



ERWAT: Fourth Quarter Departmental Performance Reporting Template

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 4 of 2025/2026 was 82% which is significantly higher than the performance of 64% recorded in Quarter 3. The entity achieved nine (9) of the eleven (11) reportable indicators, which is considered for performance in the fourth 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 four (4) are reportable in Quarter 3 and ten (10) departmental indicators, of which seven (7) are reportable in Quarter 4. The entity achieved four (4) of the four (4) city-wide indicators and five (5) of the seven (7) departmental indicators, which are reportable for performance in Quarter 4.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring					
	Total number of targets	Total number of targets set for performance measurement in the quarter	Achieved	Not achieved	Variance
City Wide SDBIP	4	4	4	0	0
Department SDBIP	10	7	5	2	-2

ERWAT remains committed to supporting the strategic direction and objectives of the City of Ekurhuleni. This commitment is shown in the successful achievement of all four city-wide targets and demonstrates alignment with the City's priorities and performance expectations. Through focussed efforts, ERWAT continues to contribute to improved wastewater quality, ensuring compliance with environmental and regulatory requirements, while strengthening external revenue generation. These achievements ultimately contribute to improved service delivery outcomes for the benefit of the communities that are served.

Important to note is that ERWAT has successfully achieved its capital expenditure (CAPEX) targets while effectively implementing the increased budget allocation by City of Ekurhuleni. In addition, ERWAT attained significant national recognition for excellence in wastewater services, having been awarded 6 Green Drop certifications out of only 14 awarded nationwide. This is a remarkable achievement, which demonstrates the the entity's leadership in wastewater management, regulatory compliance, and operational excellence. Furthermore, ERWAT's outstanding performance was reinforced by securing recognition for the three top-performing wastewater treatment works in South Africa. However, despite the significant achievement towards operational excellence, there were two departmental which were not achieved. These 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.
- The percentage tender cancellations indicator, where the target was missed due to the cancellation of one bid. However, corrective measures have been put in place to strengthen the specification process and enhance the effectiveness of future procurement initiatives.

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, ERWATs 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.

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).

Q4 Target

-50%

Q4 Actual

-46.1%

Comment

Target was achieved with a variance of 3.9%.

Reasons for Variance

The 3.9 % variance from the target was primarily due to lower rainfall levels across the catchment areas served by the 19 water care works.

Corrective Measure

Detailed design work is currently underway at five identified water care works, with appointed Professional Service Providers (PSPs). The implementation of these interventions will contribute to increasing the available capacity at the water care works.

KPI 2 – City-wide

Total revenue generated from external business.

Method of measure

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

Evidence

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

Q4 Target

R11 352 000

Q4 Actual

R11 922 200

Comment:

Revenue target for Quarter 4 was achieved with a positive variance of R570 200

Reason for variance

The revenue target was successfully achieved due to the continued execution of current projects as well as the additional revenue generated from ad-hoc projects.

Remedial action

No remedial action required.

KPI 3 – 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) are 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

Q4 Target

75%

Q4 Actual

86%

Comment

KPI 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, Dekema, Rynfield, Rondebult, Hartebeestfontein, Esther Park Ratanda, Tsakane and Welgedacht—recorded the highest number of critical equipment failures during Quarter 4. These failures had a direct impact on effluent compliance. However, there was an overall regression of 3.41%, with the failure rate increasing from 9.84% in the previous quarter to 13.25% in Quarter 4.

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

WCW	% of critical equipment not available Q4 2025/2026	% of critical equipment not available Q3 025/2026	Comments
Ancor	None	None	
Benoni	None	29%	
Carl Grundlingh	4%	0%	Aerator no.6, drive shaft is damaged, the unit is due to be repaired.
Daveyton	None	None	
Dekema	26%	25%	Repairs on desludging humus pipeline at section 4, and PST no. 8 section 8, are ongoing. PST no.4 & 5 at section 3 are still outstanding, the repairs on this equipment will result in improved water quality effluent discharged.
Esther Park	17%	17%	Compactor repair is underway
Hartebeestfontein	19%	15%	Module 4 secondary aerator no.2, 3 x degritters and the isolated module 3 maintenance (repair) is underway.
Heidelberg	4%	5%	Aerator no. 3 is not operational due to a faulty gearbox; repair is in progress.

WCW	% of critical equipment not available Q4 2025/2026	% of critical equipment not available Q3 025/2026	Comments
Herbert Bickley	5%	0%	RAS pump no.3 and PST bridge drive not operational both equipment is out for repairs, PST bridge drive due to return to service on 21/07/2026.
Jan Smuts	9%	3%	Biofilter 4 not turning centre column removed, ferric tank leaking and final autosampler making abnormal sounds and not sampling
JP Marais	6%	6%	Inlet works generator changeover units not functioning and Degritter pump blockage.
Olifantsfontein	7%	4%	Repairs of A- recycle pump, 2 x R-recycle pumps and 3 x Filter Belt Presses and DAF saturation tank are in progress.
Ratanda	13%	6%	WAS pump and composite sampler not operational both equipment is out for repairs,
Rondebult	21%	18%	Repairs on Humus tank no. 4, PST no. 9, Biofilter no.7, 9, 10 are ongoing, the repairs on this equipment will result in improved water quality effluent discharged.
Rynfield	23%	32%	The repairs of mixer no.2, mixer no.4, 1 of RAS pump and frequent chlorination failure are in progress.
Tsakane	11%	10%	Chlorine dosing pump no.1, Anaerobic mixer no. 3 and 4 are not operational, equipment is out for repairs.
Vlakplaats	3%	7%	Repairs on Module D PST screen compactor, Module D inlet works compactor are ongoing, the repairs on this equipment will result in improved water quality effluent discharged.
Waterval	0%	1%	Repairs on Clarifier 4 module 1, Clarifier 3 & 4 module 2, Clarifier 4 module 4, PST 1 & 2 module 2, are ongoing. Repairs on Aerators 1,5,6,7,10,13 and 16 module 1 stage 1, aerators 1,2,5 stage 2, are still ongoing, the repairs on this equipment will result in improved water quality effluent discharged.
Welgedacht	11%	9%	Aerators 7,5&2 all three aerator gearboxes need repair, Recycled

WCW	% of critical equipment not available Q4 2025/2026	% of critical equipment not available Q3 025/2026	Comments
			pumps module one motor failed, recycle pump module 2 A motor and frame failed
Average of 19 WCW	9.42%	9.84%	
	4 remain unchanged, 5 improvements and 10 deteriorated.		

The average critical equipment failures between Quarter 4 and Quarter 3 have improved by about 0.42%. The interventional on remedial actions is presented in the section below.

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 4, 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 1,045 hours of power interruptions were recorded across WCWs in Quarter 4, compared to 1,307 hours in Quarter 3—reflecting a reduction of 262 hours from the previous quarter.

The available operating generators do not have the capacity to power the entire sections of the WCWs.

TABLE C: Power failures

Plant		Quarter 4 2026				Total hours without power
		Scheduled Loadshedding	Total hours Loadshedding	Power failures	Total hours Power Failures	
Benoni	DD3	0	0	18	398	398
Esther Park	DD3	0	0	11	56	56
Hartebeestfontein	DD3	0	0	1	72	72
Olifantsfontein	DD3	0	0	0	0	0
Rynfield	DD3	0	0	1	1	1
Ancor	DD4	0	0	3	4	4
Daveyton	DD4	0	0	5	28	28
Jan Smuts	DD4	0	0	6	42	42
JP Marais	DD4	0	0	3	11	11
Welgedacht	DD4	0	0	3	15	15
Herbert Bickley	DD5	0	0	2	33	33
Heidelberg	DD5	0	0	18	51	51

Plant		Quarter 4 2026				Total hours without power
		Scheduled Loadshedding	Total hours Loadshedding	Power failures	Total hours Power Failures	
Tsakane	DD5	0	0	17	101	101
Ratanda	DD5	0	0	22	39	39
Carl Grundlingh	DD5	0	0	8	25	25
Dekema	DD6	0	0	17	83	83
Rondebult	DD6	0	0	20	86	86
Vlakplaats	DD6	0	0	0	0	0
Waterval	DD6	0	0	0	0	0
Total number of hours without electricity on all impacted Water care Works for Q4.						1045

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/maintenance and load reductions in certain areas.

The following WCWs experienced the highest number of power supply interruption hours during Quarter 4: Benoni (398), Tsakane (101), Rondebult (86), Dekema (83), Hartbeestfontein (72) and Esther Park (56).

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 4. 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 4 as compared to Quarter 3, as detailed in the Table below.

Table D: Industrial Pollution

	Number Of Industrial Pollution Incidents during Q4 2025/2026	Number Of Industrial Pollution Incidents during Q3 2025/2026
Benoni	11	43
Esther Park	10	7
Hartebeestfontein	41	24
Olifantsfontein	104	87
Rynfield	4	2
Ancor	3	3
Daveyton	0	2
Jan Smuts	3	3
JP Marais	0	1
Welgedacht	1	16
Carl Grundlingh	0	0
Heidelberg	3	10
Herbert Bickley	13	24
Ratanda	0	0
Tsakane	0	0
Dekema	5	8
Rondebult	10	10
Vlakplaats	1	2
Waterval	1	2
Total	210	245

Olifantsfontein, Hartebeestfontein, Herbert Bickley, Benoni, Esther Park and Rondebult WCWs were the most impacted by industrial pollution during Quarter 4. Overall, pollution incidents decreased by 35 compared to Quarter 3.

Intermediate Chemical Supplies

The bid for the supply of chemicals (chlorine) was awarded during Q4, 2024-2025 period. The tender has a provision for annual price escalation, i.e. Annual Price Increase (API), the finalization of the process was delayed, this had some impact on the deliveries or procurement of the chemicals, this has however been resolved. During this period alternative disinfection chemicals were used, i.e. Calcium Hypochlorite Tablets. The Table below shows the affected WCW.

Table E: Chemical Shortages

	Chlorine gas Shortages days	Disinfection by chlorine tablets days	Ferric Shortages days
Benoni	30	30	-
Esther Park	91	91	-
Hartebeestfontein	1	7	-
Olifantsfontein	14	3	-
Rynfield	9	9	-
Ancor	2	2	-
Daveyton	-	-	-
Jan Smuts	16	16	-
JP Marais	-	-	-
Welgedacht	-	-	-
Carl Grundlingh	-	-	-
Heidelberg	-	-	-
Herbert Bickley	-	-	-
Ratanda	-	-	-
Tsakane	-	-	-
Dekema	-	-	-
Rondebult	-	-	-
Vlakplaats	-	-	-
Waterval	-	-	-

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 Q4 2025-2026 and Q3 2025-2026 have decreased by about 0.42%. The contract for mechanical maintenance services has been awarded in Q2, this provided 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. As significant amount of maintenance work was completed during Q4

(930 completed jobs), the impact of the completion of this maintenance work will be seen in Q1 2026/27 onwards.

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 and completed in Q4, a total of 6 preventative maintenance job cards were loaded and completed in Q4. Maintenance is still performed on an ongoing basis on the installed generators.

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.

In addition, the service provider has been appointed by ERWAT to conduct a feasibility study at Hartebeestfontein WCW for the following:

- Early warning system in terms of the pollution in the sewer network,
- The pretreatment and polishing technologies at the water care works and
- The rehabilitation of the Rietvlei and the costing to combat the pollution incidents.

The project is divided into three phases, the inception, the gap & the option analysis and the engineering solution & reporting. So far, the Inception report has been approved, the project is at the second phase with expected completion by end of October 2026.

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 22 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 4 – 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.

Q4 Target

5%

Q4 Actual

17.63%

Comment:

Target achieved.

Reasons for variance

The significant positive variance of 12.63% in the net surplus margin is primarily due to lower-than-budgeted operating expenditure. Major cost categories such as employee costs, repairs and maintenance, bulk purchases, and general expenses were underspent, with total operating expenditure falling short of the annual target by 5.05%.

Remedial actions:

No remedial action required as the target was exceeded. However, continued monitoring of budget execution is required to avoid underspending in critical areas such as repairs and maintenance.

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).

Q4 Target

N/A

Q4 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

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: $1) \text{ Actual Capital Expenditure} / (2) \text{ Budgeted Capital Expenditure}$

Evidence

Dated and signed Finance year to date expenditure report

Q4 Target

95%

Q4 Actual

97.61%

Comments

Target was achieved

Reasons for variance

The positive variance of 2.61% is due to the accelerated progression of professional engineering services for the Waterval, Olifantsfontein, Welgedacht, and Ancor Water Care Works (WCWs) upgrades. Milestone deliverables advanced from the Preliminary Design Report (PDR) to the Detailed Design Report (DDR) phase ahead of the baseline project schedule. This expedited implementation facilitated the early realization of financial and technical milestones, leading to higher-than-anticipated capital expenditure within the reporting period.

Remedial action:

None as target was achieved.

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).

Q4 Target

60%

Q4 Actual

79%

Comments

Target achieved

Reasons for variance

5 bids were approved during Quarter 3 whereof 22 of the 24 appointed service providers with EME or QSE status. Outstanding payments on existing contracts with SMME service providers were processed during Q4.

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).

Q4 Target

N/A

Q4 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

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

Q4 Target

6

Q4 Actual

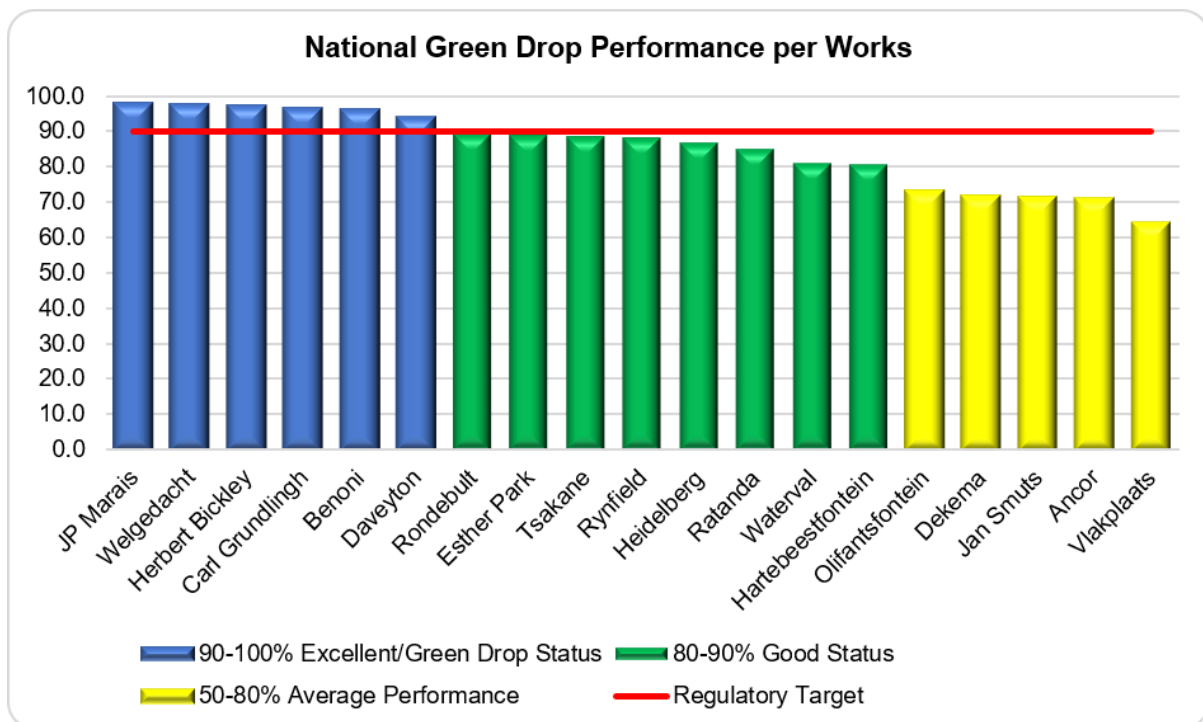
6

Comment:

Target achieved.

The 2025 National Green Drop Assessment results, published by the Department of Water and Sanitation on 31 March 2026, confirmed that ERWAT achieved six (6) Green Drop Certifications, thereby meeting the target.

National Green Drop Performance



The figure above illustrates the 2025 National Green Drop performance per Water Care Works (WCWs), highlighting ERWAT's outstanding achievement by securing 43% of the National Green Drop Awards (6 out of 14 awarded nationally) and 75% of the Provincial Green Drop Awards (6 out of 8 awarded within Gauteng Province).

In overall, eight (8) WCWs achieved good status (80 – 90%), while five (5) were rated at average status (50 – 80%), with Vlakplaats WCW recording the lowest performance at 63.9%. This significant achievement demonstrates sustained excellence in management of wastewater. The following WCWs achieved Green Drop status, with some recognised among the best performing wastewater system nationally:

Water Care Works with Green Drop Status

- JP Marais WCW – Gold Status (Green Drop in Two Consecutive Cycles)
2021 (98%), 2025 (97.7%)
- Daveyton WCW – Gold Status (Green Drop in Two Consecutive Cycles)
2021 (99%), 2025 (93.7%)
- Herbert Bickley WCW – Gold Status (Green Drop in Two Consecutive Cycles)
2021 (94%), 2025 (97.1%)
- Carl Grundlingh WCW – Gold Status (Green Drop in Two Consecutive Cycles)
2021 (95%), 2025 (96.4%)

- Welgedacht WCW – Bronze Status (Green Drop in One Cycles) 2025 (97.2%)
- Benoni WCW – Bronze Status (Green Drop in One Cycles) 2025 (96%)

Top National Performing Wastewater Systems

- 1st Position: JP Marais WCW (97.7%)
- 2nd Position: Welgedacht WCW (97.2%)
- 3rd Position: H. Bickley WCW (97.1%)

The Green Drop Certified Water Care Works are J.P. Marais (97.7%), Welgedacht (97.2%), Herbert Bickley (97.1%), Carl Grundlingh (96.4%), Daveyton (93.7%), and Rondebult (90.7%). This achievement demonstrates sustained excellence in wastewater management and compliance with the Green Drop regulatory requirements. In addition, eight (8) Water Care Works achieved Good Status (80–89%), while five (5) achieved Average Status (50–79%), reflecting continued improvements across ERWAT's wastewater systems.

Reasons for variance

The achievement reflects continued commitment to the Green drop programme.

Remedial actions:

Although the target has been achieved, continuous improvement is required to sustain performance and advance toward more Green Drop certification. Key focus areas and corresponding remedial actions include:

- Public health and environmental risks due to water quality failures, sludge management, and capacity exceedances:
 - Prioritize upgrades and expansions at WCWs exceeding the design and available capacity.
 - Implement sludge management practices in line with Water Research Commission (WRC) guidelines.
- Pump station dysfunctionality
 - Conduct urgent maintenance and rehabilitation of the affected pump stations and engage the City on possible hand over of operation and maintenance of all the pumpstations to ERWAT.

- Implement preventive maintenance schedules to reduce future breakdowns and service interruptions.
 - Review and upgrade critical equipment to improve reliability and operational efficiency.
- Procurement delays affecting planned interventions for capacity constraints
 - Prioritize procurement for high-risk infrastructure interventions to minimize operational bottlenecks. Commence with the planning of the capacity upgrade for the water care works operating between 80 and 100% as well.

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.

Q4 Target

8%

Q4 Actual

54%

Comment:

Target achieved.

Reasons for variance:

A total operating expenditure value of R221 565 742.35 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R103 980 780.78 were paid to contracted services within the municipal area (COE). The Accumulative value for YTD 2026 on total operating expenditure = R639 599 418.68 whereof R345 844 384.46 was paid to contracted service providers within the municipal area (COE).

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.

Q4 Target

95%

Q4 Actual

89.95%

Comment:

Target not achieved

Reasons for variance

The negative variance of 5.05% is primarily due to underspending across several expenditure categories, including employee cost, interest expense, bulk purchases and general expenditure. These factors resulted in actual operating expenditure of 89.95% against a target of 95%.

Remedial actions:

To improve expenditure performance, closer budget monitoring will be implemented across all departments. This will help ensure that budgeted funds are used as intended, and that corrective action can be taken promptly where underspending is identified.

.

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. Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget.

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

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

Evidence

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

Q4 Target

N/A

Q4 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

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.

Q4 Target

8%

Q4 Actual

12.69%

Comment:

Target achieved.

Reasons for variance

The positive variance of 4.69% is attributed to increased repairs and maintenance undertaken during the year to proactively address ageing infrastructure and ensure continued asset reliability.

Remedial actions

No remedial action required as the target was exceeded.

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.

Q4 Target

10%

Q4 Actual

14%

Comment:

Target not met.

Reasons for variance

Seven (7) bids were advertised and closed during Quater 4.

One (1) bid was cancelled during the period under review. The cancellation resulted from an error in the specification for filter paper.

Remedial actions:

Bid specifications and reasons for cancellation will be reviewed to ensure specifications are relevant and achievable by bidders.

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	Performan ce Indicator (Outcome)	Performan ce Indicator	Portfolio of Evidence	Baseline 2024/202 5	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variatio n	Actua l Outp ut Ratin g	Progres s on Targets	Reason(s) for Variation	Remedi al Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 4	Actual Outpu t Quart er 4						Planne d Budget Quarte r 4	Actual Expenditu re Quarter 4	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																					
Ekurhuleni Water Care Company (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 Manageme nt 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%	-46.1%	3.9%	Perfor manc e expec tation s excee ded	Target achieve d	The 3.9 % variance from the target was primarily due to lower rainfall levels across the catchme nt areas served by the 19 water care works.	Detailed design work is currently underwa y at five identifie d water care works, with appointe d Professi onal Service Provider s (PSPs). The impleme ntation of these intervent ions will contribut e to increasi ng the available capacity at the water care works.	CAPEX		73126460020TCXB AZZER 73146460020TCXB AZZER 73436456020TCXB CZZER 73526449420TCXB HZZER 73536449420TCXB HZZER 73546449420TCXB HZZER 73616449420TCXB HZZER	-	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																					
Ekurhuleni 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 agrees to the amount reported	R39 837 478,83	R37,752,0 00	R11,352,0 00	R11 922 200	R570 200	Perfor manc e expec tation s were excee ded	Target Achieve d	Revenue target was achieved due to continue d maintena nce of the current projects and additional revenue	No remedial action required	OPEX		73121380900FAZZ ZZZER 73251144470FAZZ ZZZER 73481423300FAZZ ZZZER 73481323010FAZZ ZZZER 73431423300FAZZ ZZZER	ZZZ ZZZ ZZZ ZZZ	DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS			

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 4	Actual Output Quarter 4						Planned Budget Quarter 4	Actual Expenditure Quarter 4	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
												generated from ad-hoc projects									
Ekurhuleni 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	R209 964 236.50	R133 193 659.71				OPEX	OPEX	OPEX
Ekurhuleni 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%	5%	17.63 %	12.63%	Performance expectations were exceeded	Target Achieved	The significant positive variance of 12.63% in the net surplus margin is primarily due to lower-than-budgeted	No remedial action required as the target was exceeded. However, continued monitoring	OPEX					Various votes: 1414 votes	-	OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE

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 4	Actual Output Quarter 4						Planned Budget Quarter 4	Actual Expenditure Quarter 4	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
												operating expenditure. Major cost categories such as employee costs, repairs and maintenance, bulk purchases, and general expenses were underspent, with total operating expenditure falling short of the annual target by 5.05%.	ing of budget execution is required to avoid underspending in critical areas such as repairs and maintenance.								E: WASTE WATER TREATMENT: EARTHWORKS

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 4	Actual Output Quarter 4						Planned Budget Quarter 4	Actual Expenditure Quarter 4	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
IDP Strategic Objective 2: To build a clean, capable and modernized local state																					
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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%	95%	97.61%	2.61%	Performance expectations were exceeded	Target achieved	Strategic advancement of major WCWs upgrades from the Preliminary Design Report stage to the Detailed Design Report stage.	None	CAPEX	97.61%	73126460020TC XBAZZER	XBH	P-CNIN FURN & OFF EQUIP	-	-	-
	Improved Quality of Water including Wastewater		ERW3.M 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%	79%	19%	Performance expectations were exceeded	Target achieved	5 bids were approved during Quarter 3 whereof 22 of the 24 appointed service providers with EME or QSE status. Outstanding payments on existing contracts with SMME service providers were processed during Q4.	None	OPEX /CAPEX							
	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX							
	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	6	6	0	Performance expectations were met	Target achieved	Although target has been met with continued commitment to the Green drop programme, key focus areas for continuous improvement	None	OPEX		-	-	-	Various votes		OPERATIONAL:MA INTENANCE

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 4	Actual Output Quarter 4						Planned Budget Quarter 4	Actual Expenditure Quarter 4	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												includes addressing capacity constraints, improving sludge management, and rehabilitating the associated dysfunctional pump stations									
	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%	8%	54%	46%	Performance expectations were exceeded	Target achieved	A total operating expenditure value of R221 565 742.35 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R103 980 780.78 were paid to contracted services within the municipal area (COE). The Accumulative value for YTD 2026 on total operating expenditure = R639 599 418.68 whereof R345 844 384.46 was paid to contracted service providers within the municipal area (COE).	None	OPEX							
	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%	95%	89.95%	-5.05%	Performance expectations were not met	Target not achieved	The negative variance of 5.05% is primarily due to underspending across several expenditure categories, including employee cost, interest expense, bulk	To improve expenditure performance, closer budget monitoring will be implemented across all departments. This will help ensure that budgeted funds are used as intended, and	OPEX	89.95%	N/A	-	-	Various votes: 1414 votes		OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTEWATER

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 4	Actual Output Quarter 4						Planned Budget Quarter 4	Actual Expenditure Quarter 4	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												purchases and general expenditure. These factors resulted in actual operating expenditure of 89.95% against a target of 95%.	that corrective action can be taken promptly where underspending is identified.								TREATMENT: EART HWORKS
	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%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX		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 and investment property	Annual Financial Statements. In the absence of the audited figures, unaudited annual financial statements should be used	4%	8%	8%	12.69%	4.69%	Performance expectations were exceeded	Target achieved	The positive variance of 4.69% is attributed to increased repairs and maintenance undertaken during the year to proactively address ageing infrastructure and ensure continued asset reliability.	No remedial action required as the target was exceeded.	OPEX					Various vote: includes Employee costs I, Repairs and maintenance		OPERATIONAL:MA INTENANCE: INFRA STRUCTURE: COR RECTIVE MAINTENANCE:
	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%	14%	4%	Performance expectations were not met	Target not achieved	One bid was cancelled during the period under review. The cancellation resulted from an error in the specification for filter paper.	BSC to review specifications and reasons for cancellation to ensure specifications are relevant and achievable by bidders.	OPEX		N/A	N/A	N/A	N/A	N/A	N/A

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

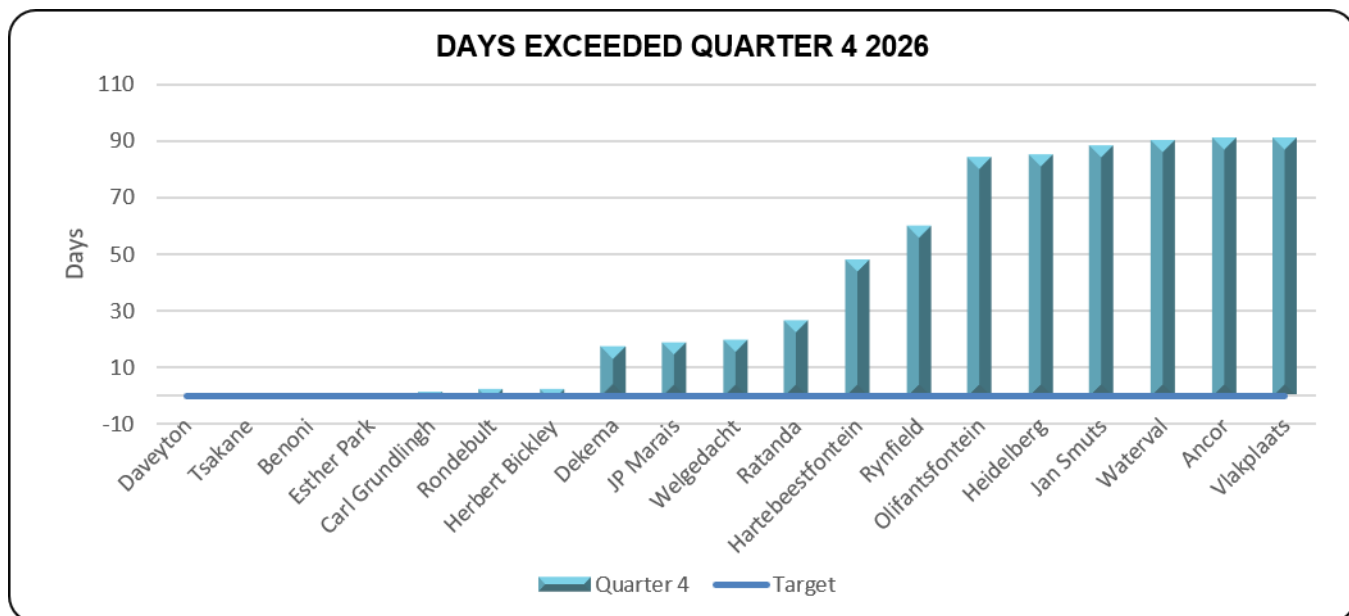


Figure 2: Days exceeded Quarter 4 2026

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.**

3.4.1 Plant/WCWs Specific Challenges

Quarterly Flows: The figure below illustrates the amount of sewage inflows the plants received in Quarter 4 2025-2026, as compared to the available/design treatment capacity of each plant.

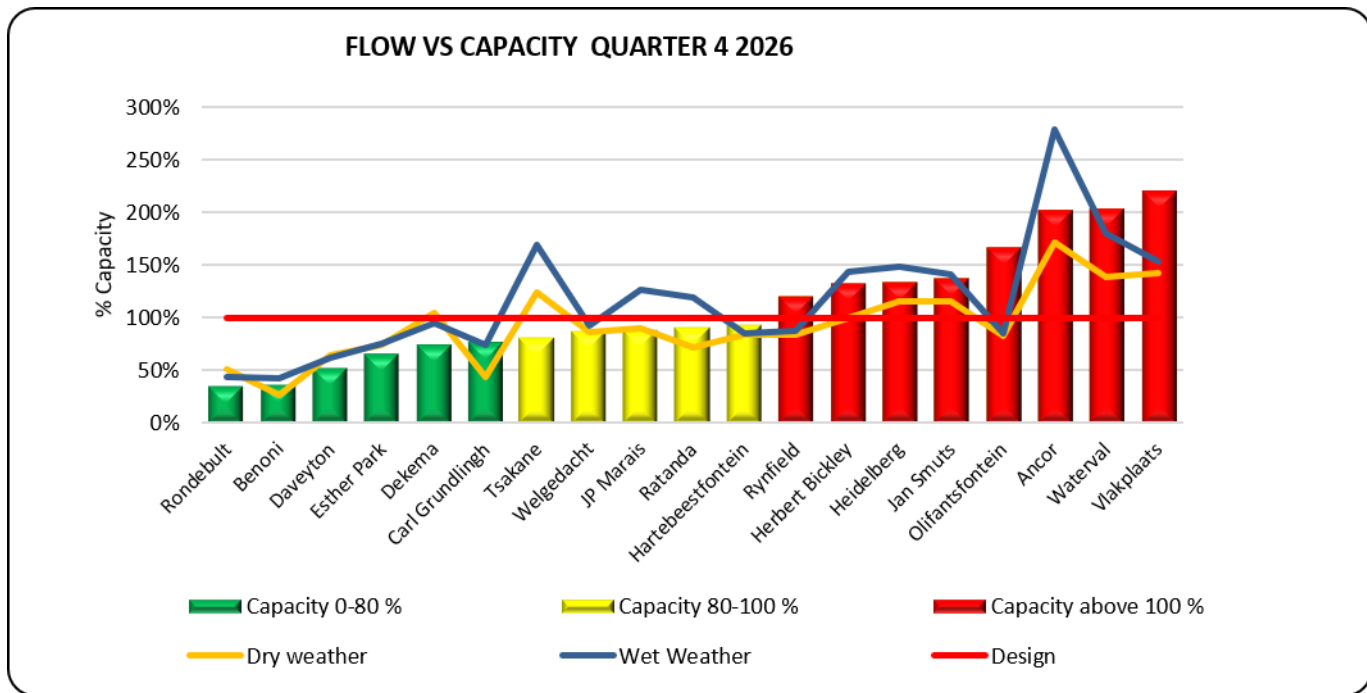


Figure 3: Q4 Flow Records per WCW: Flow vs Design Capacity

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 4 2025-2026.

Flow and Rainfall

Plant	Hydraulic Design Capacity MI/day	Daily Flow MI/day Quarter 4 2025/2026	Actual Rainfall Quarter 4 mm 2025/2026
Ancor	15.00	30.39	156.00
Benoni	7.50	2.73	375.00
Carl Grundlingh	5.25	3.98	158.00
Daveyton	19.00	10.03	150.00
Dekema	31.00	23.27	95.00
Esther Park	1.40	0.93	88.00
Hartebeestfontein	63.00	59.24	122.00
Heidelberg	5.40	7.23	152.00
Herbert Bickley	15.10	20.13	186.00
Jan Smuts	6.10	8.31	152.00

Plant	Hydraulic Design Capacity MI/day	Daily Flow MI/day Quarter 4 2025/2026	Actual Rainfall Quarter 4 mm 2025/2026
JP Marais	15.00	13.46	196.00
Olifantsfontein	65.00	108.36	150.00
Ratanda	4.70	4.28	193.00
Rondebult	20.00	6.96	241.00
Rynfield	9.80	11.81	182.00
Tsakane	20.00	16.47	104.00
Vlakplaats	55.00	121.71	135.00
Waterval	170.00	346.45	62.00
Welgedacht	95.00	83.13	169.00
Total Average Daily flow	623.25	878.88	3066.00
Total Flow Quarter 4 MI		79977.72	

A total of 79 977.72 MI was treated in Quarter 4 2025-2026, at an average of 878.88MI/day, utilising 141.02% of the available treatment capacity, as compared with Q3 2025-2026 88 804.06MI was treated, at an average of 986.71 MI/day, utilising 158.32% of the available treatment capacity of the available capacity.

As illustrated in the graph above, during Quarter 4, eight (8) out of nineteen (19) WCWs were operating above their hydraulic design capacity, five (5) were operating between 80% and 100% of capacity, and six (6) were operating below their hydraulic design capacity.

During Quarter 4, several WCWs operated significantly above their hydraulic design capacity. Vlakplaats recorded the highest loading at 221%, followed by Waterval 204%, Ancor at 203%, Olifantsfontein at 167%, Jan Smuts at 139%, Heidelberg at 134%, and Herbert Bickley at 133% 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 commenced, however there is a need to start planning for other WCWs operating between 80% and 100% as well.

A summary of total flows for the financial year, per quarter.

Quarter	Daily Treated Flow (MI/d)	Total Flows MI
Q1	820.32	75 469.22
Q2	909.60	83 683.65
Q3	986.71	88 804.06
Q4	878.88	79 977.72
Total 2025/2026	898.45	327 934.66

Organic Load

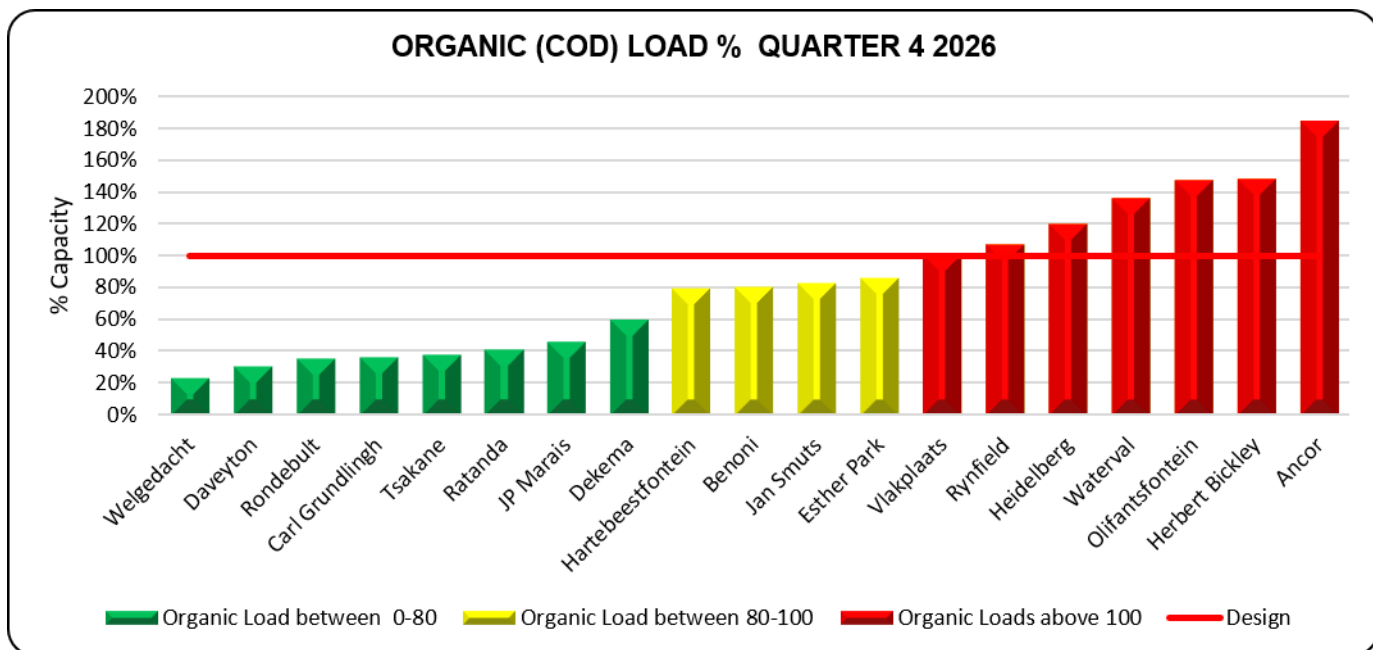


Figure 4+: Quarter 4 Organic Loads per WCW

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 Q4 2025-2026 as compared 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.

3.4. Service Delivery Highlights and Challenges

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Benoni	Benoni complied with overall WUL effluent standards with compliance of Physical = 98% Chemical = 100% Micro = 98% The average compliance target of 90% was	Plant operated at 36% of re-graded hydraulic capacity in Q4.	Plant operated at 40% of re-graded organic capacity in Q4 due to pollution from industries.	There were abnormal flow fluctuations in Q4, due to broken rising main on Tom Jones pump station and faulty motor at Apax pump	There were 11 high strengths of COD from industrial pollution in Q4.	There were 12 Level 3 Equipment failure occurred in Q4.	There was a total of 18 unplanned power failures which lasted for a duration of 398 hours in Q4.	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 Q4.	None	None	Sludge classification is A2b for drying beds and A2a for stockpiled. Sludge. Samples were taken to the Laboratory on 30/03/2026 for analysis of the new sludge classification	Road is accessible	Portable water is available

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	achieved with the overall compliance of 99% in Q4			station and vandalism of mini substation at McKenzie Park pump station											ation. Screenings and grits that are generated at the plant, are collected by CoE. The stockpiled sludge was transported to Olifantsfontein and then to the farmers		

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
															on the 27th May 2026		
Esther Park	Esther Park did not comply with overall WUL effluent standards with compliance of Physical = 83% Chemical = 55% Micro = 90%	Plant operated at a hydraulic capacity of 66 % in Q4 25-26	Plant operated at 109 % of organic capacity for Q4 25/26	There were no abnormal fluctuations of inflows in Q4 25-26 with an average of 0.93 Ml/d.	Plant received industrial high strength effluent (High COD, SS, NH3 and PO4 above the design) 10 days	Compactor and mechanical screen taken out for repairs.	There was a total of 11 unplanned power failure which lasted for a duration of 56 hours in Q4	Reactor wall needs to be repaired due to leaks. Backflow in the Inlet channel during high flows.	N/A	N/A	N/A	N/A	N/A	N/A	Waste activated sludge is transported via vacuum truck to Hartebeestfontein in WCW for further processing.	Access road is in good condition.	Occasional low water pressure which affects cleaning operations at the plant.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	The average compliance target of 84% was not achieved with the overall compliance of 76% in Q4				out of 91 days plant received industrial pollution in Q4.												
Hartebeestfontein	Hartebeestfontein complied with overall WUL effluent standards with	Plant operated at a hydraulic capacity of	Plant operated at 98% of organic capacity	There were abnormal fluctuations of inflows in Q4	Plant received industrial high strength effluent	13 Level 3 Equipment failures occurred in Q4.	There was a total of 1 planned power failure which lasted	Anaerobic digester steps and module 1, 2 and 3 reactor	Digester 1, 4, 6 and 9 sludge recirculation nozzles blocked. Digester	The plant experienced on veld fire in Q4	583520 kg of dry sludge was irrigated to the 200 hectare	Sludge irrigation contamination borehole no.2.	Sinkhole next to the fence towards FST 5 & 6 and	Licence amendment with relaxation on Electrical condu	Sludge classification is B2b, not suitable for the intended purpose; this	The grading was done around the fence in May	There are reoccurring water leaks that is resulting in

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Aging infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 85% Chemical = 65% Micro = 61% The average compliance target of 50% was Achieved with the overall compliance of	94 % in Q4 25-26	acity for Q4 25/26	25-26 With ranges of 32-126 MI/d and average of 59.17 MI/d	(Very high COD, SS, NH3 and PO4 above the design) 27 days out of 91 days plant received industrial pollution In Q4. Plant experi		for a duration of 72 hours in Q4	s. Aging infrastructure: chlorine, thickeners, clarifier 2-4 bridge and siphons.	r 1-9 feeding lined was blocked Constant blockage of digester feed lines (1-9) and blockages of PST's 2&3		s farm in Q4	Borehole 5 is dry. Borehole two has high concentration of Nitrates.	around the Farm	activity, Ammonia, E. coli.	requires further engagement with the farmer.	2025. Tar road is needed to final sampling point	water loss. Leaks are being repaired as and when they occur

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	70% in Q4				ences coloured influent, and fats pollution that solidifies in sedimentation tanks as scum.												
Olifantsfontein	Olifantsfontein complied with overall WUL effluent standards with	Plant operated at a hydraulic capacity	Plant operated at 160 % of organic	There were abnormal fluctuations of inflows in	Plant received industrial high strength effluent	16 Level 3 Equipment failures occurred in Q4.	None	Module 3 Anaerobic digesters and module 1, 2	2 of 6 digesters	None	Total sludge of 171 745 kg of sludge was produced	Unlined emergency dams contaminating borehole	2x Sinkholes behind and in front of the old	Olifantsfontein WUL is stringent on Ammonia of <	Sludge is classified into three streams : (1). Dewatering	Road to upstream sampling point need to be	Yes, there is a water leak that is reoccurring

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 50% Chemical = 39% Micro = 96% The average compliance target of 60% was Achieved with the overall compliance of 62%	of 167 % in Q4 25-26	capacity for Q4 25/26	Q4 25-26 With range of 92.40-142.5 5 MI/d in April 2026, 79.59-169.1 0 MI/d in May 2026, and 91.92 – 135.4 8 MI/d in June 2026.	nt (very high Electrical Conductivity above 80 mS/m) with 88 days out of 91 days the plant did not comply with EC In Q4. Plant also			and 3 reactors.			ed in Q4	ole no.2&3. Borehole 1 runs dry during dry season	laboratory which occurred in Dec 2019 and 1x behind return pump station which occurred in March 2024. All sinkholes still	2mg/l, SS of 15 mg/l and EC of < 80 mS/m.	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	graded and there is high erosion on the banks. To be reported to the CoE.	and resulting in water loss

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
					experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.								not rehabilitated		collected by service provider from the water works to the registered landfill.		
Rynfield	Rynfield Complied with overall WUL effluent standards with	Plant operated at a hydraulic cap	Plant operated at 105 % of orga	There were low flows received during the	None	0	None	Pavement, Digesters, Reactor tank and Bio-	2 of 4 digesters are blocked due to defective deslud	There was no veld fire incident in the	Dried sludge is stockpiled at the plant	Unlined sludge paddies, contact tank	None	None	CoE collects screenings and grits from inlet works	None	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 95% Chemical = 69% Micro = 41% The average compliance target of 65% was Achieved with the overall compliance of 68%	capacity of 121 % in Q4 25-26	Organic capacity for Q4 25/26	Q4 due to N12 pump station which was defective				feeder structures are cracked	ging valves	plant in Q4		and maturation ponds could cause possible ground water pollution			dried sludge is stockpiled at the plant		

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Ancor	Ancor complied with overall WUL effluent standards in Q4 with compliance of Physical = 83% Chemical = 72% Micro = 88% The average compliance target of 50%	Plant operated at 203 % of its hydraulic capacity in Q4.	Plant operated at 142 % of its organic capacity in Q4, with an average incoming CO D of 532 mg/l	Plant received higher flow than the design capacity in Q4. However, flows were still lower than expected due to illegal minerals diverted	Plant received high COD from industrial effluent in 21 out of 91 days.	Ferric dosing pumps blockage affected phosphate compliance for 15 out of 91 days. Chlorine booster pump and calcium hypochlorite dosing system blockages affected E. coli compliance	Plant experienced unplanned power outages 3 times in Q4, with a total 4 hrs.	Bio filter flow division boxes partially collapsed, humus tanks/PST's and digesters structures are crumbling/cracked. Ancor also do not have a	1 digester blocked with sand and 2 are partially in operation. This causes the plant to run out of sludge handling capacity, which prevent proper	No Veld fires occurred during Q4.	Stockpile area not lined. Stockpiles on plant is a risk due to veld fires and environmental pollution.	Unlined sludge paddies and emergency dam no.1 pollute under ground water.	Area around humus tanks and final effluent channel are dolomitic according to Geotech study performed.	N/A	CoE/MCC remove 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 the local farmers.	Access road to the plant is in bad condition with lots of potholes.	Service provider was appointed to repair portable water leaks around the plant, and the work is in completed.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	was achieved, with the overall compliance of 81%			ng flow from Daggafonte in pump station to their activities and a manhole on the main supply pipeline to Strubenvale pump station		nce for 9 out of 91 days.		chlorine contact tank for disinfection.	desludging and resulting in non-compliances.								

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
				being blocked.													
Daveyton	Daveyton complied with overall WUL effluent standards in Q4 with compliance of Physical = 99% Chemical=95.6% Micro = 98.9%	Plant operated at 53% of its hydraulic capacity in Q4.	Sufficient capacity. Plant operated at 30% of its organic capacity in Q4.	Numerous sewer blockages in the CoE network, and potable water supply interruption to Etwatwa lead to inconsistent	N/A. Domestic only.	20 Alert Level 3 Equipment failures occurred in Q4 which was the Generator at the BNR, RAS pumps and Clarifier #2 bridge inflow meter	5 total incidents of power outage, due to load reduction and unplanned power outage. Total hours without electricity are 28	CCT sometimes leaking. Do not have direct impact on the operation of the plant now	N/A	There were no veld fires in Q4	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 contract or for proper disposal	N/A	There was no portable water supply to the Etwatwa area from the 25 to 27 June 2026.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	The average compliance target of 90% was Achieved with the overall compliance of 98%			and irregular flow to the plant.			hours										
Jan Smuts	Jan Smuts complied with overall WUL effluent standards in Q4 with	Plant operated at 139 % of its hydraulic cap	Plant operated at 73% of its organic capacity	85 days of High incoming flows in Q4	Plant received high COD from industrial high strength	Q4 had 3 critical equipment failures: Biofilter 4 not rotating, Main ferric	Q4 had both planned and unplanned power failure with a	Humus Tanks scum boards , digester number 2's wall, drying	None	None	Dried sludge is stockpiled on site.	Unlined sludge stockpile area can cause groundwater	No	No	Screenings are removed by an approved contractor to an approved landfill site.	Fair	Rand Water

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 83% Chemical = 73% Micro = 94% The average compliance target of 70% was achieved with the overall compliance of 83%	capacity with an average of 8.30 ML/d in Q4	in Q4, with an average incoming CO D of 323 mg/l		effluent on 4 of the 91 days in Q4.	tank pipe leak, final composite sampler was making unusual sound and in need of repair	total of 41.67 hours of power failure due to cable fault and cable theft. Backup generator was operational	beds' walls and the bio-filters' feed flow division box/tower.				pollution. BH2 and BH3 both have elevated NOx.			This practice does comply with WUL conditions		

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
JP Marais	JP Marais complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 99% Micro = 96% The average compliance	Sufficient capacity. Plant operated at 90% of hydraulic capacity	Sufficient capacity. Plant operated at 43% of organic capacity	None	None	17 Alert Level 3 Equipment failures occurred in Q4, namely: Inlet works screen compact or x1, PST screen x1, Inlet &BNR Change over x5, Chlorine rotameter x2, RAS pumps x 5 and Screw	3 power failure incidents occurred (11 hours) in Q4, with no load shedding	None	N/A	No veld fire incident experienced in Q4.	Sludge pumped to Welgedacht, where it is treated.	Some boreholes polluted. Ongoing monitoring of boreholes.	No dolomitic soil	N/A	CoE removes solid waste (screenings and grit) except for PST screenings, due to no screen compactor.	N/A	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	target of 90% was Achieved a with the overall compliance of 98%					pumps x 3											
Welgedacht	Welgedacht complied with overall WUL effluent standards In Q4 with compliance Physical = 100%C	Plant operated at a hydraulic capacity of 88% in Q4	Plant operated at 20% organic capacity in Q4, which is not	The plant didn't experience any abnormal flows in Q4 2026.	Welgedacht receive 1 form of pollution foreign objects (Micro plastics) in	30 critical equipment failures occurred in Q4 2025/26 (35%), The failures included A-Recycle Pump	There were 3 power outages in Q4.1 was unplanned power outage on the 13 May	Module 1 electrical panel for aerators and digesters at module 2	None	No veld fires occurred in Q4.	None	Unlined Dichlorination channels and Emergency dam	N/A	None	Screenings are collected by contractor for proper disposal.	Gravel access roads are in very bad condition and very slippery	No potable water supply to the plant. Bore hole water is used for hygiene

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	hemical = 91%Micro = 97%The average compliance target of 81% was achieved with an overall compliance of 96%		sufficient .		Q4 2026.	A2, Ferric Pump #2, RAS Screen Compactor (x2), Recycle Pump #1, Aerator #2, Anaerobic Mixer A1, Anoxic Mixer A1,Blocked RAS Pumps #2(x2), #3 (x2) , #4 (x2) and #5, Mixers	2026 for 3 hrs caused by ESKOM, the 2 unplanned power outages on the 6th and 7 may was due to Welgedacht MV internal issues									when wet.	ne. Drinking water is being transported in from other plants.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						#3 and #7, Module 2 Chlorine Booster Pump #1 (x2), Module 2 Inlet Fine Screen B1, Module 2 Inlet Screen A1, Module 2 Chlorine Hoist, Slovo Park Pumps #1 and #2,	affecting a portion on the plant which in module 1.										

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						Chemical Recycle Pump #1 (x2) and #1X3, PST Waste Pump #1 (x2), Filter belt press #3 (tripping), Standby Polymer Pump #4 (x2 – leakage), Belt Press #2 Washer (leakage)											

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						), Dewatering Small Sludge-to-Land Pump, and Dewatering Belt #3 (communication failure).											
Carl Grundlingh	Carl Grundlingh complied with overall WUL effluent standards with	Plant operated at 77% hydraulic capacity	Plant operated at 22% organic capacity	None	None	None	There were 8 unplanned power failures with a total of 25 hours	BNR structure	None	1 veld fire experienced in June 2026	N/A	Unlined sludge to land posing groundwater	N/A	None	Contractor removes solid waste (screenings and grit).and dispose at licensed	Access road to the plant is damaged and requires an	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 100% Chemical = 98% Micro = 97% The average compliance target of 88% was Achieved with the overall compliance	in Q4	in Q4				outages due a transformer failure at the substation Q4					pollution			solid waste site.	upgrade.	

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	nence of 98%																
Bickley	Q4 2025-26 Average Compliance =100%, Physical Category Compliance = 97%, Chemical Category Compliance = 97% and the Micro Categor	Plant operated at 133 % hydraulic capacity in Q4	Plant operated at 89% organic capacity in Q4	Plant experiences high inflows	10x High COD incidents, 2x Excess Foam and 1x High NH3 incidents reported	Genset and Booster pumps failures experienced in April 2026 which impacted on compliance	33.22 hours of unplanned power failure experienced in April 2026	Anaerobic digester structure compromise and the Biofilter stage 1 & 2 structures show cracks	Anaerobic Digester underflow pipeline is blocked	No veld fires in Q4	Sludge used at Trompsburg instant lawn	Boreholes compliance monitoring results show fluctuations which can be a sign for pollution	None	None	CoE collects screenings and Grit bins	Geotechnical studies conducted to design a new road due to the poor state of the road	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	y Compliance = 98%																
Heidelberg	Heidelberg complied with overall WUL effluent standards with compliance with Physical = 100% Chemical = 92% Micro = 99%	Plant operated at 134 % of its hydraulic capacity	Plant operated at 94% of organic capacity	High incoming flows above the design of the 5.4 Ml/d	The plant received 3 high COD levels above the design of 693 mg/l and there were no high NH3 levels above the design	Total critical equipment failure in this quarter is 3, in April there was a call-out on 03/04/26 for the clarifier bridge no.1 at module 2, call-out on 05/04/2026 for	Heidelberg had 13 unplanned power outages with a duration of 36 hours and 5 planned outages that lasted for 15	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 ground water	Online d sludge paddles/lack of groundwater monitoring in the sludge paddles	None	None	Contractor removes solid waste (screenings and grit).and dispose s at licensed solid waste site.	Geotechnical studies conducted to design a new road due to the poor state of the road	Leakage on the pipeline to the inlet works due to a rusted pipeline. It was only repaired on the

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	The average compliance target of 80% was achieved with the overall compliance of 97%				of 36.5 mg/l in the current quarter.	the grit conveyor at the inlet works and in May there was a call out on 09/05/2026 to fix the PST screen.	hours that added to the total of 51 hours (about 4 days) without power. Diesel used was 3354 L				resources						29 of June.
Ratanda	Ratanda complied with overall WUL effluent standards	Plant operated at 91% hydraulic	Plant operated at 35% organic	Abnormal low flows experienced due to shortfalls	None	WAS Pump job request was issued on the 4	There were 22 unplanned power failures with	Drying beds drainage system is badly leaking	None	None	Dried sludge is stockpiled on-site. Sockpile area	Unlined sludge ponds leaking drying	N/A	None	Contractor removes solid waste (screenings and grit).and	Access road to the plant is damaged and	No Potable water is available.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	ds with compliance of Physical = 100% Chemical = 92% Micro = 97% The average compliance target of 85% was achieved with the overall compliance	capacity in Q4	capacity in Q4	ge of potable water in Ratan da location		June 2026	a total of 39 hours of power outages ESKOM related failures in Q4				needs to be lined	beds. and spillage at inlet works due to blocked screens			dispose at licensed solid waste site.	requires an upgrade.	

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	nce of 96%																
Tsakan e	Tsakan e complied with overall WUL effluent standards with compliance of Physical = 99%Chemical = 85%Micro = 85% The average compliance	Plant operated at 82% hydraulic capacity in Q4	Plant operated at 56% organic capacity in Q4	None	None	Tsakane experienced 10 Alert level 3 equipment failures in Q4, where call outs were requested for the following equipment: PST pump #1	Tsakane experienced 4 unplanned power outages with a total of 36 hours and 13 load reduction with total of 65	None	None	No Veld fires in Q4	Sludge pumped to unlined lagoons/paddies for solar drying	Unlined sludge lagoons and paddies. Groundwater monitoring around the sludge lagoons is done monthly.	None	Tsakane WUL is stringent on Ammonia of < 1.5mg /l.	Screenings and grit collected by City of Ekurhuleni (CoE) and MCC contractor to a dedicated landfill site	None	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	target of 75% was Achieved with the overall compliance of 89% in Q4					blocked x2 in Q4 Chlorine submersible pump failed x4 in Q4 Generator x1 in Q4 Sludge to land pump x1 in Q4 Inlet works Fine Screen x1 in Q4 PST bridge x1 in Q4	hrs for Q4.										

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Dekema	Dekema's overall final effluent compliance with WUL standards was 71%, below the 75% target. Compliance by category was 70% for physical, 62% for chemical, and 80% for microbi	The WCW operated within its design hydraulic capacity, with 75% capacity utilised in Quarter 4	The WCW operated within its design Organic capacity, with 53% capacity utilised in Quarter 4	N/A	WCW recorded five high incoming COD concentrations, exceeding the design limit of 836mg/l	WCW reported 33 alert level 3 equipment failures/incidents in quarter 4, mainly due to bio-filter pumps requiring priming, primary sedimentation tank failures, and sludge	WCW experienced sixteen load reductions totalling 70 hours and one unplanned power outage lasting 12.83 hours.	Bypass line to Waterval has collapsed behind digester 7 and Ferric Chloride station, Channels feeding section partially collapsed,	At the WCW, six of eight Anaerobic digesters are blocked, one has a collapsed roof and is isolated, one in section 2 remains operational.	There were no veld fires during Quarter 4	Sludge is pumped to unlined paddies for solar drying, then the dried sludge is spread over land and ploughed in, this does not comply with WUL	Unlined sludge paddies	N/A	N/A	Grit and screenings generated at the WCW is transported by a service provider to an authorised landfill site, in compliance with NEMA requirements.	The access road to Dekema WCW should be tarred to prevent it from muddy and slippery during rainy season.	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	ological parameters					pumps trips.		Bio-Filter and Digester walls are cracked			and has been an audit finding.						
Rondenbult	Rondenbult complied with overall WUL effluent standards with compliance of Physical = 99% Chemical = 96%	Plant operated at 35% of hydraulic capacity	Plant operated at 30% organic capacity	The plant received an average of 6.97 ML/d for Q4 and highest flow recorded was 20.71 ML/d.	Plant received high COD industrial effluent on 12 of 92 days	12. Level 3 Equipment failures occurred in Q4. 5 critical equipment reported during the month of April 2026.	13 x Outages with total hours of 107 hours occurred with the total fuel consumption of	Channels feeding section partially collapsed. Biofilters and digesters wall are cracked	1 of 6 digesters is blocked	No veld fires occurred during Q4	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area and ploughed into	Unlined sludge lagoons, Collection and transportation of screenings, grit disposed of	The entire area of the plant is dolomitic	N/A	Collection and transportation of waste (screening and grit) to a waste disposal site is done by service providers.	The access road in and around the plant are deteriorating and will need attention	Potable water pipeline rusted and needed to be replaced

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	Micro = 96% The average compliance target of 90% was achieved with the overall compliance of 97%			Total rainfall measured during Q4 at the plant was 109 mm.		4 x critical equipment reported during the month of May 2026. 3 x critical equipment reported during the month of June 2026	4466.86L during Q4.	d. Biofilter walls cracked. Brick work of open channels is unstable, collapsing and cracked. The feed pipe from the primary biofilters to			land. WUL noncompliant and an audit finding.	at a registered hazardous waste landfill site					

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Aging infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
								the secondary biofilters has collapsed. The wall that has a feed pipeline to the PSTs has collapsed due to heavy rainfall s Anaerobic digest									

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Aging infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
								ers 4 and #5 walls have cracks. Digester #6 dome has open/visible cracks on the surface. Office building cracked and leaked during heavy rainfalls									

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Vlakplatts	Vlakplatts didn't comply with overall WUL effluent standards with compliance of 72% Physical = 80% Chemical = 55% Micro = 81% The average compliance target of 47%	Plant operated at 221% of hydraulic capacity. Needs to be upgraded	Plant operated at 93% of organic capacity	The plant received an average of 221% ML/d for Q4 and highest flow recorded was 377 ML/d. Rainfall measured at the plant was 135 mm.	Plant received industrial high strength effluent on 2 of 91 days	5 Level 3 Equipment failures occurred in Q4. – 5 x failure of raw sludge pumps	0 Outages occur (0 hours in total) due to Load reduction.	Office building, Biofilters, Digesters have some cracks.	Most digesters are full of sand and require to be emptied and cleaned. Contractor started cleaning module A digesters	No veld fires occurred during Q4.	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 Q4.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	was achieved with the overall compliance of 72 %			Fluctuation of inflow is due to inconsistent Pump stations.													
Watervall	Waterfall complied with overall WUL effluent standards with compliance of Physical = 96%, Chemical =	Plant operated above hydraulic capacity (operated at 204 %	Plant operated at 123 % organic capacity.	Average flow of up to 346.80 Ml/day received due to developments and	Plant received high COD industrial effluent on 7 of 91 days	7 alert level 3 Critical equipment failures occurred in Q4 2025/2026 Mainly from , 4 x Blower's failure, 2	0 Hours planned power outage	None	Out of the 14 available primary digesters, four from section 5-10 are blocked.	2 veld fires at sludge land occurred during Q4.	Dried sludge is stockpiled on the plant and paddies. Demand for agricultural applica	Unlined Emergency dams and paddies.	None.	None.	Screenings and grit generated at the plant are now disposed at landfill site, this to prevent undergr	None.	0 days water supply cut incidents were experienced during Q4.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	93%, Micro = 90% The average compliance target of 90% was Achieved with the overall compliance of 93%	capacity)		bypasses from upstream plants . The highest flow received was 496.3 Ml/d. Total rainfall of 102 mm was received in Q4		1x inlet screens failure, 1x plant power dip.					tions is seasonal.				ound seepage.		

3.5 Project/Infrastructure Report

Running Projects

3.5.1.1 Medium Voltage (MV) Infrastructure Upgrade Program

During Quarter 4, 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.

3.5.1.2 Installation of Analytical Instrumentation at ERWAT WCWs

To maintain stringent environmental compliance and optimize biological nutrient removal (BNR) and activated sludge processes, ERWAT heavily relies on modern analytical instrumentation.

A key recent development driving these projects is the multi-year project/tender (**Bid Number: ERW2407/04**): *"Appointment of service provider/s to supply, deliver & install analytical instrumentation & associated equipment on an 'as & when required' basis in all ERWAT WCWs for a period of thirty-six (36) months."*

Analytical instruments serve as the operational foundation for ERWAT's 19 Water Care Works, shifting plant operations from a reactive state to a proactive, real-time control model. By continuously tracking physical, chemical, and biological parameters, these systems protect downstream biomass, minimize operational costs, and secure strict regulatory compliance.

3.5.1.3 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 in progress**. 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 in progress**. 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:
- **Technical Refinement:** Finalizing civil, mechanical, electrical, and instrumentation (CMEI) specifications for the new 60 ML/d module
- **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:
- **Technical Refinement:** Finalizing civil, mechanical, electrical, and instrumentation (CMEI) specifications for the new 15 ML/d module.
- **Detailed assessment and design of the components required to upgrade the regraded section back to 35 ML/d.**
- **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.

3.5.4 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 development

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	%	%
EXPENDITURE BY TYPE							
Employee Related Costs - Salaries & Wages	579 185 686	144 796 422	127 631 075	579 185 686	488 118 488	-11,85%	-15,72%
Remuneration of Directors	3 245 394	811 349	472 666	3 245 394	1 782 334	-41,74%	-45,08%
Bad Debts (Provision for Bad Debts)	1 829 993	457 498	76 432 298	1 829 993	76 432 298	16606,58%	4076,64%
Impairment (gain)/loss	10 500 000	2 625 000	-	10 500 000	-	-100,00%	-100,00%
Depreciation	108 378 896	27 094 724	17 471 849	108 378 896	104 043 740	-35,52%	-4,00%
Repairs and Maintenance	208 932 198	52 233 050	96 219 444	208 932 198	202 295 206	84,21%	-3,18%
Interest Expense	26 390 424	6 597 606	4 971 873	26 390 424	16 897 529	-24,64%	-35,97%
Bulk purchases	454 058 475	113 514 619	104 602 174	454 058 475	396 833 820	-7,85%	-12,60%
General Expenses - Other	273 326 112	68 331 528	82 433 419	273 326 112	212 074 826	20,64%	-22,41%
TOTAL OPERATING EXPENDITURE	1 665 847 178	416 461 795	510 234 798	1 665 847 178	1 498 478 242	22,52%	-10,05%

The total overall underspending in the 4th Quarter can be attributed to the following reasons:

Employee costs:

Major contributing factor to manpower under expenditure:

The number of vacancies that were expected to be filled during the year were not realised which resulted in under expenditure on the manpower costs. It is expected that the outstanding

vacancies will be filled in the next financial year (2026/27), subject to the completion of the recruitment process. Furthermore, the amount budgeted for incentive bonuses was not realised during the financial year.

Director's remuneration: Directors' remuneration was over budget due to a back payment processed in the last quarter. One of the directors had previously only received travel and subsistence allowances; however, a legal opinion subsequently confirmed that she was also entitled to the full remuneration package. This package was not budgeted for therefore the back payment resulted in expenditure exceeding the budget.

Bulk purchases:

Multiple breakdowns of the filter belt presses resulted in underspending on polyelectrolyte chemicals.

Some invoices were not yet available from the Utility Service provider for processing at the date of this report and were therefore not yet included in the Bulk Purchases expenditure amount which contributed to the under expenditure reported.

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.

Repairs and maintenance:

The Department's expenditure performance reflects the successful implementation of planned maintenance activities, improved procurement execution, and the accelerated implementation of key maintenance contracts during the fourth quarter. The award of the Mechanical Maintenance Support Contract enabled the Department to address the backlog of critical mechanical equipment across the wastewater treatment works, resulting in a significant increase in maintenance work undertaken. This is evidenced by the substantial implementation of the procurement plan during the first year of the contract. In addition, the execution of scheduled preventative maintenance on transformers through the Medium Voltage (MV) Maintenance Contract and the implementation of planned building maintenance projects contributed significantly to the utilisation of the Repairs and Maintenance budget while improving the reliability and condition of critical infrastructure. The Department's performance was further supported by the timely issuance of Purchase Orders by the Supply Chain Management (SCM) Unit, which facilitated the prompt appointment of service providers, improved the delivery of goods and services, and enabled maintenance activities to be executed within the financial year. Collectively, these interventions enhanced the implementation of the maintenance programme, improved asset reliability, and enabled the Department to achieve 97% expenditure against the approved Repairs and Maintenance budget while supporting service delivery objectives.

General Expenditure:

Computer expenses

The underspending is due to SQL licences not being procured during the year, as the quotation received was significantly higher than anticipated at approximately R30 million per annum.

Consulting and professional fees

The underspending is mainly due to unexpected delays in the procurement process, which affected the project timelines for the Roads and Stormwater Infrastructure project. The delays effectively caused the three-month period allocated for the service provider to complete the designs to lapse. Although project allocations were finalised, most of the work will roll over into the 2026/27 financial year. In addition, the delay in awarding the tender for the Operations Process Audit project resulted in the work not being completed by year-end.

Insurance

The entity procured new assets in line with the procurement plan, including bakkies, bobcats, a platform truck, forklifts, crane trucks and water tankers. It was anticipated during the budgeting process that insurance costs would increase significantly. However, the current contract was negotiated at a lower rate of approximately R10 million compared to the anticipated budget of R13 million, resulting in underspending.

Fuel and other fleet costs

The Department experienced fewer load-shedding events than anticipated. As a result, the generator fuel budget was not fully utilised.

Health, safety and protective clothing

The underspending was largely due to delays in the PPE tender award process. In the interim, the National Treasury Transversal PPE contract was utilised; however, this contract did not include all required items, which limited spending. Some planned safety awareness programmes will be postponed to the 2026/27 financial year.

Table 6: Capital expenditure

Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Total Budget for the year	Actual for FY (Yr. to date)	Variance for year (Yr. to date)	% Completion
CAPITAL PROGRAM	R 294 995 612,00	R-	R73 748 903,00	R73 906 372.09	R 157 469,09	R 294 995 612,00	R 287 954 850,42	R7 709 019,02	97,61%

Capital Expenditure Narrative:

For the **2025/26** financial year, ERWAT approved a final capital budget of **R294,995,612.00**. Financial implementation shows exceptional execution, with total YTD expenditure recorded at **R 287,954,850.42**. This represents an overall budget absorption rate of **97.61%**.

The capital program was successfully cross funded using the Urban Settlement Development Grant (USDG) accounting for 68% of the total allocation and self-funding revenue, accounting for the remaining 32%. Budget Split spending as follows:

Source of Funding	Draft Budget Year 2025/26	Actual for FY (Yr. to date)	% Completion
REVENUE	R 94 500 000.00	R 87 503 194,92	92.60%
USDG	R 200 500 000.00	R 200 451 655,50	99,98%
TOTAL BUDGET SPENT	R 294 995 612,00	R 287 954 850,42	97,61%

The positive variance of **2.61%** on total capital expenditure is driven by the strategic advancement of major upgrades at four flagship **Water 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 WCWs:

- Waterval
- Olifantsfontein
- Welgedacht
- Ancor

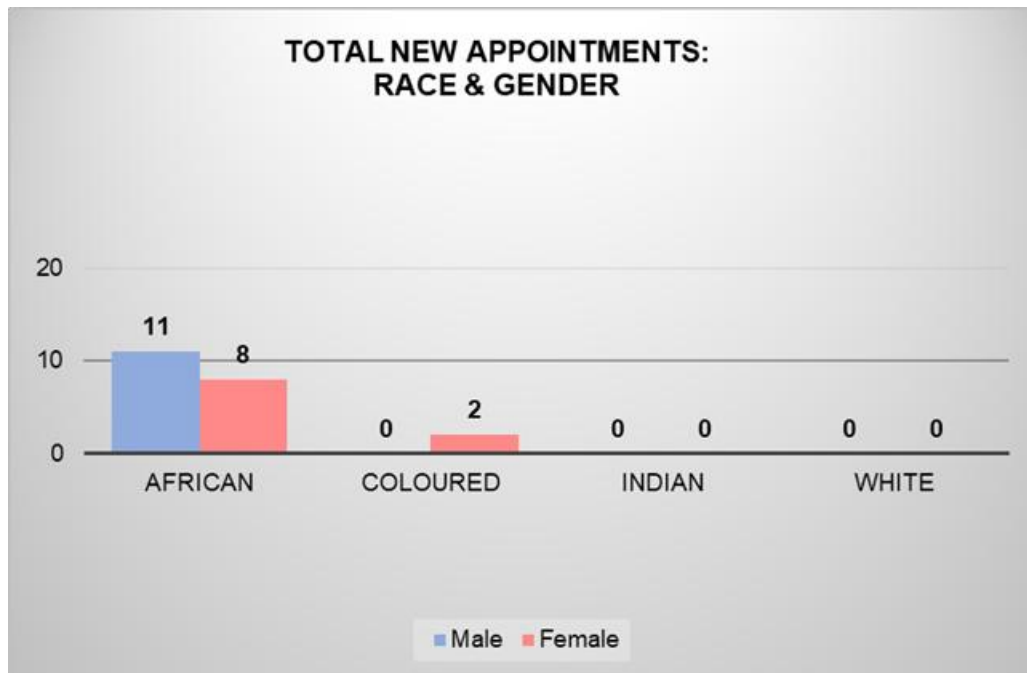
4. Human Resources

4.1 Staff Movements

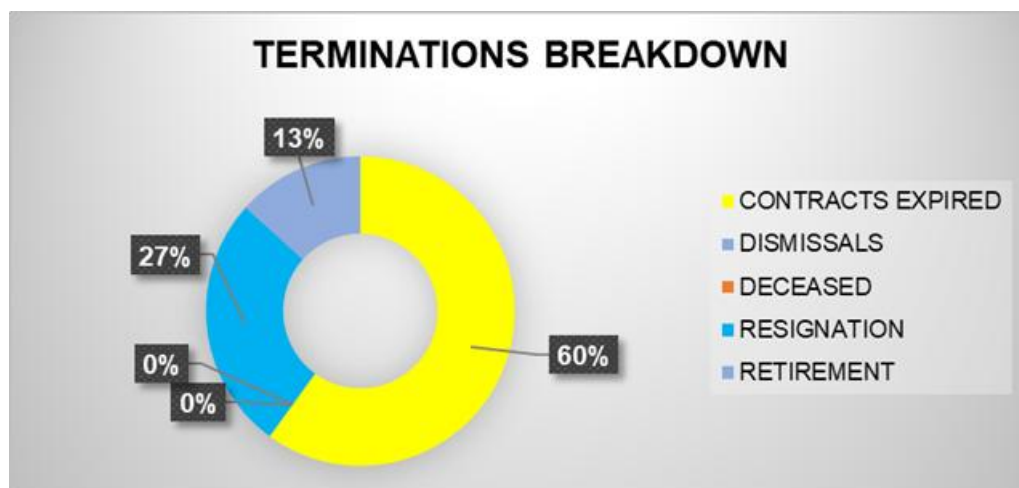
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	11	8	0	2	0	0	0	0	21
Resignations	1	3	0	0	0	0	0	0	4
Retirements	2	0	0	0	0	0	0	0	2
Contract Expired	4	4	0	0	0	0	0	1	9
Dismissals	0	0	0	0	0	0	0	0	0
Deceased	0	0	0	0	0	0	0	0	0
Promotions	12	5	0	0	0	0	1	0	18

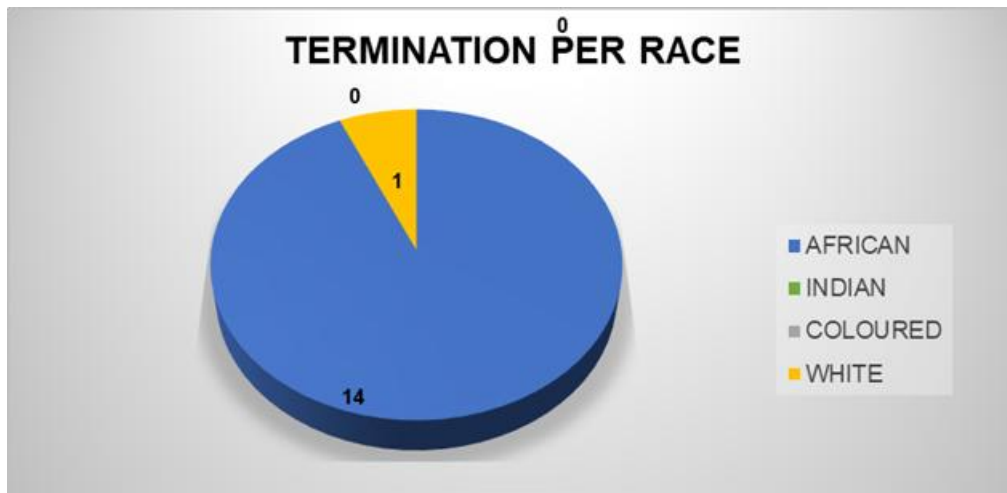
4.1.1 Appointments





4.1.2 Terminations

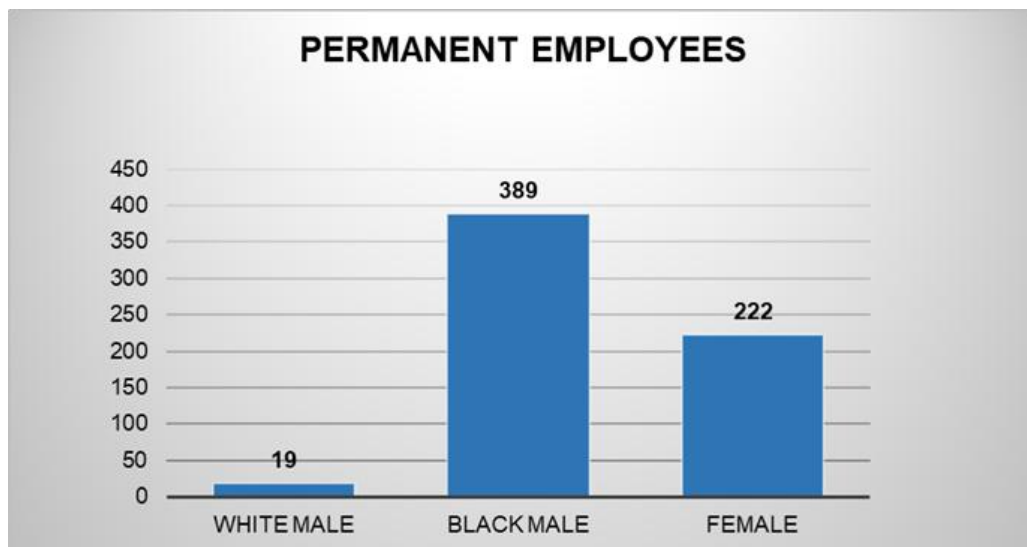




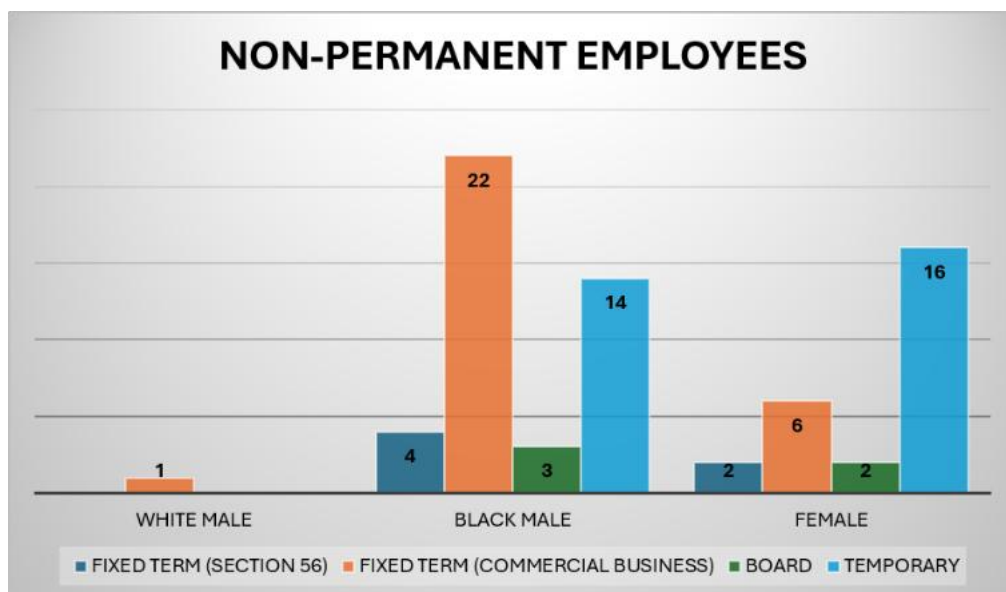
Status Analysis

- During the period under review, 21 employees were appointed.
- During the period under review, 15 employees exited the organisation for the following reasons:
 - o 9 contracts expired.
 - o 4 employees resigned, and
 - o 2 employees went on retirement during the period under review

4.2 Employment Equity Demographics



ERWAT has **630** permanent employees.



ERWAT has **70** non-permanent employees.

Status Analysis

- The employment demographics of ERWAT as at 30 June 2026 reflects:
 - o Females in both permanent and non-permanent positions within ERWAT account for 248 or 35% of total positions filled.
 - o Males in both permanent and non-permanent positions within ERWAT account for 452 or 65% of total positions filled.

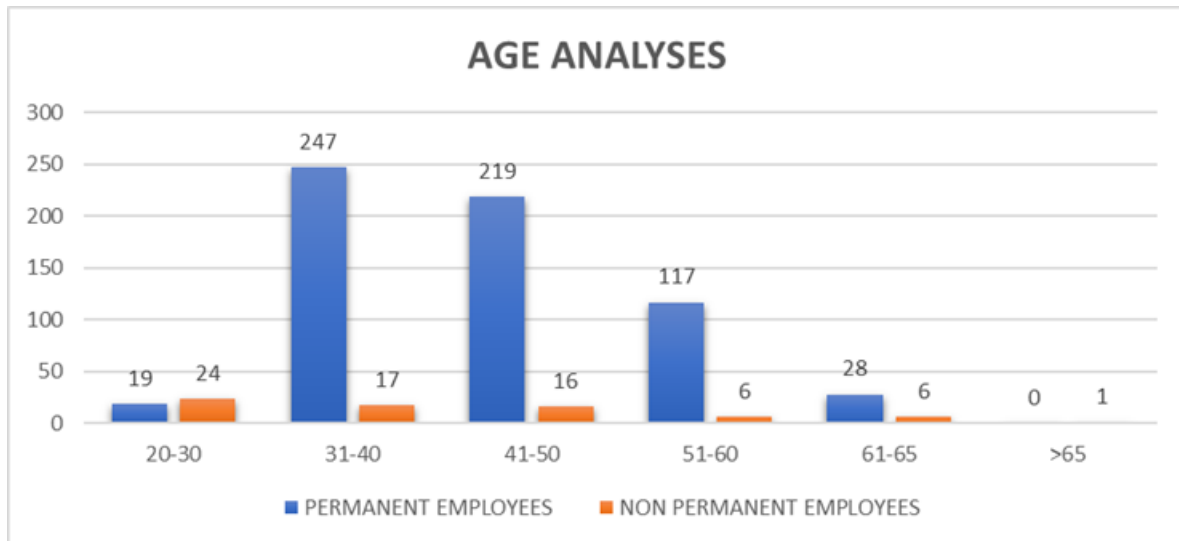
4.3 Employment Equity Update

During the quarter, the Employment Equity Committee convened as scheduled and successfully discharged its governance responsibilities. The Committee reviewed and approved the Workplace Skills Plan (WSP), which was subsequently signed off for submission.

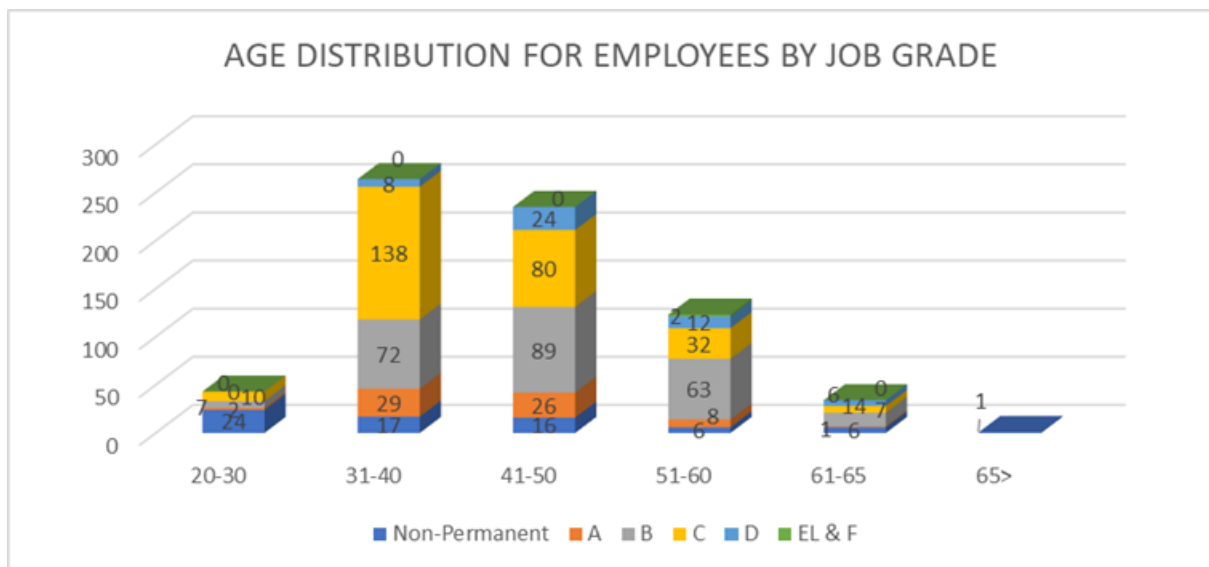
In addition, the Committee strengthened its governance structure through the nomination and appointment of the Committee Chairperson and Secretary. These appointments will support the effective functioning of the Committee and ensure continued compliance with the requirements of the Employment Equity Act and good governance practices.

The Committee remains committed to advancing employment equity initiatives and monitoring the implementation of the Employment Equity Plan within the organisation.

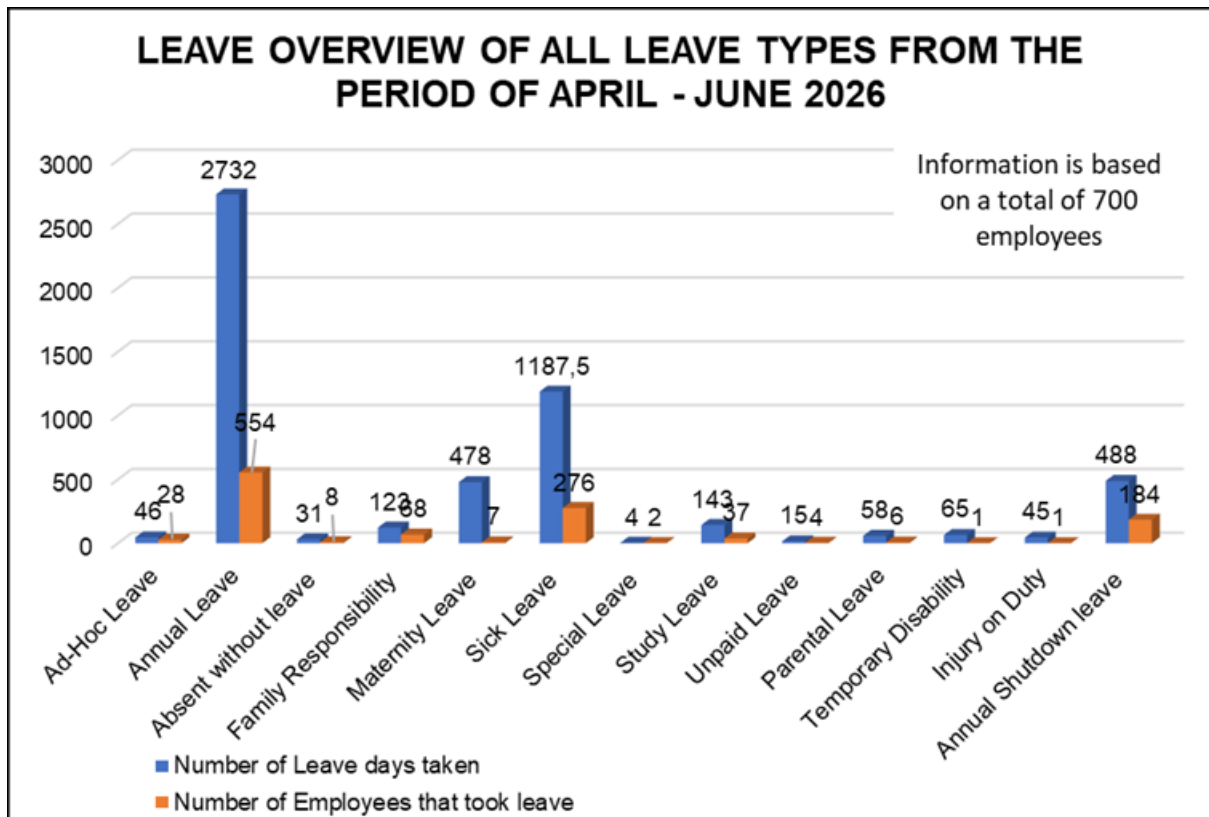
Age Analysis



- Average Age for Permanent Staff as at 06/2026 = 43
- Average Age for Non-Permanent Staff as at 06/2026 = 38



4.4 Leave Management



Status Analysis

- Total number of employees who took sick leave during the period under review are 276. The total sick leave taken equates to an approximate minimum of 4.3 days per employees.

4.5 Unstructured Overtime Trends

		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Department	2025/2026 Annual Budget	Hours	Expenditure	Hours	Expenditure	Hours	Expenditure	Hours	Expenditure
Office of the MD	0	0	0	0	0	0	0	0	0
Security	310 966,00	176,00	77 068,99	165,00	71 992,55	166,00	73 128,01	201,00	87 143,93
Company Secretariat	0	0	0	0	0	0	0	0	0
Financial Services	158 967,00	51,33	20 432,74	34,00	9 989,39	27,00	10 851,15	8,00	3 449,38
Human Resources	30 528,00	0	0	0	0	0	0	0	0
Strategy, Monitoring and Evaluation	39 011,00	27,00	11 210,76	0	0	0	0	0	0

Maintenance	3 636 032,00	3 044,50	959 161,43	3 418,50	1 130 552,81	4 096,00	1 339 464,24	4 079,00	1 335 688,29
IPAP	0	0	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	2 044,00	728 765,12
Commercial Business	2 636 778,00	2 682,90	471 774,85	2 146,50	351 168,12	2 403,50	429 012,73	2 602,50	440 097,38
Operations	10 008 838,00	9 072,50	2 431 510,44	8 319,50	2 239 685,92	10 071,50	2 744 582,39	10 470,50	2 824 669,92
Total	19 350 864,00	16 925,22	4 619 646,98	15 869,50	4 421 612,98	18 686,25	5 267 939,23	19 405,00	5 419 814,02

Note: The total unstructured overtime cost incurred for the financial year amounted to R19,729,013.21.

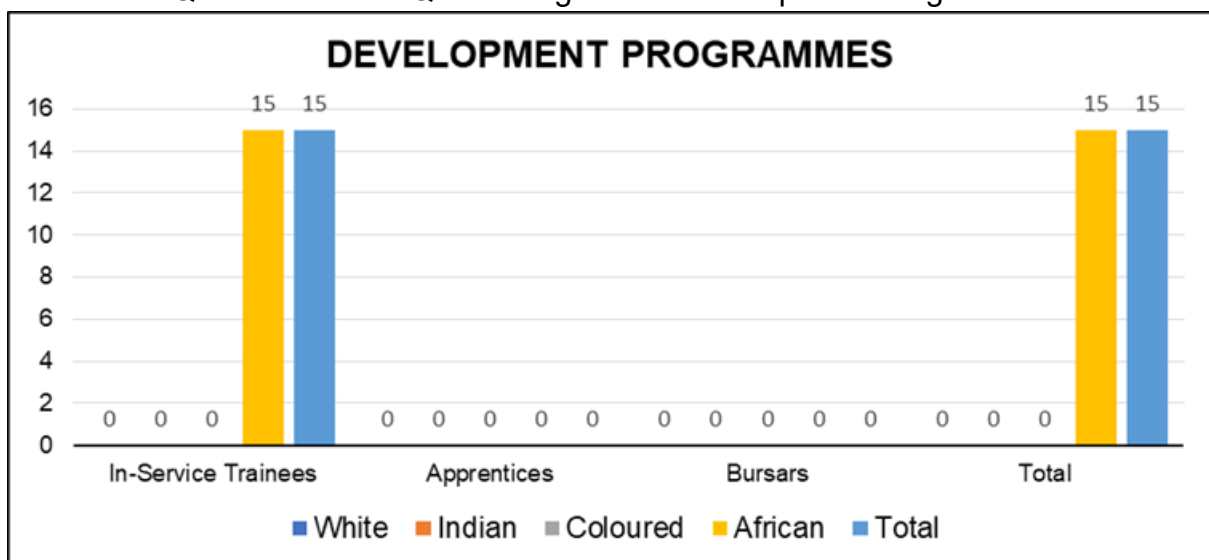
4.5.1. Structured Overtime (35 hours)

		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Department	2025/2026 Annual Budget	Hours	Expenditure	Hours	Expenditure	Hours	Expenditure	Hours	Expenditure
Operations	16 656 400,00	34 372,00	3 607 260,02	33 192,00	3 591 450,87	36 090,00	4 100 964,47	38 951,00	4 513 749,60

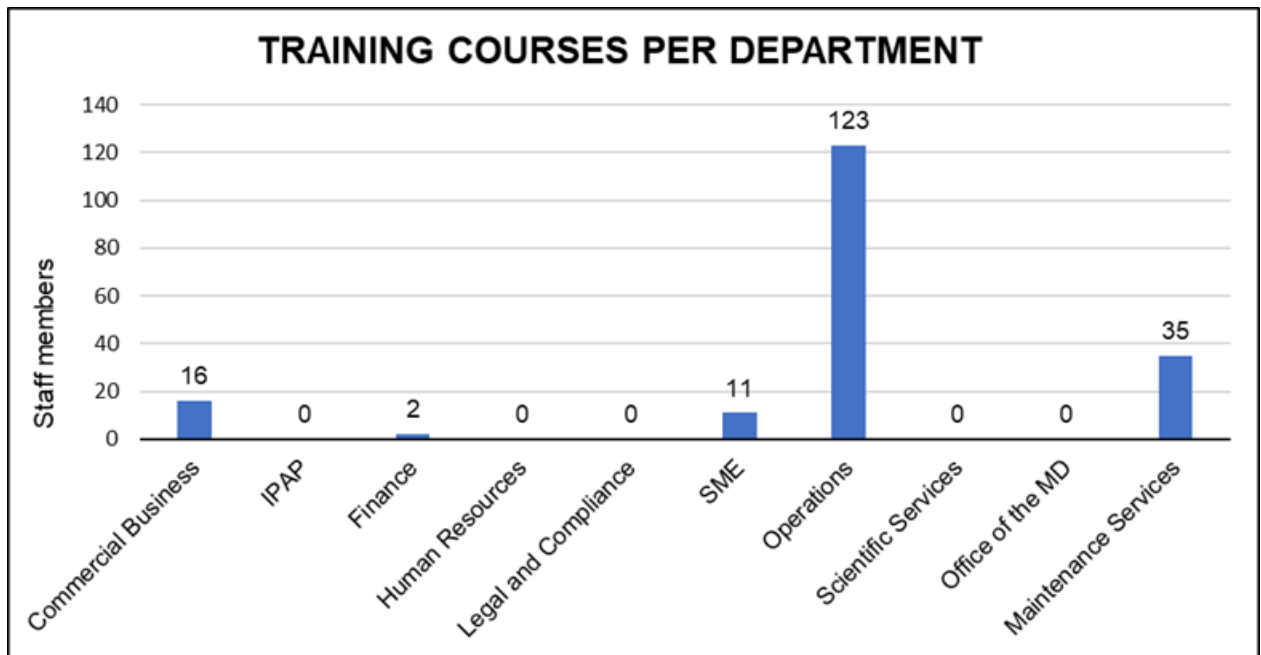
Note: The total structured overtime cost incurred for the financial year amounted to R15 813 424,91

4.6 Training and Development

The Status Quo remains for Q4 with regards to Development Programmes

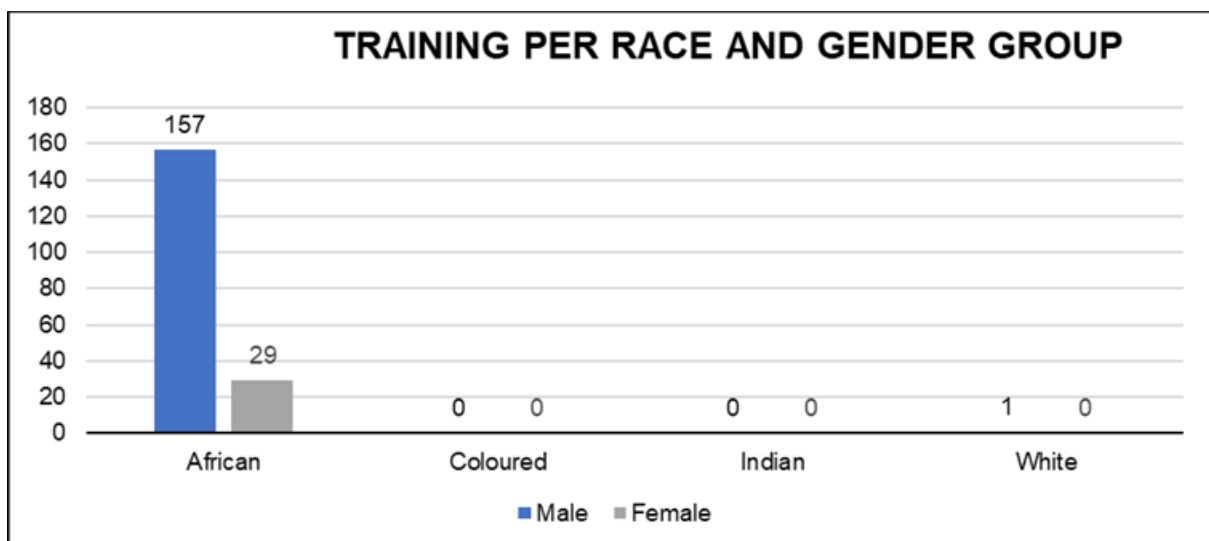


This report summarizes the number of training courses undertaken by different departments within the organisation.



Key Training Initiatives for Q4

- 17 Employees were trained on Basic Fire Fighting on the 18-19 May 2026
- 17 Employees were trained on First Aid Training on the 20 May 2026
- 35 Employees were trained on Confined Space Entry on the 21-22 May 2026
- 21 Employees were trained on Hazardous Substances Training on the 25 May 2026
- 20 Employees were trained on Working at Height Training on the 26-27 May 2026
- 48 Employees were trained on Defensive Driver Training on the 28 May- 04 June 2026
- 9 Employees were trained on Permit to Work Training on the 05 June 2026
- 10 Employees were trained on Confined Space Entry on the 10 June 2026
- 10 Employees were trained on Spill Kit Training on the 11 June 2026



Key Insights:

- The African racial group is the most represented, with an equal distribution of 157 males and 29 females.
- The White group has 1 male and 0 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.

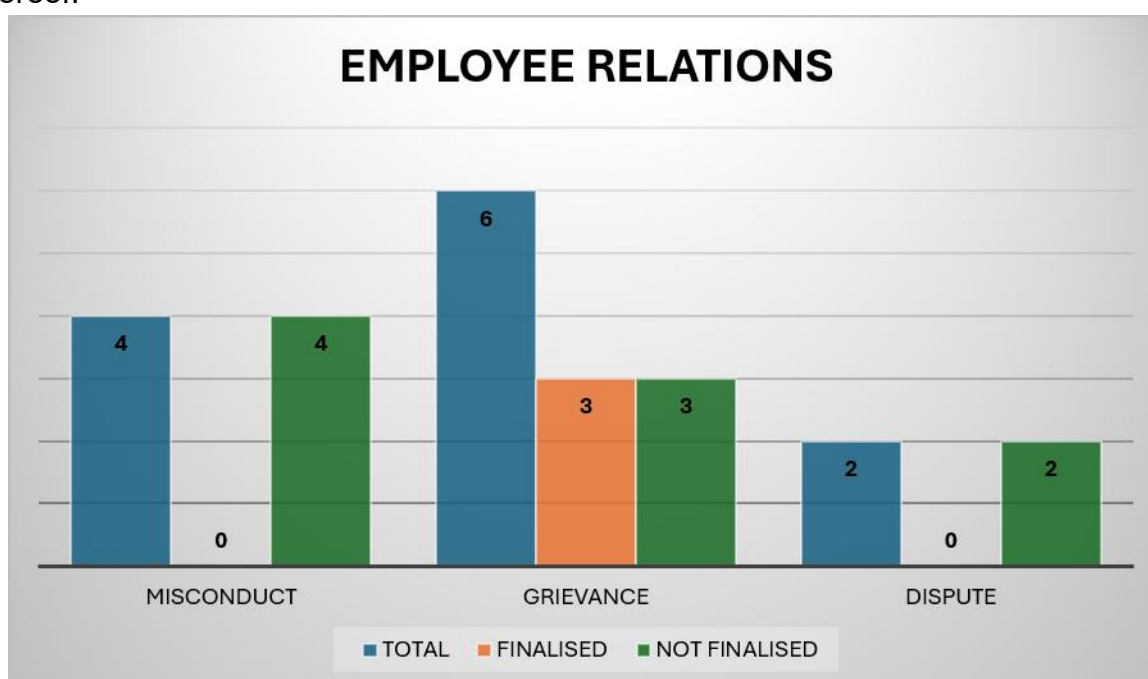
4.7 Performance Management

Status Analysis

Year End 2024/2025 evaluations were completed in Quarter 4 of the 2025/2026 Financial Year. An 85% completion rate was achieved.

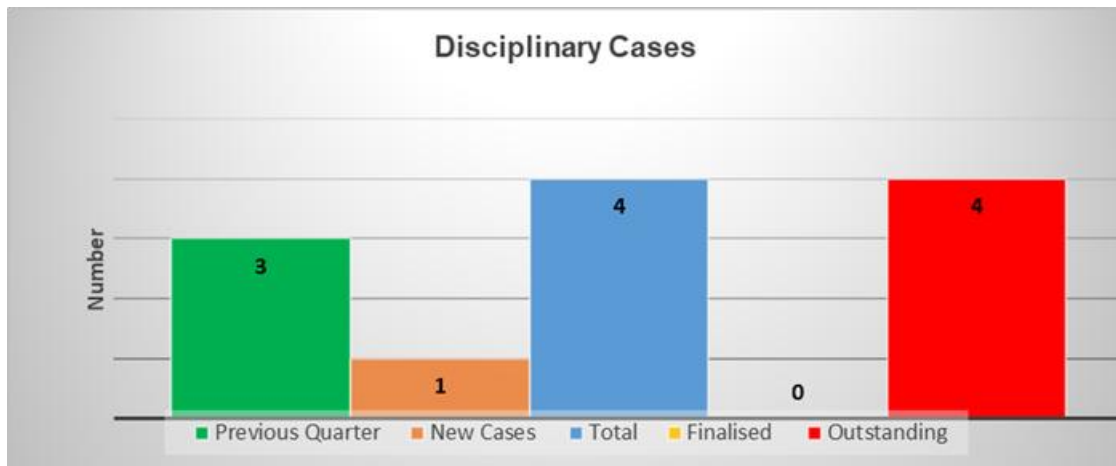
4.8. Employee Relations

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.



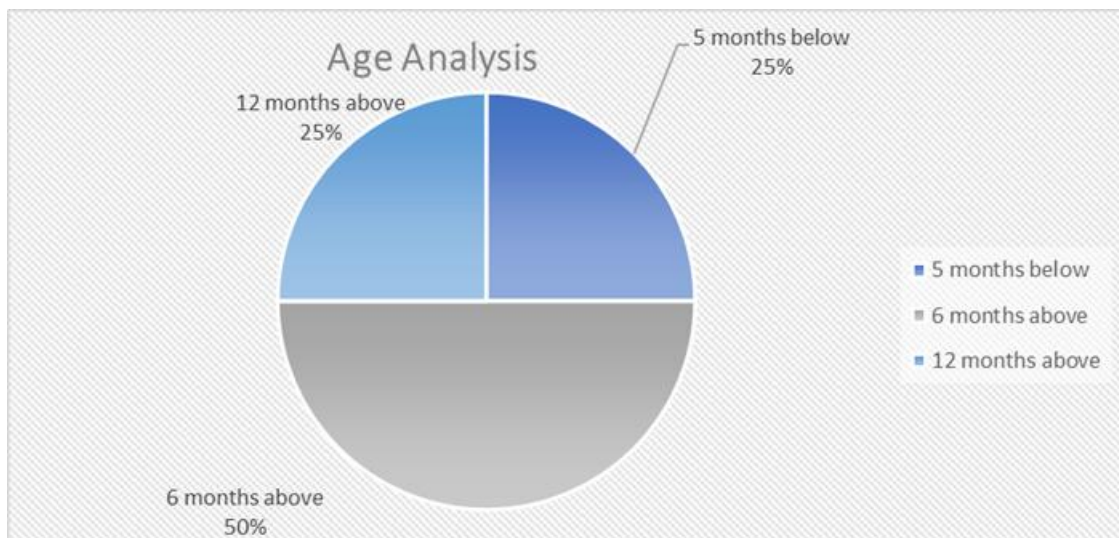
1.a.4. Disciplinary Cases

- Three (3) cases were not concluded in the previous quarter, hence were brought forward.
- One (1) new case was received; the total for all disciplinary cases is four (4). The total number of cases finalized is zero (0), with a remaining balance of four (4) cases outstanding.



1.a.5. Age Analysis of Disciplinary Cases

- The age analysis of the four (4) cases outstanding: 25% are below five (5) months, 50% are above six (6) months old, and 25% are above 12 months old



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

- Cases that are less than one (1) month old = 1
- Cases that are more than six (6) months old = 2
- Cases that are more than twelve (12) months old = 1

1.a.6. Disputes, Arbitrations and Labour Court Cases

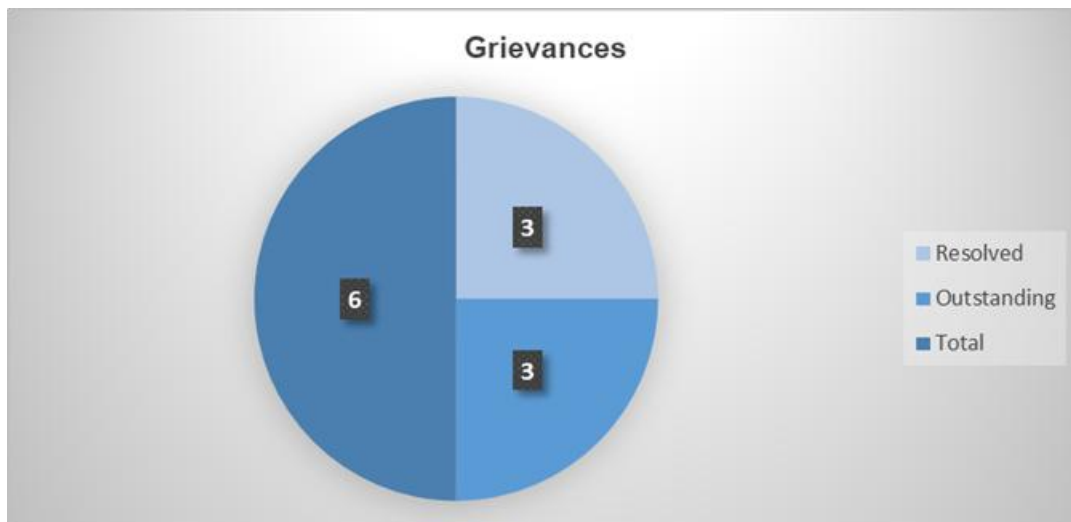
- Total cases brought forward two (2) as at the end of the previous quarter.
- No new cases were received
- No case has been finalised

- In respect of disputes at the Labour Court cases, ERWAT is sitting at two (2) cases
- The above cases are pending adjudication at the Labour Court.
-



The graph illustrates the statistical data of disputes at the Labour Court, as at the end of Q4, with two (2) cases still pending

1.a.7. Grievances



The total grievances outstanding is three (3).

1.a.8. Suspensions

There are no suspensions for the period under review.

4.9 Employee Wellness Programme and 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:
 - 7 days a week and 365 days a year, telephonic counselling, and support services
 - Wellness training
 - Life Management Services (Legal Wellness, Financial Wellness, Family Care Support, HIV/AIDS Counselling, Medical Advisory Services, Education and Support Services)
 - Musculoskeletal Health Management
 - Critical incident stress debriefing or trauma interventions
 - Managerial Consultancy and Referral Services (Managerial referrals, Custodian referrals, Absenteeism, Incapacity Consultancy Services)

The period under review – Q4,

- A medical surveillance drive facilitated through Health Services was conducted by Innovo Mobile Health Services (Current Service Provider) in June 2026, where approximately 174 employees from different work areas participated in ERWAT, and 174 medical reports were received.
- **132** Certificates of fitness with no restrictions/limitations, **40** Certificates of fitness with conditions and are monitored by their treating health care professionals, **1** temporary unfit, still to be reassessed by the Service Provider, and **1** unfit due to ill health with consideration of Disability Claim application, after receiving confirming documents from the treating Doctor.
- Life Health Solutions conducted counselling for various work-life challenges, with **190** employees consulting via telephonic communication, including face-to-face counselling.
- **06** Employees counselled by OHNPs (In-house) for different challenges; Substance abuse, social distress and Work-related challenges as walk-ins to Health Services.

4.10 Percentage of Salary to OPEX.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD - Preliminary
Total Manpower Cost	119 129 524,00	120 558 875,00	126 679,00 453	123,758,744.00	489,900,822.00
Total Operational Expenditure	396 637 426,00	266 226 701,00	404 743,00 524	301,687,268.00	1,369,076,138.00
% of Salary to OPEX	30%	45%	31%	41%	36%

5. Procurement Practices, Job Creation and Mainstreaming

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

- BEE spend in respect of supplier and contractor (PDIs)
- General job creation
- Expanded Public Works Programme (if applicable)
- GEYODI

One (1) bid was partially awarded during Quarter 4 (Annexure A

- 1 BEE spend in respect of supplier and contractor (PDIs):
- 1.1 Bid ERW2408/04 was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

BID NUMBER	DESCRIPTION	BIDDER	0 % HDI	1-50 % HDI	51-99 % HDI	100 % HDI	LARGE	MEDIUM	SMALL	FEMALES	BLACK FEMALE 30-100%	HDI 50-100 %	MILITARY VETERANS	PwD	YOUTH	FEMALE & YOUTH 50%-100%	MANUFACTURERS	EME	QSE	GENERIC	COE/NOT COE	WHERE (PHYSICAL ADDRESSES)	APRIL	MAY	JUNE
ERW2408/04	Nokokhokho (Pty) Ltd.	Re-Tender The Appointment of a Panel to Supply & Deliver Consumables				100 %			X									EME			YES	EDENVALE			R 6 092 151.00

BID NUMBER	DESCRIPTION	BIDDER	0 % HDI	1-50 % HDI	51-99 % HDI	100 % HDI	LARGE	MEDIUM	SMALL	FEMALES	BLACK FEMALE 30-100%	HDI 50-100%	MILITARY VETERANS	PwD	YOUTH	FEMALE & YOUTH 50%-100%	MANUFACTURERS	EM	QS	GENERIC	COE/ NO T COE	WHERE (PHYSICAL ADDRESS)	APRIL	MAY	JUNE
		(Cleaning Materials) at ERWAT 'As & When Required' for a period of Three (3) years.																							

- 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.
- 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.

QUARTER 4					
CATEGORY	APRIL	MAY	JUNE	YEAR TO DATE TOTAL Q4	% OF YEAR TO DATE TOTAL
0% HDI / JURISTIC PERSON	R0.00	R0.00	R0.00	R0.00	0%
1-50% HDI	R0.00	R0.00	R0.00	R0.00	0%
51-99% HDI	R0.00	R0.00	R0.00	R0.00	0%
100% HDI	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100%
TOTAL	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100%
SIZE OF COMPANY	APRIL	MAY	JUNE		
LARGE	R0.00	R0.00	R0.00	R0.00	0%
MEDIUM	R0.00	R0.00	R0.00	R0.00	0%
SMALL	R0.00	R0.00	R0.00	R0.00	0%
MICRO	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100%
TOTAL	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100%
AWARDS MADE TO:	APRIL	MAY	JUNE		
BLACK FEMALE 01-50%	R0.00	R0.00	R0.00	R0.00	
BLACK FEMALE 51 - 99%	R0.00	R0.00	R0.00	R0.00	
BLACK FEMALE 100%	R0.00	R0.00	R0.00	R0.00	
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	R0.00	R0.00	R0.00	
BBEEE SCORE CARD	APRIL	MAY	JUNE		
EME	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100.00%
QSE	R0.00	R0.00	R0.00	R0.00	0.00%
GENERIC	R0.00	R0.00	R0.00	R0.00	0.00%
TOTAL	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100.00%
AWARD MADE TO	APRIL	MAY	JUNE		
COE-BASED COMPANIES	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100.00%
NON-COE BASED	R0.00	R0.00	R0.00	R0.00	0.00%
	R0.00	R0.00	R6 092 151.00	R6 092 151.00	100%

6. Risk Management

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

Table 9: Risk Assessment

Ref	Risk		Contributin g Factor	IR		Current Mitigation Controls	Control Effectiven ess	Action owner	Risk Action Plan 2025/202 6	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completi on 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)	#RE F!	CC1.1	The Service Delivery Agreement between the CoE and ERWAT formalizes the scope, deliverables, and performance benchmarks for municipal wastewater management.	Satisfactory	Finance	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: The preliminary draft report is still be finalised and will be tabled for EXCO in quarter 4.	In Progress: The SDA addendum is awaiting sign off by the MMC and the Chairperson by the 30 June 2026. A meeting between ERWAT and the Acting Group CFO was held to address the outstanding payments to ERWAT. A formal letter requesting	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											payment for outstanding service charges, USDG and other revenue has been drafted and will be issued to the COE.	
					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: Progress has been made in developing a tariff calculation formula that considers the key variables associated with managing the wastewater cycle. A draft calculation report has been circulated for stakeholder review and comment.	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		CF1.2	a) Aging and inadequate infrastructure to treat high strength industrial effluent due to lack of		CC1.2.1	Grant Funding to offset Capex budget deficit (Urban Settlement Development Grant)	Weak	(IPAP)	Initiate implementation of project utilising Developers Contribution to leverage funding (Hartbeespoort WCW)	In Progress: Work has begun with Riverfields which is funding the expansion of Hartebeestfontein using developer funding.	In Progress: VIP, the appointed Professional Service Provider (PSP), has submitted the draft Milestone 1 Report for review and approval. Approval of this report will enable the project to proceed to the preliminary design phase.	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					CC1.2.2	Wastewater conveyance and treatment systems regionalisation and 50-year master plan (inclusive of reduction to 10 WWP)	Weak	IPAP	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. Waterval 2. Olifantsfontein 3. Vlakplaats 4. Anchor 5. Welgedacht	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	In Progress: The project kick-off meeting has been conducted, and the draft scoping reports have been finalized and circulated for approval. This will enable progression to the Design Stage milestone upon approval.	31 January 2029

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					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	Action Plan Complete: Procurement plan has been revised and approved. FY (2026/27- 2028/29)	Action Plan Complete: Procurement plan has been revised and approved. FY (2026/27- 2028/29)	31 January 2027
					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	Finance	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 (same response as the last quarter)	In Progress: Progress has been made in developing a tariff calculation formula that considers the key variables associated with managing the wastewater cycle. A draft calculation report has been circulated for stakeholder review and comment.	30 June 2026

Ref	Risk		Contributin g Factor	IR		Current Mitigation Controls	Control Effectiven ess	Action owner	Risk Action Plan 2025/202 6	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completi on Date
		CF1.3	Preventive maintenance plan not executed due to lack of readily available spares	#REF!	CC1.3.1	Asset Management Policy & Asset Management Strategy that is implemented	Satisfactory	Maintenance	Appointment of service provider for maintenance of priority infrastructure identified	In Progress: Following Contracts are at BEC. (Repairs of Electric Motors; Ferric Dosing) Following Contracts are at BAC (Mechanical Spares) Following Contract awarded (Mechanical Support Services awarded) Following Contract are at BSC Screw Pumps in circulation for advert; (Instrumentation at BSC; Repair of pumps advertised; Repair of Blowers to be referred to BSC) Electrical Spares is at BEC (same response as the last quarter)	In Progress: There was no movement in the implementation of the action plan Following Contracts are at BEC. (Repairs and Maintenance of Pumps) Following Contracts are at BAC. (Mechanical Spares, Electrical Spares, Ferric Dosing) Following Contracts are at BSC (Instrumentation) Following Contracts are Awarded (Repairs of Electric Motors awaiting SLA) Following Contracts are	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											Advertised (Repairs of Screw Pumps)	
					CC1.3.2	Alignment of maintenance contracts with ERWAT identified priorities	Satisfactory	Maintenance	Procure critical identified spare parts to reduce reliance on external contractors and avail tools of trade	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contracts are awarded The Electrical and Mechanical Spares Contracts is at BAC Stage. (same response as the last quarter)	30 September 2026
					CC1.3.3	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical	Satisfactory	Maintenance	Develop policies and procedures for effective operations of the workshops to be established for storage	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	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been	30 September 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						infrastructure (minimum maintenance frequency requirements identified) with funding limitations			of spares		awarded The Electrical and Mechanical Spares Contracts is at BAC Stage. The draft management policy has not been submitted to EXCO (same response as the last quarter)	
					CC1.3.4	Service Master Contracts in place (Spare parts required have been identified)	Satisfactory	Maintenance	Stock identified workshops with minimal inventory identified	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	In Progress: This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded (same response as the last quarter)	30 September 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		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 Reliability Team on Critical infrastructure (minimum maintenance frequency requirements identified) with funding limitations	Satisfactory	IPAP	Conduct an empirical study of the costs incurred in the value chain	Action not yet started. (same response as the previous quarter)	In Progress: An FPQ for the development of an Energy Efficiency Strategy, which will encompass all required energy studies, will be completed through the Panel of Service Providers.	30 December 2026
		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	Maintenance	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	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	In Progress: This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded The Electrical and Mechanical Spares Contracts is	30 September 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											at BAC Stage. The draft management policy has not been submitted to EXCO (same response as the last quarter)	
					CC1.5.2	The critical spares required by the plants have been identified	Weak	Maintenance	Develop a stores management policy to enable spares to be procured and stocked	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	In Progress: This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded The Electrical and Mechanical Spares Contracts is at BAC Stage. The draft management policy has not been submitted to	30 September 2026

Ref	Risk		Contributin g Factor	IR		Current Mitigation Controls	Control Effectiven ess	Action owner	Risk Action Plan 2025/202 6	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completi on Date
											EXCO (same response as the last quarter)	
					CC1.5. 3	Equipment Operating Manuals & Maintenance Standard Operating Procedures to reduce frequency of break downs implemented	Weak	Maintenance	Procure critical identified spare parts to enable maintenance to be conducted in-house	In Progress. This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded.	In Progress: This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded, The Electrical and Mechanical Spares Contracts is at BAC Stage. The lubricants transversal contract will be used to procure oil and grease for inhouse maintenance.	30 September 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
								Maintenance	Monitor performance of the service provider to ensure goods are the right quality, on time and within budget, while minimizing risks	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 (same response as the last quarter)	Monthly
		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 th 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 th November 2025, in which they indicated that the storm waters can only be address through the regionalization.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		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	Satisfactory	IPAP	Appoint service provider for specialised services	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	Action plan completed.	Ongoing
					CC1.7.2	Quality controls to monitor performance of contractors	Satisfactory	Ops/Maint	Train staff to execute identified specialised services internally	In Progress: Schneider Electric course offering and schedule shared with the maintenance team.	In Progress: The Human Resources is busy with the development of artisan's skills assessment for their training matrix and relevant training requirements will then be addressed	30 June 2026
		CF1.8	Ineffective first line maintenance		CC1.8.1	SoP have been developed for first line maintenance	Unsatisfactory	HR/Maintenance	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. (same response as the last quarter)	In Progress: There was no movement in the implementation of the action plan. The SOP is being finalised, and it will be	30 September 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											communicated with employees. (same response as the last quarter)	
					CC1.8.2	Schedules of activities for first line maintenance incorporated in the maintenance plan	Unsatisfactory	Maintenance	Maintain stock of consumables and spares for first line maintenance	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	In Progress: This action plan can only be done once the Electrical and Mechanical Spares Contract have been awarded. The Electrical and Mechanical Spares Contracts is at BAC Stage. The draft management policy has not been submitted to EXCO	30 September 2026
								Maintenance	Monitoring of maintenance	In Progress: Quarterly	On-going: Maintenance reports	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									e programme	maintenance reports submitted.	Quarterly maintenance reports submitted. Maintenance Performance Budgeted : Actual Spending :	
		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	Maintenance	Replacement of energy intensive equipment with energy efficient equipment (pumps, motors, gearbox)	In Progress: Collaborate with IPAP on contracts to procure energy efficient equipment.	In Progress: Collaborate with IPAP on contracts to procure energy efficient equipment. (same response as the last quarter)	30 December 2026
					CC1.9.2	Renewable Energy Plan (Solar, hydro water) developed inclusive of Plants, Head Office and labs.	Unsatisfactory	IPAP	Conduct energy efficient audits for remaining 16 sites	Not yet started: IPAP will appoint service provider from the PSP contract to conduct the survey. Not yet started (No movement from the previous quarter)	In Progress: An FPQ for the development of an Energy Efficiency Strategy, which will encompass all required energy studies, will be completed	30 December 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											through the Panel of Service Providers.	
					CC1.9.3	Energy audits for efficiently conducted for 3 of 19 sites		IPAP/OPS	Appoint service provider for pilot to be run at Head Office	In Progress: Solar bid at BAC stage.	In progress: There was no movement in the implementation of the action plan. Solar bid at BAC stage (same response as the last quarter)	30 June 2026
							Unsatisfactory	IPAP	Resuscitate the combined heat and power (CHP) systems project at Waterval	Not Yet Started: Progress to be reported in quarter 4. (same response as the previous quarter)	In Progress: An FPQ for the development of an Energy Efficiency Strategy, which will encompass all required energy studies, will be completed through the Panel of Service Providers.	31 December 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		CF1.10.	Inadequate grant funding for infrastructure upgrades		CC1.10.1	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 st of December 2025	Action Plan Complete: The policy has been approved by Board on the 1 st of December 2025	30 June 2026
					CC1.10.2	Infrastructure South Africa (ISA) funding CoE for conveying, regionalisation and 50 year Master Plan (reduce from 19 to 10 plants) up to "banking" stage (i.e. ready for implementation and funding)	Weak	Commercial Business	Appointment of Transactional Advisor by ISA	In Progress: Service Provider for the ISA project was appointed in March'2026, kick off meeting with ERWAT team scheduled for April 2026.	In Progress: Inception Meeting with the successful bidder was held in May 2026	30 June 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	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	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									plan to be implemented.		operating above their capacity	
		CF1.12	Capital requirements not raised timeously, inclusive of raising funds for infrastructure upgrades	#REF!	CC1.12.1.	Infrastructure Capital Plan entailing the increasing capacity to meet future demand, implementing a capital expenditure (CAPEX) program for renewals and upgrades, exploring public-private partnerships for wastewater reuse	Unsatisfactory	IPAP	Conduct an empirical study of the costs incurred in the value chain	Action not yet started. (same response as the previous quarter)	In Progress: An FPQ for the development of an Energy Efficiency Strategy, which will encompass all required energy studies, will be completed through the Panel of Service Providers.	30 December 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					CC1.12.1.	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 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,	Unsatisfactory	Commercial Business	Appointment of Transactional Advisor by DBSA	In Progress: The DBSA project is currently at the Bid Evaluation Committee (BEC) stage.	In Progress: Inception Meeting with the successful bidder was held in May 2026	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						and a focus on wastewater reuse and commercial expansion to meet growing demands)						
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	Ops	Conduct a simulation of the disaster to ascertain solutions for excess rainfall	Not Yet Started: Progress to be reported in quarter 4	Not yet started: Will be addressed by 50-year master plan	30 June 2026
					CC2.1.2	Water Bypass System for some Wastewater Care Works (3 of 19) and	Weak		The current mitigation controls are deemed to be adequate. Therefore	The current mitigation controls are deemed to be adequate. No reporting required for the period under review.	The current mitigation controls are deemed to be adequate. No reporting required for	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						emergency dams (4 of 19)			no further risk action plan to be implemented.		the period under review.	
		CF2.2	Haartebeesfontein and Olifantsfontein infrastructure built on dolomitic areas		CC2.2	Minimum ponding of water in identified areas	Satisfactory	Ops	Continue maintenance of the storm water drainage systems to prevent excess flow in identified area.	Not yet started: Progress to be reported in quarter 4 (Progress was to be given in Q3)	Ongoing: Maintenance of the storm water drainage is done on as and when required basis and in addition, the storm water management will be included in the designs of both plants, and the implementation will depend on budget availability in the outer years.	Quarterly
		CF2.3	The Disaster Recovery site is in close proximity (1 km) too operations and		CC2.3.1	Cloud backup every 24 hours (finance, laboratory, maintenance applications of	Weak	ICT	Procure independent Data Center to host ERWAT IT	In Progress: Currently being discussed at BSC. ICT is also engaging with SITA to determine if	In progress: The procurement of the Data Centre to host ERWAT	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
			hence might be simultaneously affected by the same factors that caused the business disruption			server)			infrastructure	using SITA will result in better value for money.	infrastructure has gone past the BSC stage. It is anticipated that it will be advertised in July 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					
					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		CC2.4.	Water Bypass System for some Wastewater Care Works (3 of 19) and	Weak	Ops	Develop redundancy plans for infrastructure -	Not Yet Started: Progress to be reported in quarter 4	Not yet started: To be addressed by 50-year master plan	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
			to climate change			emergency dams (4 of 19)			Four plants			
		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	ERM	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been approved by the Bid Specification Committee, awaiting advert	In Progress: The Business Continuity Management Tender was advertised and closed on the 18 th of May 2026, awaiting evaluation	30 June 2026
					CC2.5.2	Business Continuity Management Risk Assessments for Water Care Works and Support Services	Weak	ERM				
					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	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									risk is mitigated			
					CC2.5.4	BCM Infrastructure Condition Assessments	Satisfactory	ERM	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been approved by the Bid Specification Committee, awaiting advert	In Progress: The Business Continuity Management Tender was advertised and closed on the 18 th of May 2026, awaiting evaluation	31 March 2026 30 June 2026
					CC2.5.5	Annual testing plan executed and reported to the ICT Steering Committee (simulation)	Satisfactory	ERM	Develop an integrated simulation for Business Recovery	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	Action Plan completed	Implement :30 June 2026
					CC2.5.6	BCM training is conducted for staff	Satisfactory	SME (Safety)	Conduct Health and Safety drills	In Progress: DD3 and DD6 Fire simulation drills are scheduled for the 27 th and 30 th of March 2026.	Action Plan Complete: During Quarter 4, four emergency evacuation drills were	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											conducted at JP Marais, Benoni, Vlakplaats and Waterval	
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	Scientific Services	Replace outdated technology as per the Capital Expenditure Plan	In progress: By the end of Q3, a total of 48 CAPEX items, including new instrumentals and equipment were procured to the value of R34m. These will help to replace old and outdated instruments/equipment	Action Plan Complete: A total of 60 CAPEX items were procured to the value of R34,5m	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 (same response as the previous quarter)	Action Plan Complete: An instrument lifespan report has been completed.	June 2026
		CF3.2	Inadequate monitoring of accreditation requirements		CC3.2.1	Scheduled maintenance in accordance with ERWAT's Instrumentation Maintenance	Good		Ensure scientific goods and services and maintenance calibration	Action Plan Complete: a calibration and maintenance schedule is	Action Plan Complete: a calibration and maintenance schedule is	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						Plan			is procured timeously as per the procurement plan	maintained and monitored.	maintained and monitored.	
									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.	
					CC3.2.2	Standard operating procedures for instrumentation maintenance 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	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 period under review	
					CC3.2.3	Schedule for the calibration of equipment is maintained and monitored	Good					
					CC3.2.4	Staff undergo training and are certified to operate relevant equipment	Good					

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					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 obtained through SANAS	Good					
					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	Maintenance/Scientific Services	Develop and implement a maintenance schedule for the HVAC 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	In Progress: The PSP contactor has been awarded to conduct assessment of the entire HVAC System including the electrical supply of the	30 December 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
										issued for repairs to HVAC.	Head Office Complex	
					CC3.3.2	Monthly safety audits conducted	Satisfactory	SME (Safety)	Conduct a physical risk assessment of the laboratory building facilities	In Progress: Monthly safety audits are performed. Identified risks will be attended to through the awarded Building Tender. Consultation with the service provider commenced during Q3 and is ongoing.	In Progress: The Purchase Order for the replacement of fire extinguishers has been issued, and the replacement programme has commenced. The repair and installation of handrails will also be undertaken through the Building Maintenance Contract. The Purchase Order has been issued, waiting the delivery of materials before commencing installation. Installation is	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											planned for Quarter 1 of the 2026/27 financial year	
					CC3.3.3	Quarterly OHS audits conducted	Satisfactory	SME (Safety)	Implement correction actions as per OHS audits	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	In Progress: The Purchase Order for the replacement of fire extinguishers has been issued, and the replacement programme has commenced. The repair and installation of handrails will also be undertaken through the Building Maintenance Contract. The Purchase Order has been issued, waiting the delivery of materials before commencing	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											installation. Installation is planned for Quarter 1 of the 2026/27 financial year	
								Maintenance	Develop and implement a maintenance schedule for laboratory building	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)	In progress: The building maintenance contractor has been awarded. (Insufficient update)	30 September 2026
									Implement access control to the laboratories	Action Plan Complete: A new access control system was implemented and went live during Q3. Access to the laboratory building is now controlled.	Action Plan Complete: A new access control system was implemented and went live during Q3. Access to the laboratory building is now controlled.	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
ERW 4	Political Instability	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	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 period under review	
		CF4.2	Shifting municipal or national policies		CC4.1.2	Service Delivery Agreement between the CoE and ERWAT	Satisfactory	Finance	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: The preliminary draft report is still be finalised and will be tabled for EXCO in quarter 4. (same response as the previous quarter)	In Progress: The SDA addendum is awaiting sign off by the MMC and the Chairperson by the 30 June 2026. A meeting between ERWAT and the Acting Group CFO was held to address the outstanding	Quarterly
		CF4.3	Conflicting interests between ERWAT and CoE									

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											payments to ERWAT. A formal letter requesting payment for outstanding service charges, USDG and other revenue has been drafted and will be issued to the COE.	
		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	Action Plan Complete: Procurement Plan has been 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	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	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									t will monitor the implementation of the current controls to ensure the risk is mitigated		required for the period under review	
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.	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	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 period under review	
					CC5.1.2	Cashflow monitoring by CoE	Satisfactory	Finance	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: A meeting between ERWAT and the Acting Group CFO was held to address the outstanding	Quarterly
					CC5.1.3	Engagement by the Board and Accounting Officer with CoE on recoupment of the		OoMD				

Ref	Risk		Contributin g Factor	IR		Current Mitigation Controls	Control Effectiven ess	Action owner	Risk Action Plan 2025/202 6	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completi on Date
						outstanding debt					payments to ERWAT. A formal letter requesting payment for outstanding service charges, USDG and other revenue has been drafted and will be issued to the COE.	
		CF5.2	Absence of Revenue Enhancement - (augmentation) Strategy Short term cash		CC5.2.	Market penetration strategy developed for market revenue	Weak		Create the Revenue Enhanceme nt Strategy inclusive of unlocking financial opportunitie s and link to ESG Strategy	Action Plan complete: The revenue enhancement strategy was approved by the Board on the 1 st of December 2025 and linked to the ESG strategy	Action Plan complete: The revenue enhancement strategy was approved by the Board on the 1 st of December 2025 and linked to the ESG strategy	31 March 2026
									Create an Economic Social Governance strategy that links to	Action Plan Complete: The ESG Strategy which is linked to the Revenue Enhancement	Action Plan Complete: The ESG Strategy which is linked to the	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									commercial business (Strategy monitoring and environmental)	Strategy was approved by the Board on the 1 st of December 2025.	Revenue Enhancement Strategy was approved by the Board on the 1 st of December 2025.	
		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			Investigate alternate sources of raising grant funding e.g. ISA	Action Plan Complete: The Policy has been approved by Board on the 1 st of December 2025	Action Plan Complete: The Policy has been approved by Board on the 1 st of December 2025	Quarterly
							Satisfactory	IPAP	Conduct an empirical study of the costs incurred in the value chain	Action not yet started. (same response as the previous quarter)	In Progress: An FPQ for the development of an Energy Efficiency Strategy, which will encompass all required energy studies, will be completed through the Panel of	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											Service Providers.	
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	SCM	Develop a security managed per Division for the 2026/27 financial year	Not yet started: Scheduled for Quarter 3 to during budget process for 2026/2027 (same response as the previous quarter)	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: Annual procurement plan for CAPEX and OPEX approved for 2025/2026 FY. CAPEX plan revised along with budget review in January 2026.	Action Plan Complete: Annual procurement plan for CAPEX and OPEX approved for 2025/2026 FY. CAPEX plan revised along with budget review in January 2026.	30 September 2025
					CC6.1.3	Monitoring of the implementation	Good		Amend the procurement procedures	Action Plan Complete: SLA amongst the	Action Plan Complete: SLA amongst	31 January 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						of the Procurement Plan by SCM			to incorporate advertising of bids in line with MTERF. Develop specifications 12 months prior to the services being required.	business units approved to incorporate development of specifications with 9months. The SLA includes monitoring controls.	the business units approved to incorporate development of specifications with 9months. The SLA includes monitoring controls.	
					CC6.1.4	Specifications are developed 6 months prior to the services being required.		SCM	Standardise the documents to be utilised for specification of construction .	In Progress: Construction and general goods and services under review by SCM.	In Progress: The documents have been reviewed (Insufficient update: were the documents tabled for EXCO? were they approved?)	30 June 2026
		CF6.2	Inefficiencies in SCM processes and inadequate capacity		CC6.2.1	SCM policies and procedures developed and implementation	Satisfactory	SCM	Review the SCM structure to increase efficiencies	In Progress: Streamlining of SCM process is underway to improve inefficiencies.	In progress: The inputs for the structure were submitted and	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											discussed with HR (insufficient update)	
					CC6.2.2	Training provided to staff on SCM policies and processes	Satisfactory	SCM	Revise RFQ process and relevant delegations	In Progress: Reviewing of the FPQ processes and the relevant delegations has been started but not yet finalised. (same response as the previous quarter)	In Progress: Review of FPQ processes to be completed by the 20th of July 2026	31 March 2026
					CC6.2.3	Templates and SoP's developed	Satisfactory	SCM	Procurement of a SCM procurement system	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.	In progress: SCM has been able to do a benchmark on available systems. Management approached COE to utilize SOLAR, but their management was not keen citing contract issues with BCX. Management to advertise a Tender for the system.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					CC6.2.4	Physical storage of documents	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	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 period under review	
					CC6.2.5	Evaluation committees established	Good					
					CC6.2.6	Strategic plan linked to procurement	Good					
					CC6.2.7	Performance monitoring of service providers	Good					
		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	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 period under review	
					CC6.3.2	Contracts allow for CPI	Good		The current mitigation	The current mitigation controls	The current mitigation	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						increases in prices			controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	are deemed to be adequate. There is no reporting required for the period under review	controls are deemed to be adequate. There is no reporting required for the 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	Health and Safety	Appointment of service provider to provide hygiene services	In Progress: Currently at the bid evaluation committee. The Occupational Hygiene contract was awarded, and the required surveys were conducted during Quarter 3. The survey reports were circulated to the respective plants, and the findings were presented at the Central Safety Meeting held on 04 March 2026.	In Progress: During Quarter 4, a new Purchase Order was issued and forwarded to the service provider for the development of an Occupational Hygiene Action Plan Programme, including an action plan tracker to monitor the	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											implementation and closure of identified findings	
							Good	ICT	Upgrade Unsupported Operating Systems	In Progress: Operating Systems currently being upgraded	In Progress: Delays occurred due to a fibre break between production and DR, which prevented replication temporarily which posed a risk to the upgrade process	30 June 2026
		CF7.2	Inadequate cyber security awareness and behaviour		CC7.2	Quarterly ICT security awareness programs: (News Flash, Induction, Cyber security surveys, Mimecast, cyber behaviour survey upon onboarding, WhatsApp	Good	HR	Refer staff to additional training who fail simulations	In Progress and Ongoing: Assessing results of test	In Progress and Ongoing: There was no movement in the implementation of the action plan. Assessing results of test.	31 March 2026
								ICT	Extend cyber security	In Progress and Ongoing: Shared	The current mitigation controls are	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						group)			awareness to 3rd parties and Board members	Awareness with Service Providers	deemed to be adequate. There is no reporting required for the period under review	
		CF7.3	Inadequate Information Security Controls		CC7.3.1	ICT Security Policy and Procedures implemented	Satisfactory	ICT	Conduct annual security accreditation verification of IT third providers	In Progress: Requested the security accreditation from the service provider who manages data of ERWAT.	Ongoing: Received ISO 27001	31 December 2025
					CC7.3.2	Access controls based on security groups User profiles defined and reviewed bi-annually	Satisfactory	ICT	Disable USB ports excluding laboratory	In progress: Testing disabling USB ports where applicable	Action Plan Complete: Enabled	30 June 2026
					CC7.3.3	User approval provided by relevant management and termination process if no	Satisfactory	ICT	Implement encryption on laptops	In Progress: testing encryption within ICT	In Progress: Challenges are currently experienced with testing, Firmware	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						access activity for 30 days					updates are locking users out, significant reductions in device speeds are noted.	
					CC7.3.4	Point in time access provided to IT service providers	Satisfactory	ICT	Upgrade server operational systems	In Progress: Server is currently Being upgraded	Action Plan Complete: Access is granted to service provided temporarily as needed.	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 controls to ensure the risk is mitigated	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 period under review	
					CC7.3.6	Intrusion Detection	Satisfactory		The current mitigation	The current mitigation controls	The current mitigation	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						System to proactively monitors network traffic and system activities to automatically detect and block malicious activity in real-time			controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	are deemed to be adequate. There is no reporting required for the period under review	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 rules to prevent unauthorized access	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	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 period under review	
					CC7.3.8	Mimecast provides cloud-based email security,	Satisfactory		The current mitigation controls are deemed to	The current mitigation controls are deemed to be adequate. There is	The current mitigation controls are deemed to be	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						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			be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	no reporting required for the period under review	adequate. There is no reporting required for the period under review	
					CC7.3.9	Microsoft 365, data is encrypted at rest and in transit, using several strong encryption protocols,	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	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 period under review	
					CC7.3.10	Multi factor authentication utilised which	Satisfactory		The current mitigation controls are	The current mitigation controls are deemed to be	The current mitigation controls are	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						requires two or more distinct forms of identity verification to grant access to an account or system, adding layers of security beyond just a password			deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	adequate. There is no reporting required for the period under review	deemed to be adequate. There is no reporting required for the period under review	
					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	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	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						can exploit them						
					CC7.3.12	Annual Vulnerability 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	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	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 period under review	
					CC7.3.13	Access control policy implemented	Good		The current mitigation controls are deemed to be adequate. Management will monitor	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	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									the implementation of the current controls to ensure the risk is mitigated		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	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 period under review	
ERW 8	Occupational hazards that pose a threat to the health and safety of employees	CF8.1	Non-compliance to safety regulations by staff	#REF!	CC8.1.1	Occupational Health & Safety Policy	Good	HR/Health and Safety	Appoint training service providers on a 3-year basis	In Progress: The tender for training service provider is currently on award stage.	In Progress: The training contract was awarded, and the planned health and safety training and awareness sessions	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											were successfully conducted during Quarter 4. The training programmes delivered included Confined Space Entry, Basic Fire Fighting, First Aid, Hazardous Chemical Agents, Permit to Work, Spill Kit Response, and Working at Heights.	
					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	Action Plan Complete: Completed first aid, chemical handling, work permit, firefighting, confined spaces, and working at heights for various	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
										attended a conference in Cape Town in August 2025	colleagues at Commercial Business. Some of the safety reps attended a conference in 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- SA006 Excavation	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	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						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	Satisfactory	Health and Safety	Resolve OHS audit findings	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	In Progress: The Purchase Order for the replacement of fire extinguishers has been issued, and the replacement programme has commenced. The repair and installation of handrails will	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											also be undertaken through the Building Maintenance Contract. The Purchase Order has been issued, waiting the delivery of materials before commencing installation. Installation is planned for Quarter 1 of the 2026/27 financial year	
					CC8.1.5	Quarterly reports to Exco PDCA (Plan, do, check, act) and Remuneration and Ethics Committee	Satisfactory		The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									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	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 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 implementation of the current controls to ensure the risk is mitigated	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
					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	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 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. Management will monitor the implementation of the current controls to ensure the risk is mitigated	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		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 Datasheets (SDS) placed where hazardous chemicals are stored	Satisfactory					
					CC8.3.5	Health Risk Assessment conducted to identify chemical and biological agents	Satisfactory					

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		CF8.4	Inadequate training of staff on safety protocols		CC8.4	Daily toolbox talk Safe working procedures Induction of safety protocols	Good	HR/Safety	Appoint training service providers on a 3-year basis	In Progress: Once the approval process has been finalised (by the SCM Manager and CFO), the rollout of the training will proceed	In Progress: The training contract was awarded, and the planned health and safety training and awareness sessions were successfully conducted during Quarter 4. The training programmes delivered included Confined Space Entry, Basic Fire Fighting, First Aid, Hazardous Chemical Agents, Permit to Work, Spill Kit Response, and Working at Heights.	30 June 2026
		CF8.5	Non-compliance to		CC8.5.1	Compliance risk management	Good	ERM	Implement Action Plans	Ongoing: Quarterly follow-ups of the	Ongoing: Quarterly	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
			safety regulations by ERWAT			Plan as per OHS completed annually			Risk Management Plan	OHS Compliance Risk Management by the Risk Department.	follow-ups of the OHS Compliance Risk Management by the Risk Department.	
					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 st of December 2025.	Action Plan Complete: The Top Priority Legislations were tabled and approved by the Board on the 1 st of December 2025.	Quarterly
					CC8.5.3	Quarterly updates on compliance to regulations provided to Risk Unit	Good	ERM		Ongoing: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	Ongoing: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	Quarterly
		CF8.6	Unauthorised entry to ERWAT properties with the aim of		CC8.6.1	Security Services Policy	Good		The current mitigation controls are deemed to be	The current mitigation controls are deemed to be adequate. There is no reporting	The current mitigation controls are deemed to be adequate.	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
			vandalising, threat to lives, theft,(armed robberies)						adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	required for the period under review	There is no reporting required for the period under review	
					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	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	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 period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						Procedures						
					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	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 period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		CF8.7	Unavailability of Fire Detection & Suppression System for the buildings		CC8.7	None		IPAP	Appoint service provider for installing fire suppressant in laboratory	In Progress: A PSP has been appointed and will investigate. The contractor will assist with installation if required.	In Progress: There was no movement in the implementation of the action plan. A Panel of Service Providers has been appointed and will do the investigation. The contractor will assist with installation if required.	30 June 2026
ERW 9	Operational Disruption and Loss of	CF9.1	Plant unavailability factors (e.g. Blockages of	#REF!	CC9.1.1	Diversion of flow to other processing modules within	Satisfactory	Ops	Develop a SoP for proactive cleaning of	Ongoing: The cleaning schedules for the WCW have been developed.	Ongoing: The cleaning schedules for the WCW	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
	Service Continuity		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).			the plant (12 of 19 plants).			process units.	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.	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. This is ongoing activity.	
					CC9.1.2	Contract to clean and unblock process units in place	Satisfactory	Ops	Restructure of Operations and maintenance division (heavy equipment unit)	In progress: The proposed organogram was tabled for EXCO on the 27 th of March 2026	In Progress: The Proposed Organogram has been tabled before board, awaiting for feedback.	31 December 2025
					CC9.1.3	Utilisation of vacuum trucks to clean and unblock process	Satisfactory	Ops	Exploration of advanced technology to enhance operations	Not yet started: This function hasn't started yet. (Progress was to be given in Q3)	Ongoing: Vacuum truck has been decentralised; each district	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						units (internal function)					has been provided with vacuum truck for the execution of this function	
					CC9.1.4	Implementation of Standard Operating Procedure for Disinfection	Satisfactory	OPS	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	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 period under review	Ongoing
		CF9.2	The structural integrity of the biofilters is severely compromised		CC9.2	None	None	IPAP	Conduct a conditional assessment of bio filters	In Progress: The appointed PSP will assist in the infrastructure condition assessment.	In Progress: The appointed PSP will assist in the infrastructure condition assessment. (same response as the last quarter)	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		CF9.3	Non-function of the mixers at the Biological Nutrient Removal		CC9.3	None	None	Ops	Develop redundancy plans for infrastructure	Not yet started. Progress to be reported in quarter 4 (Progress was to be given in Q3)	Ongoing: Mixers are repaired as and when they break-down	30 June 2026
		CF9.4	Compromised structural integrity of the drying bed		CC9.4	None	None	IPAP	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. Olifantsfontein 3.	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	In Progress: The project kick-off meeting has been conducted, and the draft scoping reports have been finalized and circulated for approval. This will enable progression to the Design Stage milestone upon approval.	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									Vlaakplaats 4. Anchor 5. Welgedacht			
		CF9.5	Power supply interruptions - Inadequate generators per site (13 of 19 plants have gensets and existing gensets do not generate enough to power to operate the entire Wastewater Care Works) & UPS for the Laboratory		CC9.5	None	None	IPAP	Finalise specifications for appointments of service provider 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	In Progress: The last batch of Generators is currently at BSC, and this is anticipated to resume in 2026/27 (same response as previous quarter)	30 Nov 2029
		CF9.6	Supply disruptions of treatment chemicals		CC9.6.1.	Alternate chemicals have been identified and procured	Good		The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
									controls to ensure the risk is mitigated			
					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	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 period under review	
		CF9.7	Industrial pollution events , WCW not operating at optimal level (dumping of oil)		CC9.7	Gas Chromatography conducted (organic fingerprinting)	Weak	Ops/Maintenance	Engagement with CoE Water Quality Division for the enforcement of Water By-Laws (resuscitate forum with CoE)	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	Awaiting response from end-user department	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
										manhole, rather the discharges will be done at selected WCW, this will allow the WCW to have control on what comes to the WCW.		
								Ops/Maintenance	Investigation of alternate technology to treat industrial effluent (technical forum)	Not yet started. Progress to be reported in quarter 3 (same response as the previous quarter)	Awaiting response from end-user department	Bi-annual
		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	Maintenance	Monthly maintenance of generators	In progress: Servicing intervals as per OEM conducted	On-going: Servicing intervals as per OEM conducted	
					CC9.8. 2	Renewable Energy Plan developed	Satisfactory	IPAP/Ops	Appoint service provider for pilot at Head Office	In Progress: Solar bid at BAC stage.	In Progress: Solar bid at BAC stage. (same response as last quarter)	30 Nov 2026
								IPAP/Maintenance	Conduct energy usage audits for WCW	Not yet started: IPAP will appoint PSP to conduct the survey	Not yet started: IPAP to appoint a service provider	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											(PSP) for energy strategy. Progress to be updated in Q2 26/27 FY	
								IPAP/Maintenance	Develop an Energy Demand Management strategy and Energy audits	Not yet started: The appointment will be facilitated from the existing PSP panel.	Not yet started: IPAP to appoint a service provider (PSP) for energy strategy. Progress to be updated in Q2 26/27 FY	30 Sept 2026
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	ICT	Obtain from the shareholder authorisation to procure an alternative system.	In Progress: MSCOA progress report submitted..	The ERP is supplied by the CoE for all its entities and the CoE indicated that ERWAT can only procure systems which it cannot supply therefore there is a dependency on the CoE to resolve the	Quarterly
					CC10.2	Partially implemented modules from ERP system	Weak	ICT				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											integration challenges.	
		CF10.2	Inadequate change management approach may lead to resistance, misalignment, and failure in adopting organizational initiatives.		CC10.2	None	None	ICT	Develop a Change Management Policy to be implemented prior to the roll out of new or enhanced applications	In progress: Change Management Policy still valid. Roll out still to be implemented for new or enhanced applications	Action Plan Complete: Roll out was implemented for new or enhanced applications	31 March 2026
		CF10.3	Inadequate procurement solution		CC10.3	Use of Solar for generating and managing of purchase orders	Weak	ICT	Procurement of a SCM management system	In progress: Draft specifications for procurement system developed. (same response as previous quarter)	In progress: Draft specifications for procurement system developed. (same response as previous quarter)	30 June 2026
								ICT	Enhance Solar to incorporate purchase requisition (if functionality is available)	In Progress: Interactions between SCM and ICT conducted to construct product/system requirements and identification of alternative procurement	In Progress: Interactions between SCM and ICT conducted to construct product/system requirements and	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
										methods such as use/upgrade of current ERP system or procurement through formal public tender process.	identification of alternative procurement methods such as use/upgrade of current ERP system or procurement through formal public tender process.	
		CF10.4	Inadequate automated records management system		CC10.4.1	File sharing with access rights One drive with access rights	Weak	ICT	Explore the Implementation of a document management solution in accordance with the Document Management Policy	In Progress: Transferring company documents to the SharePoint Document System.	In Progress: The uploading of Policies is completed, the process of uploading Standard Operating Procedures has started, and it is anticipated that it will be concluded in quarter 1 of the new FY.	30 June 2026
					CC10.4.2	Document Management Policy developed and documents have been classified	Weak	ICT				
ERW 11	Workforce gaps creating disconnects	CF11.1	Changes in legislative requirements	#REF!	CC11.1.1	Skills and professional standard	Satisfactory	Human Resources	Finalise the development of a	In Progress: The following training	In progress: Action Plan for Regulation	31 October 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
	between business goals and execution, hampering long-term success		impacting on skills requirements of staff (Green drop)			requirements , to uphold standards of water quality and security, in compliance to Regulation 3630 of the Department of Water and Sanitation, have been identified			training plan	interventions have been requested through WISA for our Process Controllers, as they align with the Regulation 3630 requirements for Professional Membership registration: 1. Introduction to Wastewater Treatment (1 CPD point) 2. Plant and Process Audit Workshop (2 CPD points) 3. Wastewater Risk Abatement Planning (1 CPD point) 4. Fundamentals of	3630 is in progress. HR working with Compliance to address the gaps in meeting the regulation's requirements.	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 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		Human Resources	Train staff to obtain relevant certification as per Regulation 3630	Not yet started. Progress to be reported in quarter 4 (Progress was to be reported in Q3)	In Progress: Action Plan for Regulation 3630 is in progress. HR working with Compliance to address the gaps in meeting the regulation's requirements.	As per plan
							Satisfactory	Human Resources	Register identified staff with a recognised institution as per Regulation 3630	Not yet started. Progress to be reported in quarter 4 (Progress was to be reported in Q3)	In Progress: Action Plan for Regulation 3630 is in progress. HR working with Compliance to address the gaps in meeting the	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
											regulation's requirements. Awaiting approval of WISA MOU.	
		CF11.2	Non-alignment of human capital competency with the organizational goals		CC11.2.1	A Plan has been developed for the roll out of soft skills training to contribute to a positive work environment, enhance teamwork, communication and interaction amongst staff	Satisfactory	Human Resources	Review of the organizational structure to improve efficiency and effectiveness by aligning roles with strategic goals, enhancing communication, identifying and resolving bottlenecks	In progress. Draft structure for all Departments was presented at EXCO	In Progress: Soft Skills Included in the training plan. Structures are in progress	30 June 2026
					CC11.2.2	Competency assessments conducted to guide employee development, and ensure the workforce can meet current and future	Satisfactory	Human Resources	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 Q4 – Status Quo remains	In Progress: On-going process, 2025/26 plan is being rolled out. Q4 Report and WSP was implemented.	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						organizational goals						
					CC11.2.3	Performance assessments conducted and personal developmental plans develop	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	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 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	Human Resources	Conduct benchmarking of remuneration to remain competitive, attract and retain top talent and manage payroll costs effectively.	In Progress: FPQ for the review of the Executive remuneration was a non-award.	In Progress: Scope of work was reviewed and awaiting SCM inputs	30 June 2026
					CC11.3.2	Benefits offered exceed minimum SALGA wage	Satisfactory	Human Resources	Identify critical skills at ERWAT that may	Action plan has not yet started. To commence after	Action plan has not yet started. To commence	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
						agreement			require salaries on a higher notch	approval of structures	after approval of structures (same response as previous quarter)	
					CC11.3.3	Implementation of notch increase based on years of service	Good	Human Resources	Review job specifications and gradings of identified positions.	In Progress: FPQ has been awarded. To commence after approval of structures	In Progress: FPQ has been awarded. To commence after approval of structures (same response as previous quarter)	30 June 2026
ERW 12	Safety and security threats, including infrastructure theft, vandalism, and harm to personnel (Jeopardise the organisation's ability to safeguard assets, ensure	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 Operating Procedure -Security Operations Room Procedure -Security Systems	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's no reporting required for the period under review. Continuous implementation of security services policy and procedures is ongoing.	There's no reporting required for the period under review. Continuous implementation of security services policy and procedures is ongoing.	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
	operational integrity, and maintain stakeholder trust).					Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures -Diesel Management Procedure						
		CF12.2	Encroachment of informal settlements on ERWAT property increasing theft of infrastructure		CC12.2	The growth of the informal settlement is monitored and engagements held in CoE	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	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 period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
		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	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 period under review	
		CF12.4	Community unrest due to failure in delivery of services		CC12.4	Engagements with CoE on potential unrest	Satisfactory	Security	Develop an Emergency Response Plan	Action Plan Complete: The Security Emergency Response Plan was developed to guide how security responds to these incidents.	Action Plan Complete: The Security Emergency Response Plan was developed to guide how security responds to these incidents.	31 December 2025 31 March 2026
		CF12.5	Inadequate security infrastructure and equipment includes fences,		CC12.5	The following security measures are in place: - 12 of 20 sites have electric	Satisfactory	Security and Loss Control	Finalise security risk assessment for all the sites and determine	In progress: An independent risk assessment was concluded, and the Service Provider is yet to present the	Action Plan Complete: An independent risk assessment was	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
			access control systems, intruder alarm systems, lack of Perimeter lighting, surveillance cameras			fencing (5 sites require upgrade to fencing) - cameras are installed at Head Office and-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			security interventions per site to be implemented	findings to EXCO on invitation.	concluded, and the Service Provider is yet to present the findings to EXCO on invitation.	
ERW 13	Lagging wastewater treatment technology to respond to the mandate	CF13.1	Unstructured and delayed uptake of water works digital enhancement solutions	#REF!	CC13.1	Some plants equipped with PLC SCADA	Satisfactory	ICT	Roll out PLC SCADA at all ERWAT sites	In Progress: This will be covered by the Panel of Service Provider contract which was recently awarded. (Insufficient information	In Progress: There was no movement in the implementation of the action plan. This will be covered by	30 June 2026 -

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
										received from the end-user department)	the Panel of Service Provider contract that is now in place.	
		CF13.2	Lack of online / real time monitoring systems and automation		CC13.2	None	None	ICT	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. (Insufficient information received from the end-user department)	In Progress: This will be covered by the Panel of Service Provider contract which was recently awarded.	30 June 2026
		CF13.3	Outdated and underperforming technology to treat high strength industrial effluent due to lack of budget to implement newer technologies(O PS) .		CC13.3	None	None	Commercial Business	Appointment of Transactional Advisor by ISA	In Progress: Service Provider for the ISA project was appointed in March'2026, kick off meeting with ERWAT team scheduled for April 2026.	In Progress: Inception Meeting with the successful bidder was held in May 2026	30 June 2026
								Scientific Services	Benchmark infrastructure with another similar institution	Not yet started. Progress to be reported in quarter 4 (same response as the previous quarter)	Awaiting response from end-user department	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Action owner	Risk Action Plan 2025/2026	Quarter 3 Progress	Quarter 4 Progress	Action Plan Completion Date
								IPAP	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. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht	In Progress: The service providers have been appointed and have begun work on the detailed designs at the five identified wastewater treatment plants.	In Progress: The project kick-off meeting has been conducted, and the draft scoping reports have been finalized and circulated for approval. This will enable progression to the Design Stage milestone upon approval.	30 June 2027

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	Primary Legislation	Main Issue
1.	National Water Act	A number of wastewater treatment plants continue to operate under hydraulic and organic loading conditions that exceed their original design capacity. Population growth, urban expansion, ageing infrastructure and increasing wastewater inflows have placed significant pressure on treatment processes. ERWAT continues to implement operational optimisation initiatives, preventative maintenance programmes, capacity planning, and long-term infrastructure upgrades to improve plant resilience and sustain compliance with regulatory requirements
2.	National Environmental Management Act	Wastewater treatment operations continue to be affected by the discharge of fats, oils, grease (FOG) and other foreign materials into the sewer network. These substances contribute to blockages, equipment failures, reduced treatment efficiency, increased maintenance requirements and higher operational costs. In addition, certain unauthorised industrial may adversely affect biological treatment processes and increase the risk of non-compliance with effluent quality standards. ERWAT continues to implement monitoring, maintenance and stakeholder awareness initiatives to minimise the impact of pollutants on treatment performance

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.

- One (1) finding have been good – going as planned.
- One (1) finding has been okay-manageable issues.
- Zero (0) findings have been bad-unmanageable issues.
- Seven (7) findings have been finalized to date.

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	0	1	1	0	7
Total	9	0	1	1	0	7

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	Good - going as planned	90%	Annual financial statements to be corrected
2	Understatement of receivables and overpayment incorrectly recognized as a prior period error	Finalized	100%	Annual financial statements to be corrected

No	Finding Heading	Status	Percentage	Action Plan
3	Cash flow statement disclosure differences	Finalized	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	Finalized	100%	Annual financial statements to be corrected
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	Finalized	100%	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)	Okay – manageable issues	50%	• The preliminary design stage for the planned upgrades/refurbishments is completed timeously, to enable the upgrades/refurbishments to be prioritised for the treatment works. • Once the spares contract is approved, that the necessary spares are obtained and repairs

No	Finding Heading	Status	Percentage	Action Plan
				made to the equipment at the WWTW.

Approved by:



Mr. Kennedy Chihota

Managing Director

8 July 2026

Date