	BLACK FEMALE 30-100%	QSE	COE/ NOT COE	WHERE (PHYSICAL ADDRESS)	FEBRUARY
	SP Tswelopele (Pty) Ltd.	to Supply & Deliver Consumables (Refreshments) at ERWAT 'As & When	100%	X	100%	QSE	YES	DAVEYTON	R 4 010 994.40
	Inkanyezi Yethu Trading & Projects	Required' for a period of Three (3) years	100%	X	100%	QSE	YES	BOKSBURG	R 4 010 994.40

- Job creation is encouraged by including a provision for locally situated bidders within the set criteria in the functionality section where it could be broken down further where bidders could be scored for indicating in the supporting documents and tables their intention to employ new staff from the areas, they will be operating from in the event that they are awarded a tender. This is, however, included on a case-by-case basis where it is practically implementable.
- 3. ERWAT is not able to utilise the EPWP program due to being an Entity and cannot apply directly to National Treasury for this grant through the Division of Revenue Act. Going forward, ERWAT will during its budget cycle identify potential projects where the EPWP can be included and utilised. ERWAT will require access and training on the respective EPWP portal for registration of projects and reporting.

<b>ANNEXURE A - SUMMARY OF AWARDS</b>					
	<b>QUARTER 3</b>				
<b>CATEGORY</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>	<b>YEAR TO DATE TOTAL Q3</b>	<b>% OF YEAR TO DATE TOTAL</b>
0% HDI / JURISTIC PERSON	R0.00	R0.00	R0.00	R0.00	0%
1-50% HDI	R0.00	R0.00	R0.00	R0.00	0%
51-99% HDI	R0.00	R0.00	R0.00	R0.00	0%
100% HDI	R62 415 559.75	R36 957 496.70	R0.00	R99 373 056.45	100%
<b>TOTAL</b>	<b>R62 415 559.75</b>	<b>R36 957 496.70</b>	<b>R0.00</b>	<b>R99 373 056.45</b>	<b>100%</b>
<b>SIZE OF COMPANY</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>		
LARGE	R0.00	R0.00	R0.00	R0.00	0.00%
MEDIUM	R56 081 119.50	R66 382 010.20	R0.00	R122 463 129.70	81.08%
SMALL	R28 581 119.50	R0.00	R0.00	R28 581 119.50	18.92%
MICRO	R0.00	R0.00	R0.00	R0.00	0.00%
<b>TOTAL</b>	<b>R84 662 239.00</b>	<b>R66 382 010.20</b>	<b>R0.00</b>	<b>R151 044 249.20</b>	<b>100%</b>
<b>AWARDS MADE TO:</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>		
BLACK FEMALE 01-50%	R0.00	R0.00	R0.00	R0.00	
BLACK FEMALE 51 - 99%	R7 415 559.75	R0.00	R0.00	#REF!	
BLACK FEMALE 100%	R21 165 559.75	R41 457 496.70	R0.00	R62 623 056.45	
FEMALE 0 - 100%	R0.00	R0.00	R0.00	R0.00	
MILITARY VETERANS	R0.00	R0.00	R0.00	R0.00	
PWD	R0.00	R0.00	R0.00	R0.00	
YOUTH	R0.00	R24 924 513.50	R0.00	R24 924 513.50	
<b>BBEEE SCORE CARD</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>		
EME	R28 581 119.50	R0.00	R0.00	R28 581 119.50	18.92%
QSE	R56 081 119.50	R66 382 010.20	R0.00	R122 463 129.70	81.08%
GENERIC	R0.00	R0.00	R0.00	R0.00	0.00%
<b>TOTAL</b>	<b>R84 662 239.00</b>	<b>R66 382 010.20</b>	<b>R0.00</b>	<b>R151 044 249.20</b>	<b>100%</b>
<b>AWARD MADE TO</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>		
COE-BASED COMPANIES	R49 746 679.25	R57 871 015.80	R0.00	R107 617 695.05	71.25%
NON-COE BASED	R34 915 559.75	R8 510 994.40	R0.00	R43 426 554.15	28.75%
	<b>R84 662 239.00</b>	<b>R66 382 010.20</b>	<b>R0.00</b>	<b>R151 044 249.20</b>	<b>100%</b>

## 6. Risk Management

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

**#: This report is against the risks identified in the Business Plans**

**Table 11: Risk Assessment**

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
ERW 1	Inadequate Infrastructure to treat wastewater in line with Green Drop standards	CF1.1	Inadequate integrated planning between CoE and ERWAT (industrial growth and human settlements)	#REF!	CC1.1	The Service Delivery Agreement between the CoE and ERWAT formalizes the scope, deliverables, and performance benchmarks for municipal wastewater management.	Satisfactor y	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: Preliminary draft report to be tabled at EXCO in the next quarter	In Progress: The preliminary draft report is still be finalised and will be tabled for EXCO in quarter 4. <i>(same response as the last quarter)</i>	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC1.2	Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.		Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.	In Progress: Work in progress in developing a formula to consider the variables in managing WCW	In Progress: Work in progress in developing a formula to consider the variables in managing WCW (same response as the last quarter)	Quarterly
		CF1.2	a) Aging and inadequate infrastructure		CC1.2.1	Grant Funding to offset Capex budget deficit	Weak	Initiate implementation of	Action not yet started	In Progress: Work has begun with Riverfields which	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			to treat high strength industrial effluent due to lack of			(Urban Settlement Development Grant)		project utilising Developers Contribution to leverage funding (Hartbeespoort WCW)		is funding the expansion of Hartebeestfontein using developer funding.	
			budget to implement capacity related projects. <b>Current Capacity</b> (14 WCWs operating above 100% capacity, 3WCWs operating at 80%+ to 100% and only 2 WCWs operating below 80%) Some WCW operating		CC1.2.2	Wastewater conveyance and treatment systems regionalisation and 50-year master plan (inclusive of reduction to 10 WWP)	Weak	Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA)  Completion of planning to take the projects to implementation readiness of Five (5) Turnkey	In Progress: Awaiting the awarding of the tender	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	31 January 2029

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			above capacity during dry season and during wet season					Capital Project by CoE- 50 Year Master Plan 1. Waterval 2. Olifantsfontein 3. Vlakplaats 4. Anchor 5. Welgedacht			
					CC1.2.3	Capex Budget Allocation as per CoE MTERF	Weak	Develop a Capex Investment Framework to prioritise projects to be implemented based on identified criteria	In Progress: Quarterly capex investment Framework is in progress, and the procurement plan is completed	Action Plan Complete: Procurement plan has been revised and approved. FY (2026/27-2028/29)	31 January 2027

Ref	Risk	Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date	
				CC1.2.4	Implemented the CoE Engineering Bulk Contribution Policy and that is customised to the ERWAT environment (cost inputs into infrastructure and benefits to be derived by customers)	Satisfactory	Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.	In Progress: Work in progress in developing a formula to consider the variables in managing WCW	In Progress: Work in progress in developing a formula to consider the variables in managing WCW <i>(same response as the last quarter)</i>	30 June 2026	
		CF1.3	Preventive maintenance plan not	#REF!	CC1.3.1	Asset Management Policy & Asset	Satisfactory	Appointment of service	In Progress:	In Progress:	As per procure

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			executed due to lack of readily available spares			Management Strategy that is implemented		provider for maintenance of priority infrastructure identified	<p><b>Following Contracts are at BEC.</b> (Repairs of Electric Motors; Ferric Dosing)</p> <p><b>Following Contracts are at BAC</b> (Mechanical Spares)</p> <p><b>Following Contract awarded</b> (Mechanical Support Services awarded)</p> <p><b>Following Contract are at BSC</b> Screw Pumps in circulation for advert; (Instrumentation at BSC; Repair of pumps advertised; Repair of</p>	<p><b>Following Contracts are at BEC.</b> (Repairs of Electric Motors; Ferric Dosing)</p> <p><b>Following Contracts are at BAC</b> (Mechanical Spares)</p> <p><b>Following Contract awarded</b> (Mechanical Support Services awarded)</p> <p><b>Following Contract are at BSC</b> Screw Pumps in circulation for advert; (Instrumentation at BSC; Repair of pumps advertised; Repair of Blowers to be referred to BSC) Electrical</p>	ment plan

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									Blowers to be referred to BSC) Electrical Spares is at BEC	Spares is at BEC (same response as the last quarter)	
					CC1.3.2	Alignment of maintenance contracts with ERWAT identified priorities	Satisfactory	Procure critical identified spare parts to reduce reliance on external contractors and avail tools of trade	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026 (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	30 June 2026
					CC1.3.3	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical infrastructure (minimum	Satisfactory	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026 (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded. The draft management policy has not been submitted to EXCO	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						maintenance frequency requirements identified) with funding limitations					
					CC1.3.4	Service Master Contracts in place (Spare parts required have been identified)	Satisfactory	Stock identified workshops with minimal inventory identified	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026. (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	30 June 2026
		CF1.4	Nonalignment of maintenance activities with Reliability Centred Maintenance (RCM)		CC1.4	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from	Satisfactory	Conduct an empirical study of the costs incurred in the value chain	Action not yet started.	Action not yet started. (same response as the previous quarter)	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						Reliability Team on Critical infrastructure (minimum maintenance frequency requirements identified) with funding limitations					
		CF1.5	Inadequate critical spare stores (i.e., buffer stock of procured items to carry out emergency maintenance work) is not in place for the entity.		CC1.5.1	ERWAT Operational Procurement Plan ensuring uninterrupted supply of critical goods and services	Weak	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026. Awaiting the award of critical spares contracts. (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded. The draft management policy has not been submitted to EXCO	30 June 2026
					CC1.5.2	The critical spares required by the plants have been identified	Weak	Develop a stores management policy to enable	In Progress. Draft Stores Management Policy to serve	In Progress. This action plan can only be done once the Electrical and Mechanical	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								spares to be procured and stocked	at EXCO in January 2026. (No PoE received)	Spares Contract have been awarded. The draft management policy has not been submitted to EXCO	
					CC1.5.3	Equipment Operating Manuals & Maintenance Standard Operating Procedures to reduce frequency of break downs implemented		Procure critical identified spare parts to enable maintenance to be conducted in-house	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026. (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	30 June 2026
							Weak	Monitor performance of the service provider to ensure goods are the right quality, on time and within budget,	Ongoing. Monthly contract performance evaluations are being conducted on all contracts that are servicing ERWAT	Ongoing. Monthly contract performance evaluations are being conducted on all contracts that are servicing ERWAT	Monthly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								while minimizing risks			
		CF1.6	Storm water ingress contributing to the increased water levels in the plant		CC1.6	No current control - Storm water is managed at City level	None	Discussion with CoE to divert storm water pipeline	Action Plan Complete: The meeting was held with COE on the 11 <sup>th</sup> November 2025, in which they indicated that the storm waters can only be address through the regionalization.	Action Plan Complete: The meeting was held with COE on the 11 <sup>th</sup> November 2025, in which they indicated that the storm waters can only be address through the regionalization.	30 June 2026
		CF1.7	Reliance on service providers to perform specialised work (due to non-availability of spare parts)		CC1.7.1	Enforcement of performance management of service providers	Satisfactor y	Appoint service provider for specialised services	In Progress: PSP contract is awarded. SCM is in progress of uploading the BOQ on the system.	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	31 January 2029

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC1.7.2	Quality controls to monitor performance of contractors	Satisfactory	Train staff to execute identified specialised services internally	In Progress. The training will be conducted in February 2026.	In Progress: Schneider Electric course offering and schedule shared with the maintenance team.	30 June 2026
		CF1.8	Ineffective first line maintenance		CC1.8.1	SoP have been developed for first line maintenance	Unsatisfactory	Conduct awareness and training to first line staff for maintenance of equipment	In Progress: The SOP is being finalised, and it will be communicated with employees.	In Progress: The SOP is being finalised, and it will be communicated with employees. (same response as the last quarter)	31 December 2025
					CC1.8.2	Schedules of activities for first line maintenance incorporated in the maintenance plan	Unsatisfactory	Maintain stock of consumables and spares for first line maintenance	In Progress: Draft Stores Management Policy to serve at EXCO in January 2026. (No PoE received)	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded. The draft management policy has not been submitted to EXCO	30 June 2026 & Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								Monitoring of maintenance programme	In Progress: Quarterly maintenance reports submitted.	In Progress: Quarterly maintenance reports submitted.	30 June 2026
		CF1.9	Inefficient and inadequate measurement of energy consumption to reduce carbon footprint		CC1.9.1	Quarterly electricity consumption benchmarks established per plant and monitored	Satisfactory	Replacement of energy intensive equipment with energy efficient equipment (pumps, motors, gearbox)	Not Yet Started: Progress to be reported in quarter 3	In Progress: 1. Pumps, gearbox are at BSC stage 2. Electric motors: Non-award	30 June 2026
					CC1.9.2	Renewable Energy Plan (Solar, hydro water) developed inclusive of Plants, Head	Unsatisfactory	Conduct energy efficient audits for remaining 16 sites	Not Yet Started: Progress to be reported in quarter 3	Not yet started: IPAP will appoint service provider from the PSP contract to conduct the survey. Not yet started	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						Office and labs.				(No movement from the previous quarter)	
					CC1.9.3	Energy audits for efficiently conducted for 3 of 19 sites	Unsatisfactory	Appoint service provider for pilot to be run at Head Office	Not Yet Started: Progress to be reported in quarter 3	In Progress: Solar bid at BAC stage.	30 June 2026
						Resuscitate the combined heat and power (CHP) systems project at Waterval		Not Yet Started: Progress to be reported in quarter 3	Not Yet Started: Progress to be reported in quarter 4. (same response as the previous quarter)	31 December 2025	
		CF1.10.	Inadequate grant funding for infrastructure upgrades		CC1.1.0.1	Grants received by the CoE for Urban Settlement Development are assigned to ERWAT	Unsatisfactory	Develop a Grant Management Policy	Action Plan Complete: The policy has been approved by Board on the 1 <sup>st</sup> of December 2025	Action Plan Complete: The policy has been approved by Board on the 1 <sup>st</sup> of December 2025	30 June 2026
					CC1.1.0.2	Infrastructure South Africa (ISA) funding CoE for	Weak	Appointment of Transaction	In Progress: The ISA project is currently in the Bid	In Progress: Service Provider for the ISA project was appointed in	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						conveying, regionalisation and 50 year Master Plan (reduce from 19 to 10 plants) up to "banking" stage (i.e. ready for implementation and funding)		al Advisor by ISA	Evaluation Committee stage (BEC).	March'2026, kick off meeting with ERWAT team scheduled for April 2026.	
		CF1.11	Inadequate treatment capacity (Rapid population and industrial growth within CoE)		CC1.11	Wastewater conveyance and treatment systems regionalisation and 50 year master plan	Unsatisfactory	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.	No reporting required for the period under review. There are capital budget constraints to upgrade Plants operating above their capacity	No reporting required for the period under review. There are capital budget constraints to upgrade Plants operating above their capacity	
		CF1.12	Capital requirements not raised timeously, inclusive of raising funds	#RE F!	CC1.12.1.	Infrastructure Capital Plan entailing the increasing capacity to meet future	Unsatisfactory	Conduct an empirical study of the costs incurred in	Not yet started: Progress to be reported in quarter 3	Action not yet started. (same response as the previous quarter)	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			for infrastructure upgrades			demand, implementing a capital expenditure (CAPEX) program for renewals and upgrades, exploring public-private partnerships for wastewater reuse		the value chain			
					CC1.1 2.1.	ERWAT's 50-Year Master Plan(strategic initiative to upgrade and centralize the bulk wastewater treatment infrastructure in Ekurhuleni, aiming to reduce the number of plants from 19 to 10, increase	Unsatisfactory	Appointment of Transactional Advisor by DBSA	In Progress: The DBSA project is currently at the Bid Evaluation Committee (BEC) stage.	In Progress: The DBSA project is currently at the Bid Evaluation Committee (BEC) stage.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						capacity and efficiency, and align with the city's growth and spatial development framework, including the Aerotropolis. The plan incorporates public-private partnerships, advanced control systems, research and development in natural sciences and engineering, and a focus on wastewater reuse and commercial expansion to meet growing demands)					

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
ERW 2	Insufficient / Inadequate organisational readiness to anticipate and respond to emergencies or natural disasters	CF2.1	Some plants of the 19 Wastewater Care Works (WCW) do not have wastewater bypassing systems and emergency dams	#REF!	CC2.1.1	Wastewater bypassing systems and emergency dams inclusive in the 50 year Master Plan	Weak	Conduct a simulation of the disaster to ascertain solutions for excess rainfall	Not Yet Started: Progress to be reported in quarter 3	Not Yet Started: Progress to be reported in quarter 4	30 June 2026
					CC2.1.2	Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	No reporting required for the period under review.	The current mitigation controls are deemed to be adequate. No reporting required for the period under review.	N/A
		CF2.2	Haartebeesfontein and Olifantsfontein infrastructure built on		CC2.2	Minimum ponding of water in identified areas	Satisfactory	Continue maintenance of the storm water drainage systems to prevent	Not yet started: Progress to be reported in quarter 3	Not yet started: Progress to be reported in quarter 4 (Progress was to be given in Q3)	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			dolomitic areas					excess flow in identified area.			
		CF2.3	The Disaster Recovery site is in close proximity (1 km) too operations and hence might be simultaneously affected by the same factors that caused the business disruption		CC2.3.1	Cloud backup every 24 hours (finance, laboratory, maintenance applications of server)	Weak	Procure independent Data Center to host ERWAT IT infrastructure	In Progress: A Spec for the tender has been developed and is yet to serve at the Bid Specification Committee.	In Progress: Currently being discussed at BSC. ICT is also engaging with SITA to determine if using SITA will result in better value for money.	30 June 2026
				CC2.3.2	Annual testing plan executed and reported upon to the ICT Steercom	Weak					
				CC2.3.3	Back up servers at production and DR site	Weak					
				CC2.3.4	Microsoft 365 cloud based	Weak					

Ref	Risk	Contributing Factor	IR	Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
				CC2.3.5 Microwave link to the DR site Redundant network at DR Site (Microwave link)	Weak				
	CF2.4	Change in rainfalls patterns due to climate change and other factors related to climate change		CC2.4. Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	Develop redundancy plans for infrastructure - Four plants	Not yet started: Progress to be reported in quarter 3	Not Yet Started: Progress to be reported in quarter 4	30 June 2026
	CF2.5	Inadequate Business Continuity Management Program		CC2.5.1 Business Recovery Plan inclusive of ICT Disaster Recovery Plan and BIA's (excluding ICT) developed	Satisfactory	Appoint a service provider to review the Business Continuity Plan inclusive of	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been submitted to SCM for Bid Specification	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been approved by the Bid Specification	30 June 2026
				CC2.5.2 Business Continuity Management Risk Assessments	Weak	Conditional Assessments and commence			

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						for Water Care Works and Support Services		with BCP update	Committee sitting	Committee, awaiting advert	
					CC2.5.3	BCM Steering Committee established to ensure BCM aligns with strategic goals, allocates necessary resources, and monitors program effectiveness.	Very good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC2.5.4	BCM Infrastructure Condition Assessments	Satisfactor y	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider	31 March 2026 30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								Assessments and commence with BCP update	and has been submitted to SCM for Bid Specification Committee sitting	and has been approved by the Bid Specification Committee, awaiting advert sitting	
					CC2.5.5	Annual testing plan executed and reported to the ICT Steering Committee (simulation)	Satisfactory	Develop an integrated simulation for Business Recovery	In Progress: The annual testing plan was tabled at the Risk and ICT Committee on the 7 November 2025. The Plan to be monitored at EXCO level as resolved by the Risk and ICT Committee	In progress: The annual testing plan was tabled and approved by the Board. The Plan is to be monitored at EXCO level as resolved by the Risk and ICT Committee	Develop: 31 December 2025  Implement :30 June 2026
					CC2.5.6	BCM training is conducted for staff	Satisfactory	Conduct Health and Safety drills	In progress/Ongoing: Two Fire simulation drill was conducted on the 29 <sup>th</sup> of October and the 27 <sup>th</sup> November	In Progress: DD3 and DD6 Fire simulation drills are schedule for the 27 <sup>th</sup> and 30 <sup>th</sup> of March 2026.	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									2025 for Head Office.		
ERW 3	Potential loss of the ISO 17025 accreditation affecting strategic positioning, market competitiveness, and regulatory alignment	CF3.1	Aging instrumentation, scarcity of spares and discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery both internally and externally (laboratory)	#REF!	CC3.1.1	Capital Expenditure Plan developed for improved instrumentation (current technology)	Satisfactory	Replace outdated technology as per the Capital Expenditure Plan	In Progress: 20 Capex items including instruments and laboratory equipment received in Q2	In Progress: By the end of Q3, a total of 48 CAPEX items, including new instruments and equipment were procured to the value of R34m. These will help to replace old and outdated instruments/equipment.	As per Capital Expenditure Plan
					CC3.1.2	Lifespan review of laboratory equipment conducted by IPAP	Satisfactory	Conduct a lifespan review of laboratory equipment	In Progress: A review of the equipment lifespan was done. A report of the equipment lifespan will be tabled in Q3	In Progress: A review of the equipment lifespan was done. A report of the equipment lifespan will be tabled in Q3 (same response as the previous quarter)	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
		CF3.2	Inadequate monitoring of accreditation requirements		CC3.2.1	Scheduled maintenance in accordance with ERWAT's Instrumentation Maintenance Plan	Good	Ensure scientific goods and services and maintenance calibration is procured timeously as per the procurement plan	Action Plan Complete: A calibration and maintenance schedule is maintained and monitored.	Action Plan Complete: a calibration and maintenance schedule is maintained and monitored.	Quarterly
								Implement the correction action as per the "corrective action" register	Action Plan Complete: The register is maintained and monitored.	Action Plan Complete: The register is maintained and monitored.	Quarterly
					CC3.2.2	Standard operating procedures for instrumentation	Good	The current mitigation controls are deemed to	The current mitigation controls are deemed to be	The current mitigation controls are deemed to be adequate. There is	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						maintenance implemented		be adequate.	adequate. There is no reporting required for the period under review	no reporting required for the period under review	
					CC3.2.3	Schedule for the calibration of equipment is maintained and monitored	Good	Management will monitor the implementation of the current controls to ensure the risk is mitigated			
					CC3.2.4	Staff undergo training and are certified to operate relevant equipment	Good				
					CC3.2.5	Quality section reviews adherence to ISO standards as per the "audit" schedule	Good				
					CC3.2.6	External audits are conducted by accredited service providers to maintain ISO certification External accreditation is	Good				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						obtained through SANAS					
					CC3.2.7	Corrective action register is maintained and monitored	Good				
		CF3.3	Inadequate laboratory building facilities (e.g. HVAC system, access control)		CC3.3.1	Temperature and air quality is monitored on a daily basis in the laboratories	Satisfactory	Develop and implement a maintenance schedule for the HVAC system	In Progress: PSP contract awarded. SCM is in the process of uploading the BOQ onto the system.	In Progress: A consultant from the PSP was appointed to perform a full assessment of the HVAC system. Quotation received from consultant is under review after which PO will be issued for repairs to HVAC.	30 June 2026
					CC3.3.2	Monthly safety audits conducted	Satisfactory	Conduct a physical risk assessment of the laboratory	In Progress: PSP contract awarded. SCM is in the process of uploading the	In Progress: Monthly safety audits are performed. Identified risks will be attended to through the	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								building facilities	BOQ onto the system	awarded Building Tender. Consultation with the service provider commenced during Q3 and is ongoing.	
					CC3.3.3	Quarterly OHS audits conducted	Satisfactor y	Implement correction actions as per OHS audits	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and	In progress: Building Tender was awarded on 01 December 2025 (SLA signed 12 January 2026) and will address majority of non-compliances (e.g. handrail installation, fire extinguishers etc). Awaiting approval of Purchase Orders. Expected work commencement date: 01 May 2026	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									implementation. These are tracked as part of the WRAP implementation.		
								Develop and implement a maintenance schedule for laboratory building	Building Maintenance Contract awarded.	In Progress: A service provider is to be appointed to develop and implement a maintenance schedule for laboratory building. Building Maintenance Contract awarded (Time period not provided)	Quarterly
								Implement access control to the laboratories	In Progress: The project started in December with the upgrading of Fibre. The equipment was also delivered in	Action Plan Complete: A new access control system was implemented and went live during Q3. Access to the laboratory	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									December before the entity closed for the holidays	building is now controlled.	
<b>ERW 4</b>	<b>Political Instability</b>	CF4.1	Leadership Changes and delays in approvals		CC4.1.1	Pre-approved strategic plans, oversight committees, Delegation of Authority	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review		
		CF4.2	Shifting municipal or national policies		CC4.1.2	Service Delivery Agreement between the CoE and ERWAT	Satisfactory	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: Preliminary draft report to be tabled at EXCO in the next quarter	In Progress: The preliminary draft report is still be finalised and will be tabled for EXCO in quarter 4.	Quarterly
		CF4.3	Conflicting interests between ERWAT and CoE								

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
										(same response as the previous quarter)	
		CF4.4	Inadequate alignment between budget and Strategic Priorities		CC4.1.3	MTERF Capex Budget Allocation	Satisfactory	Develop a Capex Investment Framework to prioritise projects to be implemented based on identified criteria	In Progress: Quarterly capex investment Framework is in progress, and the procurement plan is completed	Action Plan Complete: Procurement Plan has been completed.	30 June 2026
		CF4.5	Lack of stakeholder engagement		CC4.1.4	City Committees (MMC Senior Management meetings, Technical Cluster)	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								risk is mitigated			
ERW 5	ERWAT may not be able to meet its short-term financial obligations	CF5.1	Irregular payments for services rendered received from City	#REF!	CC5.1.1	Cash flow forecasts are conducted by ERWAT and thereafter escalated to CoE who monitors cash flow requirements of the City as a whole.	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC5.1.2	Cashflow monitoring by CoE	Satisfactor y	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	In Progress: Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	Quarterly
					CC5.1.3	Engagement by the Board and Accounting Officer with CoE on recoupment of the outstanding					

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						debt					
		CF5.2	Absence of Revenue Enhancement - (augmentation) Strategy Short term cash		CC5.2.	Market penetration strategy developed for market revenue	Weak	Create the Revenue Enhancement Strategy inclusive of unlocking financial opportunities and link to ESG Strategy	Action Plan Complete: The Revenue Enhancement Strategy was approved by the Board on the 1 <sup>st</sup> of December 2025 and linked to the ESG strategy	Action Plan complete: The revenue enhancement strategy was approved by the Board on the 1 <sup>st</sup> of December 2025 and linked to the ESG strategy	31 March 2026
						Create an Economic Social Governance strategy that links to commercial business (Strategy monitoring and environmental)		Action Plan Complete: The ESG Strategy which is linked to Revenue Enhancement Strategy was approved by the Board on the 1 <sup>st</sup> of December 2025	Action Plan Complete: The ESG Strategy which is linked to the Revenue Enhancement Strategy was approved by the Board on the 1 <sup>st</sup> of December 2025.	31 March 2026	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
		CF5.3	Service Charges received from CoE not reflective of operational needs (funding)		CC5.3	Agreement with CoE for a fixed annual fee based on operating costs	Satisfactory	Investigate alternate sources of raising grant funding e.g. ISA	Action Plan Complete: The Policy has been approved by Board on the 1 <sup>st</sup> of December 2025	Action Plan Complete: The Policy has been approved by Board on the 1 <sup>st</sup> of December 2025	Quarterly
								Conduct an empirical study of the costs incurred in the value chain	Not yet started: Progress to be reported in quarter 3	Action not yet started. (same response as the previous quarter)	30 June 2026
ERW 6	Inefficiency to acquire timeous services due to ineffective SCM processes	CF6.1	Late commencement of bid processes by user department and discrepancies around specifications	#REF!	CC6.1.1	Annual Procurement Plan developed and implemented	Satisfactory	Develop a Demand Management Plan per Division for the 2026/27 financial year	Not yet started: Scheduled for Quarter 3 to during budget process for 2026/2027	Not yet started: Scheduled for Quarter 3 to during budget process for 2026/2027 (same response as the previous quarter)	31 May 2026
					CC6.1.2	Use of transversal contracts	Satisfactory	Prepare the Capex and Opex Plans - review and prioritise	Action Plan Complete: OPEX and Capex plans finalised and signed off by the	Action Plan Complete: Annual procurement plan for CAPEX and OPEX approved for 2025/2026 FY.	30 September 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									AO in August 2025	CAPEX plan revised along with budget review in January 2026.	
					CC6.1.3	Monitoring of the implementation of the Procurement Plan by SCM	Good	Amend the procurement procedures to incorporate advertising of bids in line with MTERF. Develop specifications 12 months prior to the services being required.	In Progress: The procurement procedure is under review to incorporate the development of specifications to 12 months before the appointment of the tender.	Action Plan Complete: SLA amongst the business units approved to incorporate development of specifications with 9months. The SLA includes monitoring controls.	31 January 2026
					CC6.1.4	Specifications are developed 6 months prior to the services being required.		Standardise the documents to be utilised for specification of	In Progress: SCM and other stakeholders attended CIDB training which included the use of construction	In Progress: Construction and general goods and services under review by SCM.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								construction.	templates. Documents in process of being reviewed to finalise a standard template for the respective processes		
		CF6.2	Inefficiencies in SCM processes and inadequate capacity		CC6.2.1	SCM policies and procedures developed and implementation	Satisfactory	Review the SCM structure to increase efficiencies	In Progress: Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	In Progress: Streamlining of SCM process is underway to improve inefficiencies.	31 March 2026
					CC6.2.2	Training provided to staff on SCM policies and processes	Satisfactory	Revise RFQ process and relevant delegations	In Progress: Reviewing of the FPQ processes and the relevant delegations has	In Progress: Reviewing of the FPQ processes and the relevant delegations has	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									been started but not yet finalised.	been started but not yet finalised. (same response as the previous quarter)	
					CC6.2.3	Templates and SoP's developed	Satisfactory	Procurement of a SCM procurement system	In Progress: Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	In Progress: SCM related functions that required standardisation of process have been uniformised with an SOP. Process reviews are ongoing and SOP's developed when required.	30 June 2026
					CC6.2.4	Physical storage of documents	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
				CC6.2.5	Evaluation committees established	Good					
				CC6.2.6	Strategic plan linked to procurement	Good					

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC6.2.7	Performance monitoring of service providers	Good	implementation of the current controls to ensure the risk is mitigated			
		CF6.3	Geo-political risks impacting the Rand Exchange rate thereby increasing goods imported		CC6.3.1	Bulk purchase of chemicals and consumables	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC6.3.2	Contracts allow for CPI increases in prices	Good	The current mitigation controls are deemed to be adequate.	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								Management will monitor the implementation of the current controls to ensure the risk is mitigated		period under review	
ERW 7	Inadequate protection of organisational resources (information, data, etc.) and cyber threats	CF7.1	Use of Legacy operating systems increases the chances of a cyber attack due to limited vendor support and upgrades	#REF!	CC7.1	Asset Management Policy, Strategy and Disaster Recovery Plan (Cloud back-up)	Good	Appointment of service provider to provide security managed services	In Progress: The process is at Bid Specification Committee in, preparation to advertise	In Progress: Currently at the bid evaluation committee.	30 June 2026
							Good	Upgrade Unsupported Operating Systems	Not yet started. Progress to be reported in quarter 3	In Progress: Operating Systems currently being upgraded	30 June 2026
		CF7.2	Inadequate cyber security awareness and behaviour			CC7.2	Quarterly ICT security awareness programs: (News Flash,	Good	Refer staff to additional training who fail	Not yet started. Progress to be reported in quarter 3	In Progress and Ongoing: Assessing results of test

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						Induction, Cyber security surveys, Mimecast, cyber behaviour survey upon onboarding, WhatsApp group)		simulations			
						Extend cyber security awareness to 3rd parties and Board members		Not yet started. Progress to be reported in quarter 3	In Progress and Ongoing: Shared Awareness with Service Providers	31 March 2026	
		CF7.3	Inadequate Information Security Controls		CC7.3.1	ICT Security Policy and Procedures implemented	Satisfactory	Conduct annual security accreditation verification of IT third providers	Not yet started. Progress to be reported in quarter 3	In Progress: Requested the security accreditation from the service provider who manages data of ERWAT.	31 December 2025
					CC7.3.2	Access controls based on security groups User profiles	Satisfactory	Disable USB ports excluding laboratory	Not yet started. Progress to be reported in quarter 3	In progress: Testing disabling USB ports where applicable	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						defined and reviewed bi-annually					
					CC7.3.3	User approval provided by relevant management and termination process if no access activity for 30 days	Satisfactory	Implement encryption on laptops	Not yet started. Progress to be reported in quarter 3	In Progress: testing encryption within ICT	30 June 2026
					CC7.3.4	Point in time access provided to IT service providers	Satisfactory	Upgrade server operational systems	Not yet started. Progress to be reported in quarter 3	In Progress: Server is currently Being upgraded	30 June 2026
					CC7.3.5	27001 and database compliance standards compliance by service providers	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								controls to ensure the risk is mitigated			
					CC7.3.6	Intrusion Detection System to proactively monitors network traffic and system activities to automatically detect and block malicious activity in real-time	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC7.3.7	Firewalls implemented act as gatekeepers, controlling and blocking network traffic based on predefined	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						rules to prevent unauthorized access		implementation of the current controls to ensure the risk is mitigated			
					CC7.3.8	Mimecast provides cloud-based email security, archiving, continuity, and data protection services to help businesses manage and protect their email systems from cyber threats like spam, malware, ransomware, and phishing attacks	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC7.3.9	Microsoft 365, data is encrypted at rest and in transit, using several strong encryption protocols,	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC7.3.10	Multi factor authentication utilised which requires two or more distinct forms of identity verification to grant access to an account or system, adding layers of security	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						beyond just a password		ensure the risk is mitigated			
					CC7.3.11	Quarterly use of Nessus to perform automated security vulnerability scanning to identify software flaws, missing patches, misconfigurations, and other weaknesses in a network's infrastructure, including servers, devices, and applications, before attackers can exploit them	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC7.3.12	Annual Vulnerability	Satisfactor y	The current mitigation	There is no reporting	The current mitigation controls	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						test conducted to probe for and exploit security vulnerabilities in web-based applications, networks and systems and penetration testing which is a simulated cyberattack performed to identify and exploit vulnerabilities in a computer system, network, or application before malicious attackers can		controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	required for the period under review	are deemed to be adequate. There is no reporting required for the period under review	
					CC7.3.13	Access control policy implemented	Good	The current mitigation controls are deemed to be	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated		required for the period under review	
					CC7.3.14	Logical access policy implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
ERW 8	Occupational hazards that pose a threat to the health and safety of employees	CF8.1	Non-compliance to safety regulations by staff	#RE F!	CC8.1.1	Occupational Health & Safety Policy	Good	Appoint training service providers on a 3-year basis	In Progress: Tender Specification have been drafted and submitted to DSC. Progress to be reported in quarter 3	In Progress: The tender for training service provider is currently on award stage.	31 December 2025
					CC8.1.2	Customised training provided to personal as per job requirement Training matrix develop, implemented and monitored	Good	Continuous in house training for defined competencies of Safety Reps	Action Plan Complete: Completed first aid, chemical handling, work permit, firefighting, confined spaces, and working at heights for various colleagues at Commercial Business. Some of the safety reps attended a conference in	Action Plan Complete: Completed first aid, chemical handling, work permit, firefighting, confined spaces, and working at heights for various colleagues at Commercial Business. Some of the safety reps attended a conference in Cape Town in August 2025	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									Cape Town in August 2025		
					CC8.1.3	Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety Representative Procedure -MS- SOP-SA003 Accident Reporting and Investigation Procedure -MS- SOP-SA004 Permit to Work Procedures -MS- SOP-SA005 Confined Space Procedure -MS- SOP-	Weak	Conduct awareness workshops on the OHS procedures	Action Plan Complete: Conducted, First aid, SHE Rep, firefighting and evacuation marshal training for the plant based appointed employees	Action Plan Complete: Conducted, First aid, SHE Rep, firefighting and evacuation marshal training for the plant based appointed employees	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						SA006 Excavation Procedure -MS- SOP- SA007 Wearing of Safety Harness -MS- SOP- SA008 Fall Protection Plan -MS- SOP- SA009 Control of contractors working at ERWAT -MS- SOP- SA0010 HSE Plan					
					CC8.1.4	Monthly District OHS Meeting wherein H&S is on the agenda. Bi-annual Central Safety meetings	Satisfactor y	Resolve OHS audit findings	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The	In Progress: Building Tender was awarded on 01 December 2025 (SLA signed 12 January 2026) and will address majority of non-compliances (e.g handrail	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	installation, fire extinguishers etc). Awaiting approval of Purchase Orders. Expected work commencement date: 01 May 2026	
					CC8.1.5	Quarterly reports to Exco PDCA (Plan, do, check, act) and Remuneration and Ethics Committee	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								controls to ensure the risk is mitigated			
					CC8.1.6	Occupational Health & Safety Committees(Monthly District Safety Committee, Quarterly Central Safety Committee)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
					CC8.1.7	Safety Awareness Program (Tool box talks)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								implementation of the current controls to ensure the risk is mitigated			
					CC8.1.8	Induction of safety conducted	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
		CF8.2	Deteriorating workplace condition due to inadequate maintenance		CC8.2.	2025/2026 Maintenance Plan developed and implemented	Good	The current mitigation controls are deemed to be adequate.	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								Management will monitor the implementation of the current controls to ensure the risk is mitigated		period under review	
		CF8.3	Exposure to biological and chemical agents		CC8.3.1	Safe Working Procedures and use of PPE as per SoP implemented	Satisfactory	Implement chemical and biological awareness sessions	Action Plan Complete: Relevant personnel has been trained and certificates are still valid.	Action Plan Complete: Relevant personnel has been trained and certificates are still valid.	31 March 2026
					CC8.3.2	Waste management procedures implemented	Satisfactory	Conduct occupational hygiene survey for 2 Plants and laboratory	Action Plan Complete :Surveys were completed in October for the laboratory and the plants in November 2025.	Action Plan Complete :Surveys were completed in October for the laboratory and the plants in November 2025	30 June 2026
					CC8.3.3	Medical Surveillance policy and Standard implemented	Satisfactory				
					CC8.3.4	Signage and Safety	Satisfactory				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						Datasheets (SDS) placed where hazardous chemicals are stored					
					CC8.3.5	Health Risk Assessment conducted to identify chemical and biological agents	Satisfactor y				
		CF8.4	Inadequate training of staff on safety protocols		CC8.4	Daily toolbox talk Safe working procedures Induction of safety protocols	Good	Appoint training service providers on a 3-year basis	In Progress: The R750k FPQ Mandatory Training has been reviewed by D.E.C and is currently awaiting approval from the SCM Manager and CFO.	In Progress: Once the approval process has been finalised (by the SCM Manager and CFO) ,the rollout of the training will proceed	30 June 2026
								Once the approval process has			

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									been finalised, we will proceed with the rollout of the training.		
		CF8.5	Non-compliance to safety regulations by ERWAT		CC8.5.1	Compliance risk management Plan as per OHS completed annually	Good	Implement Action Plans Risk Management Plan	In Progress: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	In Progress: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	Quarterly
					CC8.5.2	Compliance Universe for OHS identified Compliance risk management plan for OHS	Good		Action Plan Complete: The Top Priority Legislations were tabled and approved by the Board on the 1 <sup>st</sup> of December 2025.	Action Plan Complete: The Top Priority Legislations were tabled and approved by the Board on the 1 <sup>st</sup> of December 2025.	Quarterly
					CC8.5.3	Quarterly updates on compliance to	Good		Ongoing: Quarterly follow-ups of the OHS	Ongoing: Quarterly follow-ups of the OHS	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						regulations provided to Risk Unit			Compliance Risk Management by the Risk Department.	Compliance Risk Management by the Risk Department.	
		CF8.6	Unauthorised entry to ERWAT properties with the aim of vandalising, threat to lives, theft,(armed robberies)		CC8.6.1	Security Services Policy	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC8.6.2	Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC8.6.3	Security Awareness Program (Induction, Newsletters, Flash)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	N/A
		CF8.7	Unavailability of Fire Detection & Suppression System for the buildings		CC8.7	None	None	Appoint service provider for installing fire suppressant in laboratory	Not yet started. Progress to be reported in quarter 3	In Progress: A PSP has been appointed and will investigate. The contractor will assist with installation if required.	30 June 2026
<b>ERW 9</b>	Operational Disruption and Loss of	CF9.1	Plant unavailability factors (e.g.	#REF!	CC9.1.1	Diversion of flow to other processing	Satisfactor y	Develop a SoP for proactive	In Progress: The cleaning of	Ongoing: The cleaning schedules for the	31 Decemb er 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
	Service Continuity		Blockages of components due to foreign objects, Accumulation of sludge at the end of the WWTW (presence of too much vegetation at the contact tank), , Blocked PST (Primary Sedimentation Tank), Excessive scum buildup in the Biological Nutrient Removal (BNR).			modules within the plant (12 of 19 plants).		cleaning of process units.	process units is imbedded in the existing SOPs.  The cleaning schedule has been developed. The implementation is set to take place in Q3.	WCW have been developed. The decentralisation of the vacuum trucks to enable the execution of this function has been concluded. I.e. each district has been allocated a vacuum truck.	
					CC9.1.2	Contract to clean and unblock process units in place	Satisfactory	Restructure of Operations and maintenance division (heavy equipment unit)	In Progress: The proposed organogram is still in consultation.	In progress: The proposed organogram was tabled for EXCO on the 27 <sup>th</sup> of March 2026	31 December 2025
					CC9.1.3	Utilisation of vacuum trucks to clean and unblock process units (internal function)	Satisfactory	Exploration of advanced technology to enhance operations	Not yet started. Progress to be reported in quarter 3	Not yet started: This function hasn't started yet. (Progress was to be given in Q3)	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
					CC9.1.4	Implementation of Standard Operating Procedure for Disinfection	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
		CF9.2	The structural integrity of the biofilters is severely compromised		CC9.2	None	None	Conduct a condition assessment of bio filters	In Progress: Preparing tender document on capacity studies in WCW.	In Progress: The appointed PSP will assist in the infrastructure condition assessment.	30 June 2027
		CF9.3	Non-function of the mixers at the Biological Nutrient Removal		CC9.3	None	None	Develop redundancy plans for infrastructure	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 4 (Progress was to be given in Q3)	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
		CF9.4	Compromised structural integrity of the drying bed		CC9.4	None	None	Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA)  Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfont	In Progress: Awaiting the awarding of the tender.	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								ein 3. Vlaakplaats 4. Anchor 5. Welgedacht			
		CF9.5	Power supply interruptions - Inadequate generators per site (13 of 19 plants have gensets and existing gen-sets do not generate enough to power to operate the entire Wastewater Care Works) & UPS for the Laboratory		CC9.5	None	None	Finalise specifications for appointment of service provider for installation of generators at required sites	In Progress: The Service provider appointed for installation of generators at required sites	In Progress: The last batch of Generators is currently at BSC, and this is anticipated to resume in 2026/27	30 Nov 2029
		CF9.6	Supply disruptions of treatment chemicals		CC9.6.1.	Alternate chemicals have been identified and	Good	The current mitigation controls are deemed to	There is no reporting required for the	The current mitigation controls are deemed to be adequate. There is	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						procured		be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	period under review	no reporting required for the period under review	
					CC9.6.2.	Stock levels identified and maintained	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
		CF9.7	Industrial pollution events , WCW not operating at optimal level (dumping of oil)		CC9.7	Gas Chromatography conducted (organic fingerprinting)	Weak	Engagement with CoE Water Quality Division for the enforcement of Water By-Laws (resuscitate forum with CoE)	Not yet started. Progress to be reported in quarter 3	In Progress: Monthly and Quarterly meetings are scheduled, where the issues of pollution are reported per plant. Also, in mitigating the issue of illegal dumping, the CoE has issued an instruction to cease all the tanker discharges at the manhole, rather the discharges will be done at selected WCW, this will allow the WCW to have control on what comes to the WCW.	31 March 2026
								Investigation of alternate technology to treat	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 3	Bi-annual

Ref	Risk	Contributing Factor	IR	Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						industrial effluent (technical forum)		(same response as the previous quarter)	
		CF9.8 Increased expenditure resulting from reliance on alternative power sources during load shedding events.		CC9.8.1. Maintenance of diesel generators to power the Water Care Works	Satisfactory	Monthly maintenance of generators	Not yet started. Progress to be reported in quarter 3	In progress: Servicing intervals as per OEM conducted	30 June 2026
				CC9.8.2. Renewable Energy Plan developed		Appoint service provider for pilot at Head Office	Not yet started. Progress to be reported in quarter 3	In Progress: Solar bid at BAC stage.	30 Nov 2026
					Satisfactory	Conduct energy usage audits for WCW	Not yet started. Progress to be reported in quarter 3	Not yet started: IPAP will appoint PSP to conduct the survey	30 June 2026
						Develop an Energy Demand Management strategy	Not yet started. Progress to be reported in quarter 3	Not yet started: The appointment will be facilitated from the existing PSP panel.	30 Sept 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								and Energy audits			
ERW 10	Lagging digital and innovative ICT systems to respond to the mandate	CF10.1	Support inefficiencies due to lack of an ERP integration solution	#REF!	CC10.1	Manual collation of data from modules	Weak	Obtain from the shareholder authorisation to procure an alternative system	Not yet started. Progress to be reported in quarter 3	In Progress: MSCOA progress report submitted.	Quarterly
					CC10.2	Partially implemented modules from ERP system	Weak				
		CF10.2	Inadequate change management approach may lead to resistance, misalignment, and failure in adopting organizational initiatives.		CC10.2	None	None	Develop a Change Management Policy to be implemented prior to the roll out of new or enhanced			

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								applications			
		CF10.3	Inadequate procurement solution		CC10.3	Use of Solar for generating and managing of purchase orders	Weak	Procurement of a SCM management system	In Progress: Draft Specifications have been developed	In progress: Draft specifications for procurement system developed. (same response as previous quarter)	30 June 2026
						Enhance Solar to incorporate purchase requisition (if functionality is available)		Not yet started. Progress to be reported in quarter 3	In Progress: Interactions between SCM and ICT conducted to construct product/system requirements and identification of alternative procurement methods such as use/upgrade of current ERP system or procurement through formal public tender process.	30 June 2026	
		CF10.4	Inadequate automated		CC10.4.1	File sharing with access	Weak	Explore the Implementa	In Progress: A DEMO System	In Progress: Transferring	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			records management system			rights One drive with access rights		tion of a document management solution in accordance with the Document Management Policy	was presented at ICT Steering Committee on the 16 October and was recommended by the ICT Steering Committee and submitted to the CFO for final review.	company documents to the SharePoint Document System. Action Plan Complete: Policy still valid until November 2026	
					CC10.4.2	Document Management Policy developed and documents have been classified	Weak				
<b>ERW 11</b>	<b>Workforce gaps creating disconnects between business goals and execution, hampering long-term success</b>	CF11.1	Changes in legislative requirements impacting on skills requirements of staff (Green drop)	#REF!	CC11.1.1	Skills and professional standard requirements , to uphold standards of water quality and security, in compliance to Regulation 3630 of the Department of Water and Sanitation, have been identified	Satisfactor y	Finalise the development of a training plan	Action Plan Complete: The following training interventions have been requested through WISA for our Process Controllers, as they align with the <b>Regulation 3630 requirements</b> for Professional	Action Plan Complete: The following training interventions have been requested through WISA for our Process Controllers, as they align with the <b>Regulation 3630 requirements</b> for Professional Membership registration:  1. Introduction to	31 October 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									Membership registration: <ol style="list-style-type: none"> <li>1. Introduction to Wastewater Treatment (1 CPD point)</li> <li>2. Plant and Process Audit Workshop (2 CPD points)</li> <li>3. Wastewater Risk Abatement Planning (1 CPD point)</li> <li>4. Fundamentals of Modern Leadership (2 CPD points)</li> </ol>	Wastewater Treatment (1 CPD point) <ol style="list-style-type: none"> <li>2. Plant and Process Audit Workshop (2 CPD points)</li> <li>3. Wastewater Risk Abatement Planning (1 CPD point)</li> <li>4. Fundamentals of Modern Leadership (2 CPD points)</li> </ol> These programmes are intended to take place in May 2026.	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
									Modern Leadership (2 CPD points)  These programmes are intended to take place in May 2026.		
					CC11.1.2	Staff that are required to undergo training and professionally register with a recognized institution have been identified	Satisfactor y	Train staff to obtain relevant certification as per Regulation 3630	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 4 (Progress was to be reported in Q3)	As per plan
								Register identified staff with a recognised institution as per Regulation 3630	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 4 (Progress was to be reported in Q3)	30 June 2026
		CF11.2	Non-alignment of		CC11.2.1	A Plan has been	Satisfactor y	Review of the	In progress.	In progress.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			human capital competency with the organizational goals			developed for the roll out of soft skills training to contribute to a positive work environment, enhance team work, communication and interaction amongst staff		organizational structure to improve efficiency and effectiveness by aligning roles with strategic goals, enhancing communication, identifying and resolving bottlenecks	Draft structure for Company Secretariat has been finalised	Draft structure for all Departments was presented at EXCO	
					CC11.2.2	Competency assessments conducted to guide employee development, and ensure the workforce can meet current	Satisfactorily	Conduct training of staff as per 2025/26 training plan	In Progress: On-going process, 2025/26 plan is being rolled out. Report to be tabled in Q3 – Status Quo remains	In Progress: On-going process, 2025/26 plan is being rolled out. Report to be tabled in Q4 – Status Quo remains	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
						and future organizational goals					
					CC11.2.3	Performance assessments conducted and personal developmental plans developed	Satisfactor y	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	
		CF11.3	Remuneration not market related to attract the staff with the required competencies		CC11.3.1	Salary benchmarking conducted 4 years ago	Weak	Conduct benchmarking of remuneration to remain competitive, attract and retain top talent	In Progress: FPQ for the review of Executive remuneration against the market has been evaluated and awaiting a decision.	In Progress: FPQ for the review of the Executive remuneration was a non-award.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								and manage payroll costs effectively.			
					CC11.3.2	Benefits offered exceed minimum SALGA wage agreement	Satisfactor y	Identify critical skills at ERWAT that may require salaries on a higher notch	Action plan has not yet started. To commence after approval of structures	Action plan has not yet started. To commence after approval of structures	30 June 2026
					CC11.3.3	Implementation of notch increase based on years of service	Good	Review job specifications and gradings of identified positions.	In progress. Awaiting award letter of FPQ and is also depended on the approval of structures.	In Progress: FPQ has been awarded. To commence after approval of structures	30 June 2026
<b>ERW 12</b>	<b>Safety and security threats, including infrastructure theft , vandalism, and harm to</b>	CF12.1	Theft and vandalism of parts and harm to personnel at WCW	#REF!	CC12.1	Implementation of the Security Services Policy and implementation of Security Services Standard	Good	The current mitigation controls are deemed to be adequate. Management will	There is no reporting required for the period under review	There's no reporting required for the period under review. Continuous implementation of security services policy and	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
	<p><b>personnel (Jeopardise the organisation's ability to safeguard assets, ensure operational integrity, and maintain stakeholder trust).</b></p>					Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures -Diesel Management Procedure		monitor the implementation of the current controls to ensure the risk is mitigated		procedures is ongoing.	
		CF12.2	Encroachment of informal settlements		CC12.2	The growth of the informal settlement is	Good	The current mitigation controls are	There is no reporting required for the	The current mitigation controls are deemed to be	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			on ERWAT property increasing theft of infrastructure			monitored and engagements held in CoE		deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	period under review	adequate. There is no reporting required for the period under review	
		CF12.3	Extortion by community to be assigned project work		CC12.3	Engagements are held with Local Business Forums, surrounding community and relevant Municipality	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
		CF12.4	Community unrest due to failure in delivery of services		CC12.4	Engagements with CoE on potential unrest	Satisfactory	Develop an Emergency Response Plan	In Progress: Draft document pending review and comments	Action Plan Complete: The Security Emergency Response Plan was developed to guide how security responds to these incidents.	31 December 2025 31 March 2026  30 September 2025 31 March 2025
		CF12.5	Inadequate security infrastructure and equipment includes fences, access control systems, intruder alarm systems, lack of Perimeter lighting,		CC12.5	The following security measures are in place: - 12 of 20 sites have electric fencing (5 sites require upgrade to fencing) - cameras are installed at Head Office and-	Satisfactory	Finalise security risk assessment for all the sites and determine security interventions per site to be implemented	In Progress: An external service provider conducted the risk assessment and has submitted the close-out report. The service provider is awaiting an invitation to present the	In progress: An independent risk assessment was concluded, and the Service Provider is yet to present the findings to EXCO on invitation.	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			surveillance cameras			Haartebeestfontein - Hourly patrols are conducted - Access control at entrance to sites - Head office, storage facilities are fitted with intruder alarm systems - Emergency Response times defined - Armed guards and patrol dogs at high risk sites			findings to EXCO.		
<b>ERW 13</b>	<b>Lagging wastewater treatment technology to respond</b>	CF13.1	Unstructured and delayed uptake of water works digital	#REF!	CC13.1	Some plants equipped with PLC SCADA	Satisfactor y	Roll out PLC SCADA at all ERWAT sites	In Progress: This will be covered by the PSP contract which was	In Progress: This will be covered by the Panel of Service Provider contract which	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
	to the mandate		enhancement solutions						recently awarded. SCM is in the process of uploading the BOQ into the system.	was recently awarded. (Insufficient information received from the end-user department)	
		CF13.2	Lack of online / real time monitoring systems and automation		CC13.2	None	None	Conduct a Digitisation & Digitalisation Readiness Assessment (Innovative Technogym Readiness Assessment)	In Progress: This will be covered by the Panel of Service Provider contract which was recently awarded. SCM is in the process of uploading the BOQ into the system.	In Progress: This will be covered by the Panel of Service Provider contract which was recently awarded. (Insufficient information received from the end-user department)	30 June 2026
		CF13.3	Outdated and underperforming technology to treat high strength industrial effluent due to lack of		CC13.3	None	None	Appointment of Transactional Advisor by ISA	In Progress: The appointment of the transactional advisor is awaiting adjudication which will be completed in the	In Progress: Service Provider for the ISA project was appointed in March'2026, kick off meeting with ERWAT team	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
			budget to implement newer technologies( OPS) .						February 2026. This will be followed by other due diligence processes at ISA so the appointment should be completed in March 2026 (Q3).	scheduled for April 2026.	
								Benchmark infrastructure with another similar institution	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 4 (same response as the previous quarter)	30 June 2026
								Facilitate access to information for the Turnkey Projects via the Steering Committee	In Progress: Awaiting the awarding of the tender	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 2 Progress	Quarter 3 Progress	Action Plan Completion Date
								(ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht		wastewater treatment plants.	

7. Legislative (only if applicable to your department)

Report on the relevant legislative requirements enforced by the relevant department (e.g., Environmental Legislation).

**Department must reflect on how it is doing in this regard (main issues, challenges, general departmental performance)**

No	Legislation/Bill	Amendment	Impact on Internal Policies
1.	Insourcing Bill (31/07/2025)	To provide for insourcing of certain services that are required on a regular basis by organs of state; and to provide for matters connected therewith.	Not yet analysed

## 8. Key Audit Matters and Progress

The Ekurhuleni Water Care Company (ERWAT) has achieved an unqualified audit with findings for the financial year ended 30 June 2025.

- Zero (0) findings have been good – going as planned.
- Zero (0) findings have been okay-manageable issues.
- Zero (0) findings have been bad-unmanageable issues.
- Seven (7) findings have been finalized to date.
- Two (2) findings have no status indicated.

Summary of audit findings in the management report are as follows:

Summary Sheet

Municipal Entity	Total items	No Status indicated	Good - going as planned	Okay - manageable issues	Bad - unmanageable issues	Finalized
ERWAT 2024/2025	9	2	0	0	0	7
<b>Total</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>

### 2024/2025 OPCA

No	Finding Heading	Status	Percentage	Action Plan
1	Revenue estimated for over 12 months indicating differences when calculating based on the formula	<b>Finalized</b>	100%	Annual financial statements to be corrected
2	Understatement of receivables and overpayment incorrectly recognized as a prior period error	<b>Finalized</b>	100%	Annual financial statements to be corrected
3	Cash flow statement disclosure differences	<b>Finalized</b>	100%	The incorrect classifications have been fully investigated and will be corrected as part of the finalization of the annual financial statements.
4	Risk management amount differs with amount per the statement of financial position	<b>Finalized</b>	100%	Annual financial statements to be corrected

No	Finding Heading	Status	Percent age	Action Plan
5	Overtime payment recalculation discrepancy	Finalized	100%	The identified error has been corrected by having the employee acknowledging the overpayment and agreeing that the amount to be recovered in full.
6	Other receivable from exchange-Overstatement of the other receivable debtors	Finalized	100%	Management will correct the above-mentioned errors where applicable and ensure that proper consideration is given to amounts to be considered for impairment/write-off.
7	Misclassification of expenditure transactions – General expenditure	Finalized	100%	The identified errors will be corrected by reclassification of these expenses to the correct classes.
8	Predetermined Objective Inconsistencies – Internal control deficiency	No status indicated	-	Revise the TID, to ensure that the calculation method used for KPI4 “Percentage Compliance with Wastewater Treatment Works License Conditions and/or Exemptions Standards” is sufficiently detailed.
9	Olifantsfontein Wastewater Treatment Works (WWTW)	No status indicated	-	None

Approved by:



Mr. Kennedy Chihota

Managing Director

9 April 2026

Date