



LEPHALALE
MUNICIPALITY

**Project : Lephalale Municipality Reduction
strategy on Unauthorised, Irregular and Fruitless
& Wasteful (UIFW) Expenditure**

2026/2027

PROJECT DETAILS

Project reference name	PROJECT 1: LLM UIFW EXPENDITURE
Prepared by	CFO
Reviewed by	Accounting Officer
Version number	V1
Date completed	30 May 2026

Table of Contents

1.	PROBLEM STATEMENT.....	3
2.	RELEVANT LEGISLATION	3
3.	PROJECT GOALS.....	5
7.	PROJECT RESOURCES AND TEAM MEMBERS	14
8.	PROJECT DELIVERABLES	15
9.	BUDGET IMPLICATIONS.....	15
10.	ASSUMPTIONS	15
11.	RISKS	16
12.	MONITORING AND EVALUATION	16
13.	UIFW REDUCTION STRATEGY APPROVAL	16
14.	REVISION HISTORY	16
15.	ANNEXURE A: DETAILED IMPLEMENTATION PLAN.....	18

PURPOSE

The purpose of this project is to develop and implement a reduction strategy designed to address current and historical UIFW expenditures figures and support municipalities to improve internal control environment and thereby improving the audit outcomes of the municipalities on occurrence and completeness of UIFW expenditures.

The project main goal is to reduce the current and historical audited UIFW expenditure figures by 50% over the 5 year medium term strategic framework period.

1. PROBLEM STATEMENT

The Auditor-General findings for the 2018/19 financial year highlighted a number of issues in the Consolidated Report on Local Government that include, amongst others, persistent non-adherence to financial management policies and prescripts, as well as the need to improve governance arrangements. A significant number of municipalities have also incurred unauthorised, irregular as well as fruitless and wasteful expenditure and a brief view suggests that amounts in this regard are increasing year on year.

The municipality has incurred unwanted expenditures in contravention of provision of the Act i.e. in the case of unauthorised expenditure resulting from over expenditure on votes; in the case of irregular expenditure flouting of the Supply Chain Management (SCM) legislative requirements; and in the case of fruitless & wasteful expenditure failure to pay various suppliers on time after receipt of invoices thus resulting in interests payments.

2. RELEVANT LEGISLATION

As per the requirements of the Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA) Section 32(2) states that a municipality must recover unauthorised, irregular, fruitless & wasteful expenditure from a person liable for that expenditure unless the expenditure, in case of unauthorised expenditure, is authorized in an adjustment budget or certified to be irrecoverable and written off by council after investigations by council committee. In addition, the Act states that in case of irregular or fruitless and wasteful expenditure, the expenditure must be recovered unless it is certified to be irrecoverable and written off by council after investigation by council committee.

In addition MFMA section 32(4) indicates that the Accounting Officer must promptly inform the Mayor, the MEC for local government in the province and the Auditor-General in writing of any UIFW expenditure incurred by the municipality, whether any person is responsible or under investigation for such unwanted expenditure, and steps that have been taken to recover or rectify such expenditure and to prevent a reoccurrence of such expenditure.

The MFMA through section 62 sets out the general financial management responsibilities of the accounting officer. The accounting officer is required to take all reasonable steps to ensure that the resources of the municipality are effectively, efficiently and economically utilised and that unauthorised, irregular, fruitless and wasteful expenditure are prevented. In addition, section 62 also obliges the accounting officer to ensure that disciplinary or when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of the Act (Chapter 15 of MFMA). The same responsibilities have also been placed upon other municipal officials.

Section 62(1) (b) of MFMA states; "The accounting officer of a municipality ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

Moreover, to give effect to the priorities outlined above in government outcomes, and to deal effectively with matters of financial misconduct and to give effect to the concept of consequence management, the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings were promulgated on 31 May 2014 to complement the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) ("MSA") as amended and the regulations issued in terms thereof. These Regulations must be read together when implemented.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings will support measures to expeditiously address financial misconduct and mismanagement.

The objective of the Regulations is to set out processes and procedures that a municipality and municipal entities must follow when dealing with allegations of financial misconduct. The regulations will apply to all officials and political office bearers within municipalities and municipal entities.

3. PROJECT GOALS

The main goal of the municipality is to reduce increasing levels of historical UIF&W expenditures and to attain an unqualified audit opinion in the 2021/22 financial year. In order to achieve such the municipality has to implement interventions designed to reduce unwanted expenditures and improvement of internal control to address weaknesses related thereto.

In line with the government 5 year medium term strategic framework, the reduction plan is as follow:

Reduction plan	Baseline (2018/19 audited)	Year 1	Year 2	Year 3	Year 4	Year 5
Percentage reduction		-10%	-20%	-30%	-40%	-50%
Unauthorised expenditure	R100 000 (as an example)	R90 000	R80 000	R70 000	R60 000	R50 000
Percentage reduction						
Irregular expenditure						
Percentage reduction						
Fruitless & Wasteful expenditure						

4. LEPHALALE MUNICIPLAITY SITUATIONL ANALYSIS

Irregular Expenditure

Irregular expenditure					
Description	2015/16	2016/17	2017/18	2018/19	2019/20
Opening	109 999 293,00	138 682 981,00	178 054 821,00	236 361 096,00	301 801 191,00
Addition	28 683 688,00	39 371 840,00	58 306 275,00	65 440 095,00	43 992 737,00
Conduned	-	-	-	-	-
Total	138 682 981,00	178 054 821,00	236 361 096,00	301 801 191,00	345 793 928,00

Fruitless and Wasteful Expenditure

Fruitless and Wastefull Expenditure					
Description	2015/16	2016/17	2017/18	2018/19	2019/20
Opening	784 738,00	824 599,00	905 403,00	2 030 032,00	2 973 929,00
Addition	39 861,00	80 804,00	1 124 629,00	943 897,00	8 574 180,00
Conduned	-	-	-	-	-
Total	824 599,00	905 403,00	2 030 032,00	2 973 929,00	11 548 109,00

Unauthorised Expenditure

Unauthorised Expenditure					
Description	2015/16	2016/17	2017/18	2018/19	2019/20
Opening	-	61 240 085,00	26 073 452,00	45 346 276,00	45 346 276,00
Addition	61 240 085,00	17 053 570,00	19 272 824,00	-	-
Conduned	-	52 220 203,00	-	-	-
Total	61 240 085,00	26 073 452,00	45 346 276,00	45 346 276,00	45 346 276,00

Reduction Plan

DESCRIPTION	YEAR 2020/2021	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL	402 688 313,00					
Percentage		-10%	-20%	-30%	-40%	-50%
Reduction unauthorised expenditure	45 346 276	4 534 628	9 069 255	13 603 883	18 138 510	22 673 138
Percentage						
Reduction Irregular expenditure	345 793 928	34 579 393	69 158 786	103 738 178	138 317 571	172 896 964
Percentage		-10%	-20%	-30%	-40%	-50%
Reduction fruitless and wasteful expenditure	11 548 109	1 154 811	2 309 622	3 464 433	4 619 244	5 774 055
TOTAL	402 688 313	40 268 831	80 537 663	120 806 494	161 075 325	201 344 157

Lephalale Local Municipality has reported an escalating trend in irregular and fruitless and wasteful expenditure in municipalities over the past six (5) years. The unauthorised Expenditure remains constant since 2017/18 Financial years. It is evident in audit opinions and in the annual reports. The Auditor General of South Africa, (AGSA) findings identified the Unauthorised, Irregular, Wasteful and Fruitless Expenditure (UIF), as one of the findings that needs to be addressed. Unauthorised remains (R45,3 million), Irregular (R325,7 million) and Fruitless and Wasteful (R11.5 million) expenditure reported in the 2019/20 Draft AFS.

All the UIFW'S has been reported to MPC for Investigation.

The Municipality was in financial distress during the 2017/18 and 2018/19 financial periods and operated with a deficit of about R35million. The LPT directed the Municipality to table a Budget Recovery Plan and review internal processes. Consequently, the Municipality was unable to pay Eskom main electricity accounts which resulted in Eskom charging interest on outstanding balances. Hence the fruitless and wasteful expenditure. The LLM implemented cost containment strategies which assisted in stabilizing the finances and paying Eskom all monies due. The Eskom Account is now on current.

Irregular Expenditure

The irregular expenditure incurred was as a result of the composition of the BAC contrary to the SCM regulations. The BAC has since been reconstituted and complies with SCM Regulations. The Municipality signed three-year agreements with the service providers, and this is the end of the 3-year cycle.

Unauthorized Expenditure

The Municipality has not incurred any unauthorized expenditure during the 2018/19 and 2019/20 financial year. This is a great improvement .

The increasing irregular expenditure threatening the integrity of the financial governance: due to capacity challenges we are appointing a PSP to assist MPAC investigate all UIF+W expenditures incurred and make recommendations to guide next course of action – consequence management. One of the critical area identified was to ensure sound financial management and strengthening supply chain management processes.

FINANCIAL GOVERNANCE

The following Risk and Governance Committees are established

Assurance Providers – IA, AC, RMC, MPAC are having meeting on quarterly basis for to perform an oversight role.

Financial Misconduct Board has been established.

Role of management (Accountability lies with management)

- Management has developed an effective system of internal controls
- All departments/units are involved in implementing the audit action plan
- Audit Steering committee meeting were held on weekly basis to monitor the implementation of the audit action plan
- Recommendations made by AGSA, internal audit and NT implemented are implemented by Management.
- Each Executive Manager is measured on a KPI for addressing the audit findings.

Role of Assurance Providers (Internal audit and Audit Committee)

- Action plan was reviewed monthly until the end of September 2020. Feedback is provided to management on monthly basis and the audit committee on quarterly basis.
- Resolved Findings were audited by internal audit and feedback was provided to management and the Audit Committee.
- Audit committee reports to council on the progress of the audit action plan on quarterly basis.

Risk Committee

The Risk Management Committee is functional and is chaired by an independent member who also seats in the Audit & Performance Committee.

Management has designed and implemented the Audit action plan on findings raised by the Auditor General for 2018/19 financial year.

Management has successfully resolved the 2 qualification paragraphs as follows:

- An expert was appointed to determine the provision for the Landfill site and the scope was also extended to cover the assessment of the useful life.
- The conditional assessment for all infrastructure assets were also done to address the finding on the impairment of the infrastructure assets.

Municipalities have for a number of years, struggled with an ever-increasing amount of UIFW expenditure. This is mainly due to the following:

- No preventative mechanisms to eliminate reoccurrence.
- The composition of the BAC contrary to the SCM regulations
- Non compliance and inconsistency in application of Supply Chain Policy
- Lack of effective internal controls measures.
- Lack of investigation on identified UIFW.
- Partial Implementation of Financial System .
- Manual transacting.
- Poor Planning
- No Procurement Plan
- Lack of Contract Management Skills
- Unclear Specification with unclear bidding criteria
- Lack of technical / PMU skill to compile detailed terms of reference.
- Lack of consequence management (Financial Misconduct)
- No adequate investigation by MPAC to determine recoverability
- No implementation of the NT SOP for SCM
- Inadequate contract management
- Lack of Training for Bid Committees
- Lack of training of Supply Chain Teams
- Cash flow challenges which lead to interest for late payment of invoices. Poor invoice tracking process
- SCM units not centralised and no clear segregation of duties on the purchase and payment process.
- No compliance with SCM regulations
- Lack of knowledge of processes and incorrect process to be followed when dealing with UIFW.

To mitigate the above-mentioned challenges, the Accounting Officer (AO) and/or the Chief Financial Officer (CFO) should ensure that municipality's expenditure transaction records incorporate all but not limited to the following SCM legislative requirements per transaction (Where applicable in terms of the range of procurement) with a view to curb irregular expenditure:

- Three quotations
- Purchase Order
- Invoice
- Payment report
- Goods or service delivery register
- Evaluation report by SCM i.e. Bid Evaluation Committee (BEC).
- Approved deviation report by the Accounting Officer (signed).
- Proof of bid advertisements & results published on the municipality's website.
- Proof of projects registered in the register of construction contracts with the CIDB.
- Preference point system to be utilized should be included in the advert.
- Central Supplier Database (CSD) Printout reflecting declarations and tax status of supplier or service provider.
- Municipal Bidding Documents (MBDs) applicable to ranges of procurements.
- Service Level Agreement/contract to be attached on payment batches
- Segregation of duties
- Clear specifications with clear bidding criteria
- Bid document record management system
- Declaration of interest by municipal officials and municipal council
- SOP
- Contract management register
- Upload municipal employee database monthly on CSD
- Scheduled bid committee sittings as part of the municipal corporate calendar (ensure that all members are in attendance)

The main contributor to irregular expenditure in terms of monetary value is the awarding of contracts/tenders without following proper SCM legislative guidelines.

The Auditor-General has identified that the effective and appropriate disciplinary steps were not taken against officials who made or permitted unauthorised, irregular and fruitless & wasteful expenditure, as required by section 32(4) of the MFMA.

5. IDENTIFIED CAUSES OF AN INCREASE IN LEPHALALE MUNICIPALITY UIF&W

- There is a culture of non-adherence to SCM policies and procedures.
- End user requesting quotations instead of SCM
- The Municipality does not have an effective contract management process and Contract not loaded in the Financial system
- Manual Transacting
- Lack monitoring of procurement plan.
- Overpricing of goods and services by suppliers due to non-performance of market analysis.
- Interference with SCM policies, procedures and regulations
- No proper verification of declaration of interest forms submitted.
- Bid processes not finalised within the stipulated times.
- No stock control in place (Minimum levels of stock not maintained, non-disposal of redundant stock items) due partial implantation of Inventory management system.
- Payment of suppliers for incomplete projects.
- Utilisation of Suppliers, whose contracts have already expired.
- Increasing stalled Project -The municipality most of the projects are incomplete while resources have been depleted.
- Contracts amendments not approved by properly delegated officials,
- Inadequate budget controls,
- CFO and Municipal Manager suspended do Misconduct.

6. PROCESS FLOW STRATEGIES ON THE IMPLEMENT REDUCTION PLAN

Strategies to reduce UIFW.

- Use of Transversal contracts procured by National Treasury
- Appointment of bid committees
- Training of all members of Bids Committees on SCM processes and applicable legislation.
- Quarterly Reports to Council. MPAC exercises oversight over the SCM Reports.
- Annual Review of SCM Policy and budget related policies in accordance with Treasury Guidelines.

- Compilation of checklist as part of improving internal controls.
- Periodic review by IAU to test the controls.
- Implementation of Supply chain Turnround policy, Process Flow and Purchase and payment Processes with segregation of duties.
- Full implantation of Financial System modules for Internal Controls
- Implementation of assurance committee recommendations
- Implementation of cost containment strategies
- Consultant reduction strategies through skills transfer
- Resourcing and strengthening capacity of Internal Audit, Risk and MPAC resourcing
- Compliance to SCM policy and regulations and procurement planning.
- Utilisation of Suppliers with lapsed Service Level Agreements be stopped without delay.
- The adverts be made on the services that have service level agreements that lapsed.
- The use of Regulations 32 on contracts that have expired be considered to reduce the increase in UIF.
- The Municipality considers the use of a panel suppliers for emergency services.
- Consequence management be applied to officials who causes the transgression and non-compliance with Finance process plan.
- Contracts management be vigorously introduced. Payments be accompanied with proof of evidence.
- Payments of completed projects be inspected despite the payment certificate issued by the Consulting Engineers to avoid Consulting Engineers to collude with Contractors and Municipality employees.
- Legal proceedings be initiated on Contractors that did not complete the projects and process of recovering the lost money on these projects.
- Capacitating SCM, Technical (Infrastructure and BTO) PMU , IA and MPAC and Critical Skills
- Development and implementation of integrated Infrastructure maintenance plan to improve reliability of the network.
- Proper plaining
- Mitigation of Water Technical and non-technical Losses
- Installation of Smart metres
- Implementation of By laws for illegal connections

Remedial action:

- The UIF+W Register was tabled to Council. Council then referred the Report to MPAC for further investigation.
- MPAC is in the process of investigating the Historical UIF+W Register. Due to capacity challenges within the MPAC the Chairperson has requested assistance in capacitating the MPAC to investigate the historical UIF+W expenditure.
- To date the Terms of Reference for appointment of a PSP to investigate all the historical UIF+W have been completed.
- The appointment of the PSP should be concluded by the 15 April 2021.
- The PSP will be given 60 days to complete the investigation. The 60 day days will commence on the 16 April 2021.
- MPAC will discuss the report on or before the 15 July 2021.
- The recommendation of the MPAC will be presented to Council in its sitting on the 30 July 2021.
- Consequence management will follow based on the recommendations of the MPAC to Council. Any acts of financial misconduct will be referred to Financial Misconduct Board for further investigation.
- The Municipality has appointed a GRAP Compliance Specialist to monitor compliance with Financial Management Regulations

7. PROJECT RESOURCES AND TEAM MEMBERS

The resources that will be implementing the project are the currently employed officials who are also responsible for their day to day activities. The project has an appointed champion. The roles and responsibilities for the identified project team members are summarised below.

MEMBER	ROLE	PROJECT TEAM	ROLE/RESPONSIBILITY
Head of Administration	Owner	AO	Project leader
Management	Project Champion	CFO	Project leader and coordinator
Grap and Compliance	Project Coordinator	Manager Grap and Compliance	Project Coordinator
Internal Audit	Team member		Project Support
Supply Chain	Team member	BTO	Operational

MEMBER	ROLE	PROJECT TEAM	ROLE/RESPONSIBILITY
Manager Budget and reporting	Team Member	BTO	Operational
Manager Expenditure	Team Member	BTO	Operational
Manger Revenue	Team Member	BTO	Operational
Executive managers	Oversight	Management	Operational
PMU Manager	Projects	Projects	Project Management

8. PROJECT DELIVERABLES

DELIVERABLES	TARGET DATES
1. Develop UIFW reduction strategy	30/03/2021
2. Develop and implement standard operating procedure on the identification, recording and reporting of UIFW expenditure.	15/04/2021
3. Conducts monthly meetings to identify instances of UIFW expenditure.	Monthly
4. Conduct training on the identification, recording and reporting of UIFW expenditure.	
5. Assign officials to populate and manage the UIFW expenditure register on a monthly basis.	30/03/2021
6. Register of UIFW expenditure be submitted to PT on a quarterly basis.	Quarterly
7. Detailed supporting documentation be prepared and tabled in council/DC board for investigations monthly	Monthly
8. Quantitative percentage targets of reduction vs. the total historical UIFW audited figures.	
9. Implementation of recommendations by the MPAC or DC board.	

9. BUDGET IMPLICATIONS

The project will be implemented by the Professional Service Provide with the assistance of existing employees within the available working hours.

Budget R1,700 000.

10. ASSUMPTIONS

It is assumed that all role-players are committed to the time schedule.

11. RISKS

The following are the identified risks:-

RISK DESCRIPTION	PROBABILITY	IMPACT
Lack of MPAC/DC board investigative capacity		
Lack of Procurement proves capacity		
Non-adherence to procurement processes		
Limited data to deal with historical UIFW expenditures		

A 3-point scale where 1 is the lowest and 3 the highest is used.

12. MONITORING AND EVALUATION

Progress on the implementation of the project on reduction of UIFW expenditures will be monitored by the municipality as well as by the Audit Committee and other stakeholders such as the Auditor-General and Provincial Treasury. Regular evaluation of the plan will be done.

13. UIFW REDUCTION STRATEGY APPROVAL

This Project Plan has been reviewed and approved by the Accounting Officer who has been satisfied with its content and deliverables.

NAME	
DESIGNATION	<i>Accounting Officer</i>
SIGNATURE	
DATE	

14. REVISION HISTORY

Identify document changes on the project.

VERSION	DATE	NAME	DESCRIPTION
Version 1	31 March 2021		

15. ANNEXURE A: DETAILED IMPLEMENTATION PLAN

Municipality Name: Irregular Expenditure Reduction Implementation Plan										
Focus Area	Key assessment finding (Baseline)	Key Activities	Resources Required	Resources Mobilised	Responsible	Start Date	End Date	Key Performance Indicator	Targeted increased revenue	Targeted expenditure reduction
Pillar 1: GOOD GOVERNANCE										
1 Start up phase	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year	Initiate a meeting with the Project team members to agree on the approach thus developing and adopting the UIFW reduction strategy	In-house	In-house	MM, Administrator2 PSP MPAC	01/04/2021	01/04/2021	Approved project plan/strategy document	-	Recover Irregular Expenditure 25% = R500m
									-	
									-	
2. Policy and Standard Operating Procedures	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year	Policy and Standard Operating Procedures	In-house	In-house	MM, Administrator PSP MPAC			Approved SOPs and Strict adherence to policies and procedures	-	-
			In-house	In-house	MM, Administrator				-	-

Municipality Name: Irregular Expenditure Reduction Implementation Plan										
Focus Area	Key assessment finding (Baseline)	Key Activities	Resources Required	Resources Mobilised	Responsible	Start Date	End Date	Key Performance Indicator	Targeted increased revenue	Targeted expenditure reduction
3. Conducts monthly meetings	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year	Conducts monthly meetings to identify instances of UIFW expenditure	In-house	In-house	MM, Administrator, Council MPAC			Compliance to procurement checklist	-	-
4. Conduct training	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year	Conduct training on the identification, recording and reporting of UIFW expenditure	In-house	In-house	MM, Administrator, Council MPAC			Training	-	-
									-	-
5. Assign officials responsible for UIFW register		Assign officials to populate, manage and monitor the UIFW expenditure register on a monthly basis.	In-house	In-house				Job assignment Updated register		

Municipality Name: Irregular Expenditure Reduction Implementation Plan										
Focus Area	Key assessment finding (Baseline)	Key Activities	Resources Required	Resources Mobilised	Responsible	Start Date	End Date	Key Performance Indicator	Targeted increased revenue	Targeted expenditure reduction
		Register of UIFW expenditure be submitted to PT on a monthly basis as per LIMPT IYM template.								
6. Investigations		Detailed supporting documentation be prepared and tabled in council/DC board for investigations on a monthly basis	In-house	In-house				Monthly reports on UIFW expenditure		
		Breakdown of reduction percentage targets vs. the	In-house	In-house				Monthly investigation report on UIFW expenditure		

Municipality Name: Irregular Expenditure Reduction Implementation Plan										
Focus Area	Key assessment finding (Baseline)	Key Activities	Resources Required	Resources Mobilised	Responsible	Start Date	End Date	Key Performance Indicator	Targeted increased revenue	Targeted expenditure reduction
		total historical UIFW audited figures.								
		Implementation of recommendations by the MPAC or DC board.	In-house	In-house				Monthly investigation report on UIFW expenditure		

16. ANNEXURE B: MONTHLY TARGETS ACHIEVED

No	Performance Area	Baseline	Month2 End OCTOBER 2020	Month3 End NOVEMBER 2020	Month4 End DECEMBER 2020	Month5 End JANUARY 2021	Month5 End FEBRUARY 2021	Month6 End MARCH 2021
1.	Start up phase	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year						
2.	Policy and Standard Operating Procedures	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year						
	Conducts monthly meetings	Reduction in UIFW expenditure in						

No	Performance Area	Baseline	Month2 End OCTOBER 2020	Month3 End NOVEMBER 2020	Month4 End DECEMBER 2020	Month5 End JANUARY 2021	Month5 End FEBRUARY 2021	Month6 End MARCH 2021
		comparison with same period of reporting for past financial year						
	Conduct training	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year						
	5. Assign officials responsible for UIFW register	Reduction in UIFW expenditure in comparison with same period of reporting for past financial year						
	6. Investigations	Reduction in UIFW						

No	Performance Area	Baseline	Month2 End OCTOBER 2020	Month3 End NOVEMBER 2020	Month4 End DECEMBER 2020	Month5 End JANUARY 2021	Month5 End FEBRUARY 2021	Month6 End MARCH 2021
		expenditure in comparison with same period of reporting for past financial year						

17 ANNEXURE C: PROCESS FLOW ON THE IMPLEMENTATION OF THE REDUCTION PLAN

Task Number	Task Description	Responsible Person	Start Date	End Date	Status of Completion	July 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	April 2021	May 2021	June 2021
1.	Appointment of Head of SCM	Municipal Manager	Oct 2020	Dec 2020	Not yet started												
2.	Appointment of bid committee members	Municipal Manager	Jul 2020	July 2020	Completed												
3.	Reconfiguration of MPAC	Council	Jul 2020	July 2020	Completed												
4	Appointment of Financial Misconduct Board	Council	Jul 2020	Sep 2020	In-Progress												
5	Training of MPAC and Financial Misconduct Board	Corporate Services	Oct 2020	Dec 2020	Not yet started												

6	Appointment of MPAC Researcher and MPAC administrator	Corporate Services	Feb 2021	April 2021	Not yet started												
	Presentation of UIFWS; to council and referral to MPAC	BTO	July 2020	June 2021	July 2021												
7	Implement measures to prevent and address unauthorized, irregular, fruitless and wasteful expenditure	ALL Managers	July 2020	June 2021	In-Progress												
8	Compilation of term of reference to appoint and PSP to Investigate UIFW'S	MM	Jan 2021	March 2021													
9	UIFW'S investigation by PSP	MM	25 March 2021	15 May 2021													
10	Presentation of Report to MPAC	PSP MM	15 MARCH 2021														

11	Investigation Report reported to MPAC will be presented to Council in its sitting.	MPAC	25 May 2021														
12	Presentation of Recommendation of Investigation report Council by MPAC	MPC	26 May 2021														
13	Consequence management will follow based on the recommendations of the MPAC to Council. Any acts of financial misconduct will be referred to Financial Misconduct Board for further investigation	COUNCIL	27 May 2021														
14	Financial Misconduct Board for further investigation where there is financial misconduct	FMB	June 2021														
15	Presentation of Financial Misconduct Finding to Council	MPAC	June 2021	June 2021	In progress												
16	Council to resolve on MPAC reports on UIFW incurred up to end of 2019/20	Council	June 2021	June 2021	In progress												

17	Implement Consequence management	Council Municipal Manager	July 2021	June 2021	In progress												
18	Procure goods and services in line with SCM policy and regulations	All Managers	July 2021	June 2021	In progress												
19	The Municipality has appointed a GRAP Compliance Specialist to monitor compliance with Financial Management Regulations	CFO	July 2020														
20	Skills Development in the SCM Unit & Bid committee's	CFO	August 2021		Not yet started												
21	Review of Supply Chain management Policy and budget related policies	CFO	March 2021	June 2021	Completed												
22	Implementation procurement plan	CFO	July 2020	June 2021	In-Progress												

22	Implementation of cost containment strategies	CFO	July 2020	June 2021	In-Progress												
23	Partnering with Private sector to improve internal skill (DBSA.exxaro)	MM	March 2021	June 2022	In-Progress												
24	Partnering with District to ensure implementation of DDM 1 Projects	MM	March 2021	June 2022	In-Progress												
25	Training and retraining and mentoring of Managers and Employees to close the skill Gap	MM	March 2021	June 2022	In-Progress												
26	Implementation of Mitigating strategies to combat network losses and implementation of O & M Procedure to improve reliability of Infrastructure network and implement	EMIFS	March 2021	June 2022	In-Progress												

	<i>preventative maintenance</i>																
27	<i>Strengthening contract management skills via mentorship and support from Public sector</i>	<i>MM</i>															
28	<i>LED Supplier Training and development of Contractor on Procurement process</i>	<i>EMSS</i>															

