



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

2022/23 QUARTER 2 ANALYSIS REPORT OF THE DEPARTMENT OF WATER & SANITATION

For the period 01 April to 30 September 2022

Presented by:

**Dr Sean Phillips
Director-General**

29 November 2022

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PURPOSE

To brief the Portfolio Committee on the Department of Water and Sanitation's second quarter performance for the 2022/23 financial year

PART A: EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- The DWS continues to implement measures to accelerate key service delivery programmes. For the second quarter the Department's performance targets achievement is 74% with 38% of budget spent.
- A number of factors led to poor productivity on construction projects including, amongst others; inadequate planning and work scheduling, lack of collaboration and communication between stakeholders on the project, as well as inadequate capacity of Water Boards and Municipalities.
- The DWS is implementing various interventions including the:
 - Infrastructure Procurement Strategy
 - Improved project management processes
- Turnaround and Financial Recovery Plan is being implementing to deal with historic challenges of the department and continuous improvement initiatives aimed at acceleration of service delivery and strategic support of Municipalities.
- Significant progress has been made to stabilise the department, our work with law enforcement agencies is also bearing fruit, including successful recovery of funds from previous years' irregularities by the Special Investigating Unit.

QUARTER 2 COMPARISON OF NON-FINANCIAL AND FINANCIAL PERFORMANCE

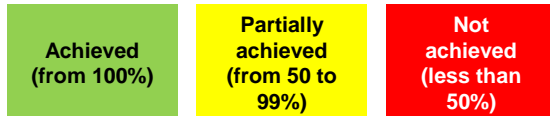
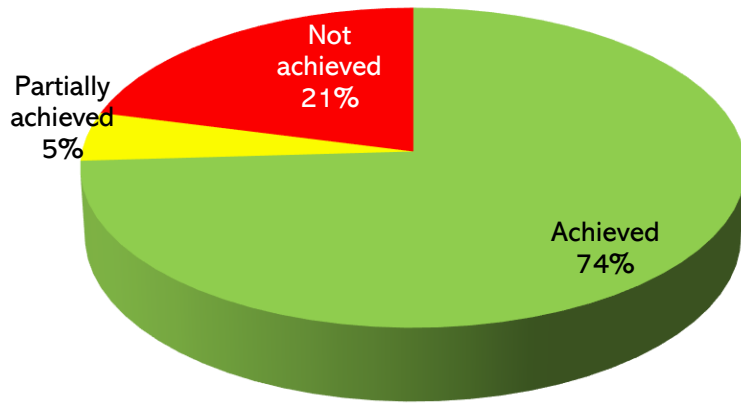
Programme		% actual achievement	% budget spent	Areas of under performance
1	Administration	81%	50%	<ul style="list-style-type: none"> Targeted procurement budget spent on exempted micro enterprises (EME) Expenditure on annual budget Reduction of debtor days
2	Water Resources Management	74%	67%	<ul style="list-style-type: none"> Cabinet approval of the National Water Amendment Bill National Water Resources Strategy -3 gazette Stakeholder consultations for establishment of CMAs and transformation of irrigation boards Raw water projects in implementation readiness Kilometres of conveyance systems rehabilitated Stakeholder consultation on the water economic regulator Regulation for advancement of water allocation reform
3	Water Services Management	69%	27%	<ul style="list-style-type: none"> District municipalities (DMs) with developed 5-year water and sanitation reliability plans Regional bulk infrastructure project phases under construction (mega and large) Small WSIG projects completed Cabinet approval of the Water Services Amendment Bill Bulk water tariffs developed
Total		74%	38%	

PART B: OVERVIEW OF NON-FINANCIAL PERFORMANCE

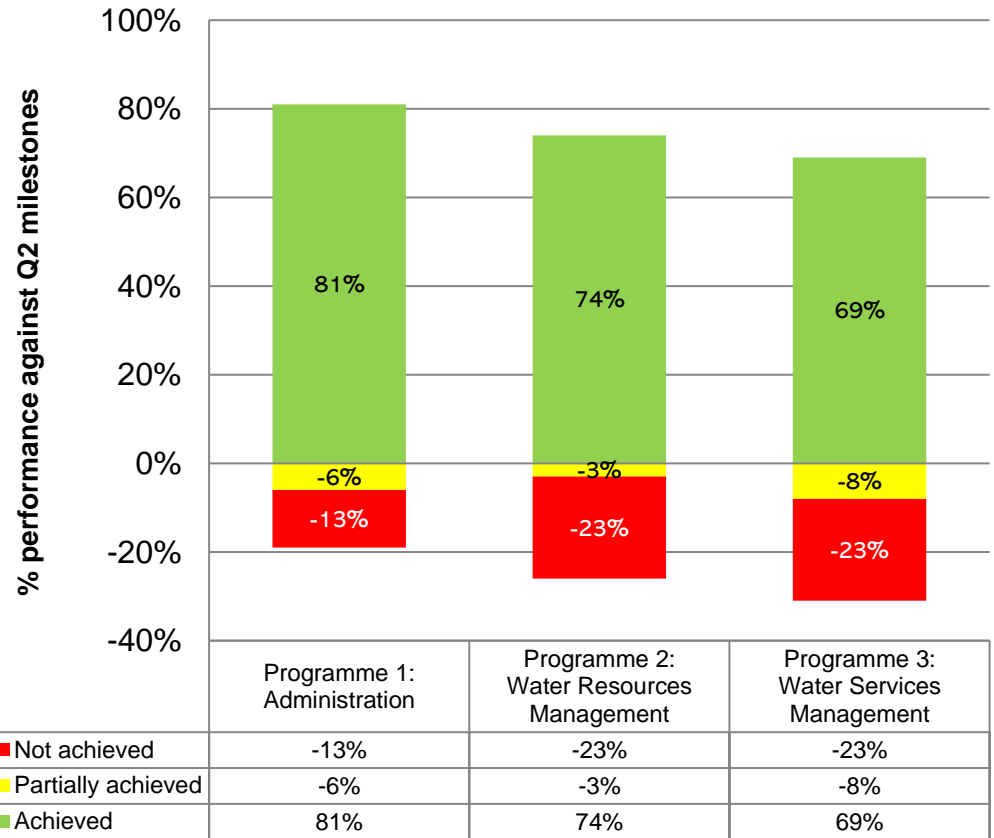
- **OVERVIEW OF THE OVERALL FIRST QUARTER PERFORMANCE**
- **PROGRESS IN IMPLEMENTING THE 2017 PREFERENTIAL PROCUREMENT REGULATIONS**
- **CONSOLIDATED PROGRESS FOR DESIGNATED GROUPS**

OVERVIEW OF THE OVERALL SECOND QUARTER PERFORMANCE OF THE DEPARTMENT

Consolidated performance

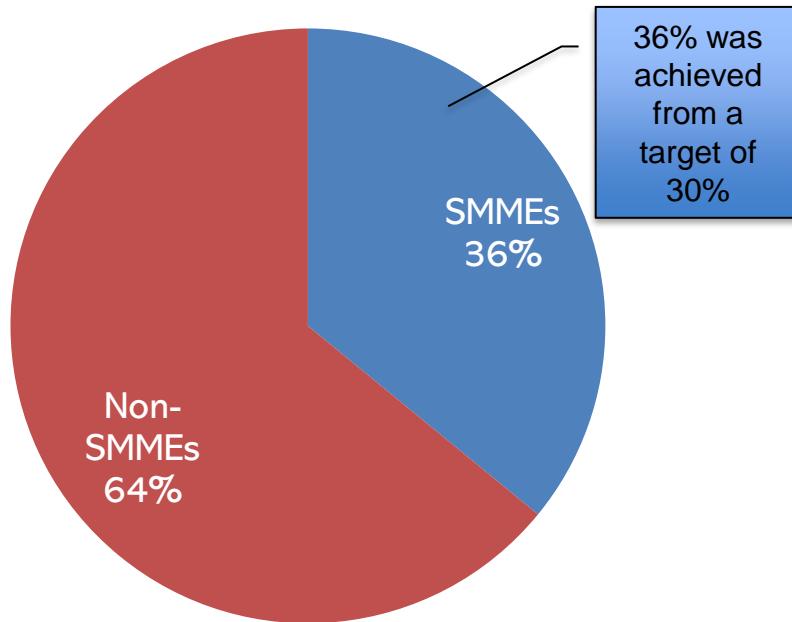


Consolidated performance per programme

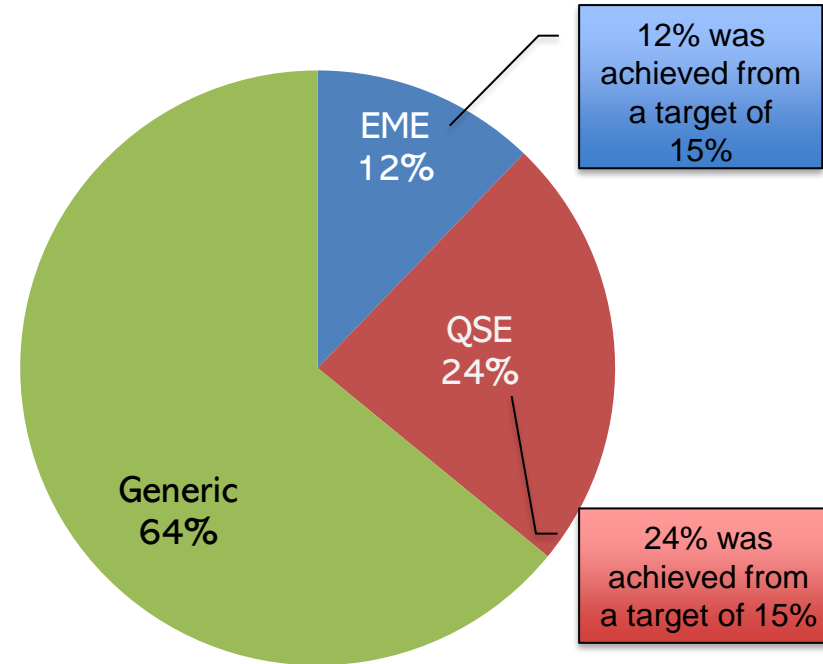


CONSOLIDATED PROGRESS IN IMPLEMENTING THE 2017 PREFERENTIAL PROCUREMENT REGULATIONS

Consolidated second quarter procurement



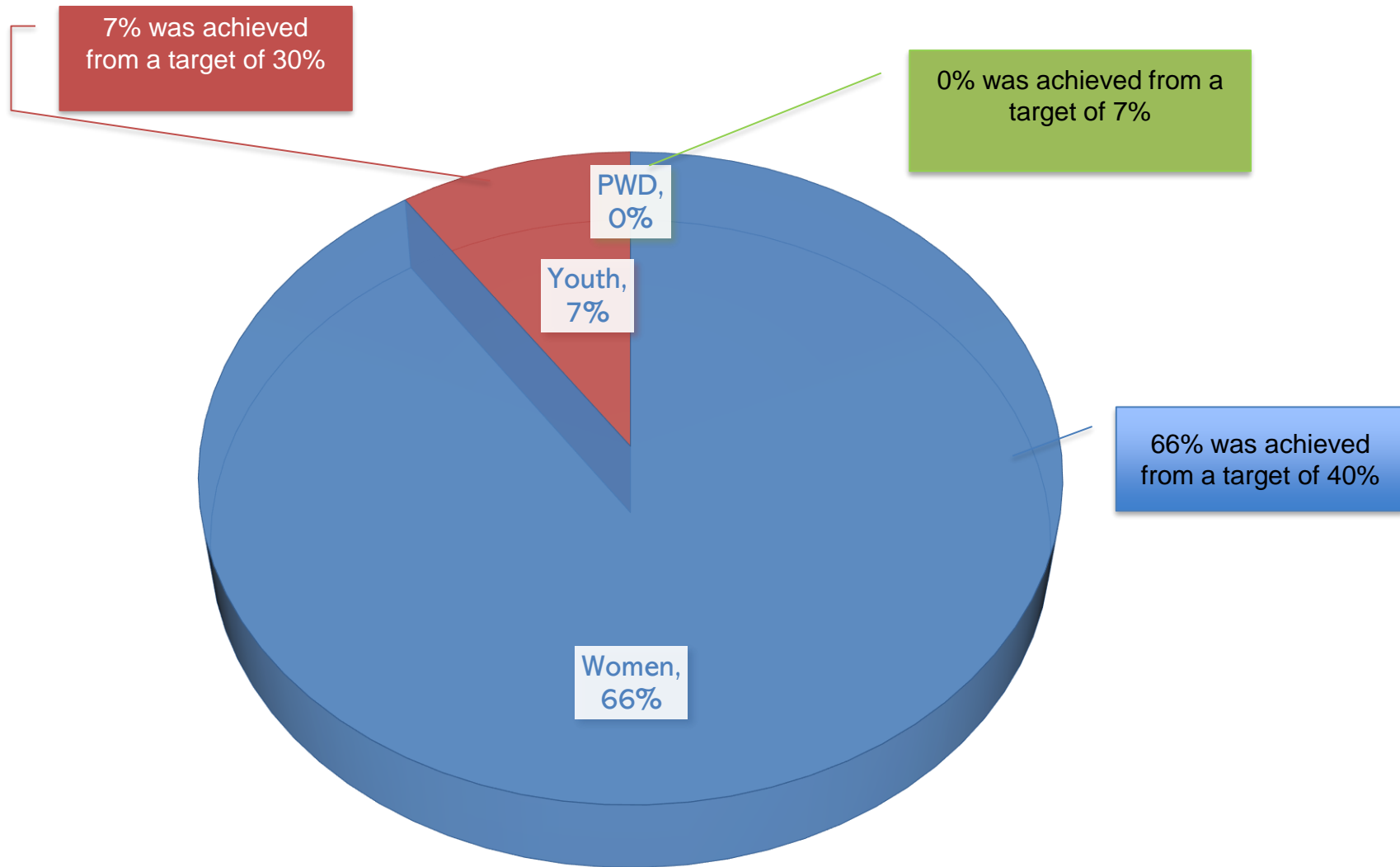
Consolidated second quarter procurement per B-BBEE status level



Legend:

- **Exempted Micro Enterprise (EME):** annual turnover of R10 million and below;
- **Qualifying Small Enterprise (QSE):** annual turnover between R 10 million and R50 million;
- **Generic enterprise:** annual turnover above R50 million

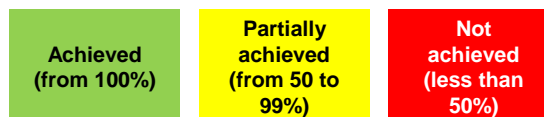
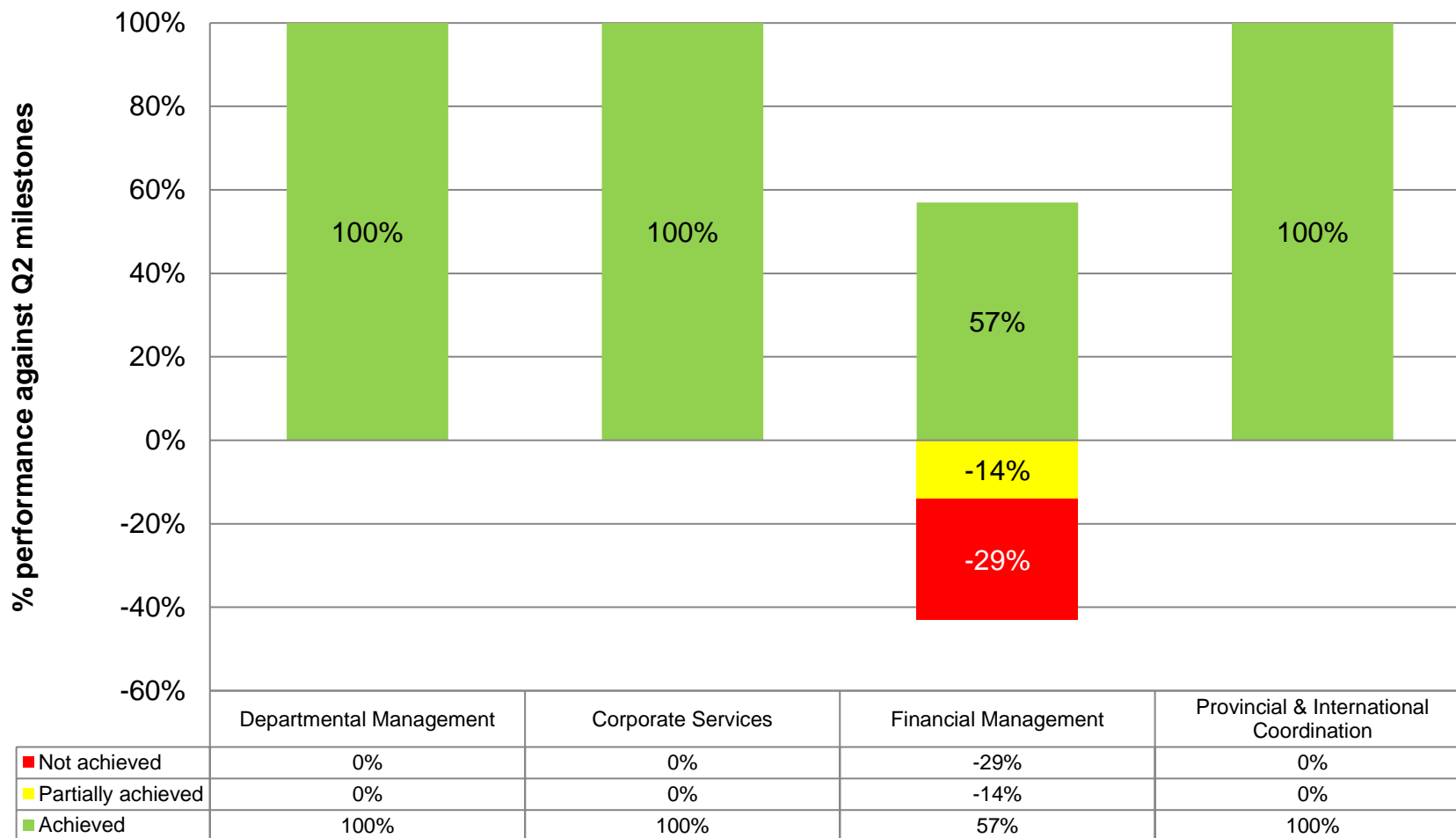
CONSOLIDATED PROGRESS FOR DESIGNATED GROUPS



ANALYSIS OF PERFORMANCE: ADMINISTRATION (PROGRAMME 1)

- **OVERVIEW SUB-PROGRAMME PERFORMANCE**
- **SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER**
- **DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER**

OVERVIEW SUB-PROGRAMME PERFORMANCE



SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER

Departmental Management	Corporate Services
<ul style="list-style-type: none"> • 26% compliance with the approved audit action plan • 100% compliance with the implementation of risk management plan 	<ul style="list-style-type: none"> • 862 engineers and scientist posts filled • 31% training interventions implemented • 19 safety and security assessments conducted • Maintained 100% availability of information technology systems • Implementation of 482 communication and public participation programmes
Financial Management	Provincial and International Coordination
<ul style="list-style-type: none"> • SMME procurement at 36% of which: <ul style="list-style-type: none"> ❑ 12% targeted procurement spent on exempted micro enterprises ❑ 24% targeted procurement spent on qualifying small enterprises • Implementation of financial recovery plan at 100% 	<ul style="list-style-type: none"> • Implementation of 2022/23 annual international relations programme as follows: <ul style="list-style-type: none"> ❑ 2 initiatives ❑ 9 agreements ❑ 11 obligatory • Implementation of 57 activities for stakeholder management and partnership programme

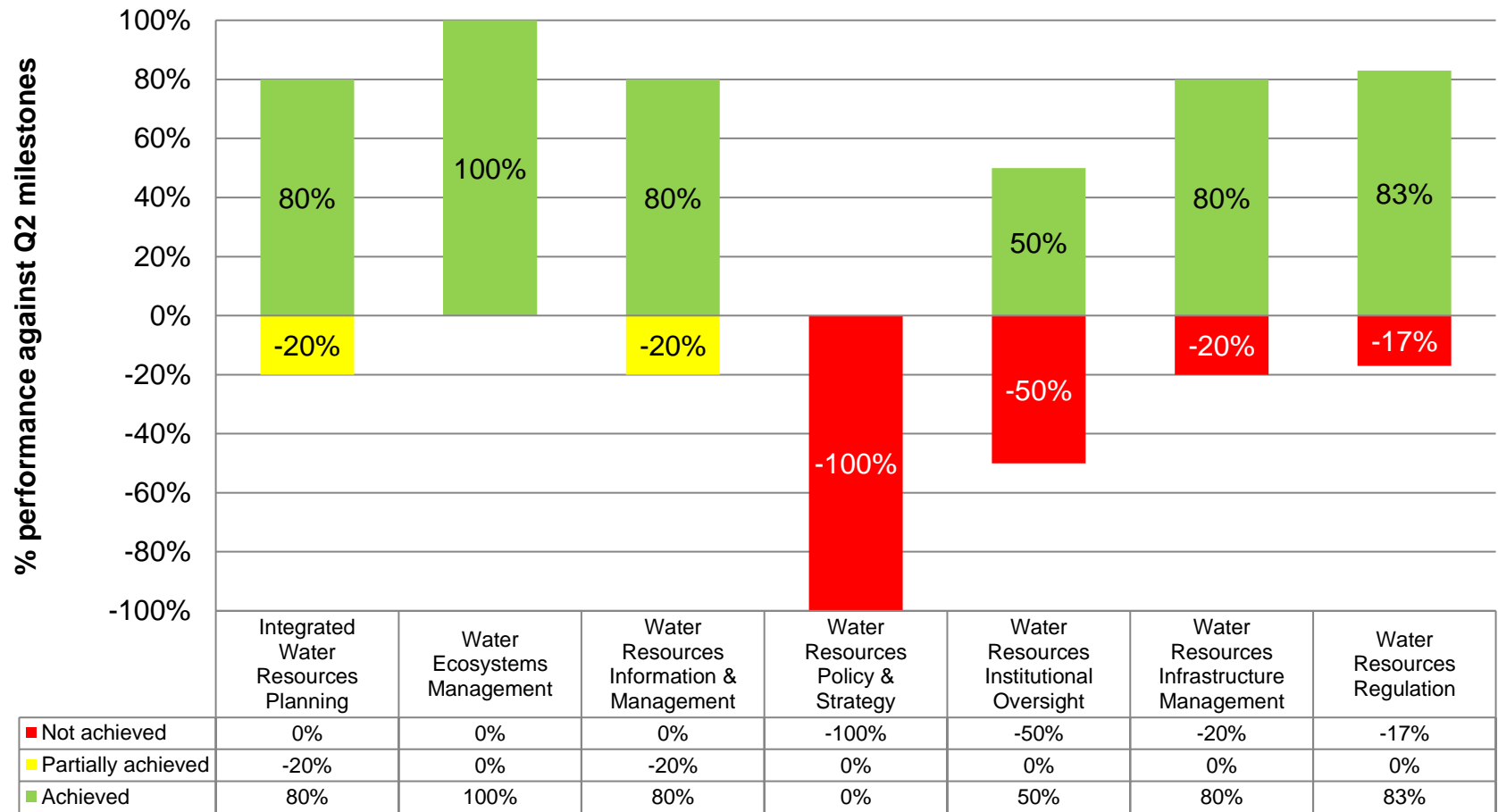
DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Financial Management (Main Account)					
1.3. 1.1.	Percentage of targeted procurement budget spent on exempted micro enterprises (EME)	15%	5%	Under by 10%	Target not met Less contracts awarded to EMEs
1.4.2	Percentage expenditure on annual budget	50%	38%	Under by 12%	Target partially met Goods & services, Capital, Transfers and subsidies. Mitigation: Implementation of Infrastructure procurement strategy and timely budget reprioritisations.
Financial Management (Water Trading)					
1.1.5	Number of debtor days	150 days	216 days	Increased by 66 days	Target not met The debtors book increased as a result of non-payment by customers. Mitigation: The department has appointed a panel of debt collectors and continues to engage through IGR processes.

ANALYSIS OF PERFORMANCE: WATER RESOURCE MANAGEMENT (PROGRAMME 2)

- **OVERVIEW SUB-PROGRAMME PERFORMANCE**
- **SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER**
- **DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER**

PERFORMANCE OVERVIEW PER SUB-PROGRAMME



Achieved
(from 100%)

Partially achieved
(from 50 to 99%)

Not achieved
(less than 50%)

WATER IS LIFE - SANITATION IS DIGNITY

SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER

Integrated Water Resource Planning	Water Ecosystems Management
<ul style="list-style-type: none">• Status report on reconciliation strategies for Mgeni, Amathole, Orange and Crocodile West• Operating and specialist studies for Algoa, Amathole, Crocodile West and Polokwane water supply systems• Reviewed hydro-climatic zones for South Africa• Status reports on environmental impact study for Clanwilliam Bulk Conveyance Infrastructure and Lower Coerney Balancing Dam	<ul style="list-style-type: none">• Legal notice for the Thukela river system is being translated to isiZulu
Water Resources & Information Management	Water Resources Institutional Oversight
<ul style="list-style-type: none">• 5 water resource monitoring programmes reviewed and maintained• 6 water and sanitation information systems maintained• Status on the development of the National Digitised Integrated Water and Sanitation Monitoring System design• Bavaria gauging station at 90% completion	<ul style="list-style-type: none">• 2021/22 annual reports for 2 CMAs, TCTA and WRC• National Water Resource Infrastructure Agency Bill gazetted for public consultation

SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER

Water Resources Infrastructure Management

- 2 bulk raw water projects under construction (Hazelmere and Mzimvubu advance works)
- 117 maintenance projects completed as planned
- 133 unscheduled maintenance projects completed
- Klepvoor Dam and Piet Gouws Dam safety evaluations completed
- Rehabilitation projects under construction: Nkadimeng Dam at 75% completion and Marico Bosveld Dam at 77% completion
- Adherence to water supply agreements / authorisations and operating rules at 110%
- 134 job opportunities created through implementing water resources infrastructure projects

Water Resources Regulation

- Assessed monitoring data for Vaal resource directed measures
- An assessment report on mine water and wastewater works for Upper Olifant catchment drafted
- Catchment vision plan developed for Orange developed
- Stakeholder consultation on waste discharge charge strategy
- 2023/24 raw water charges under consideration
- Consultation on 2023/24 Water Research Levy
- 97% applications for water use authorisation finalised within applicable period
- 128 water users monitored for compliance
- 75 of reported non-compliant cases investigated
- 150 wastewater systems monitored against the regulatory requirements

DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Water Resources Policy & Strategy					
5.1.1	National Water Act Amendment Bill developed	Submit the Water Services Amendment Bill to Cabinet for approval to publish for public comments	Inputs from OCSLA and functionaries are being incorporated in the NWA amendment Bill	NWA amendment Bill not submitted to Cabinet	Target not met The Cabinet briefing session that was scheduled was postponed and a new date to be determined.
5.1.2	National Water Resources Strategy Edition 3 (NWRS-3) developed	<ul style="list-style-type: none"> NWRS-3 updated SEIAS report approved 	<ul style="list-style-type: none"> NWRS-3: A gazette notice published SEIAS: will be finalised after public consultation 	<ul style="list-style-type: none"> NWRS-3 not updated SEIAS report not approved 	Target not met Delayed Cabinet approval of publishing the NWRS-3 for public consultation.

DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Water Resources Institutional Oversight					
6.2.2	Number of Catchment Management Agencies gazetted for establishment	Stakeholders for Mzimvubu-Tsitsikamma CMA consulted	No stakeholder consultations were held	Stakeholders for Mzimvubu-Tsitsikamma CMA not consulted	Target not met The consultation did not take place due to their unavailability
6.2.4	Number of irrigation boards transformed into Water User Associations	Stakeholders for the transformation of Apies consulted	No stakeholder consultations were held	Stakeholders for the transformation of Apies not consulted	Target not met The consultation did not take place due to their unavailability
Water Resources Infrastructure Management					
3.4.1	Number of bulk raw water projects in preparation for implementation	4	0	Under by 4	Target not met Activities that were not finalised: Nwamitwa Dam: Dam boundary line Zalu Dam: Geotechnical investigations Coerney Dam: Design work Foxwood Dam: Design optimisation
3.5.5	Number of kilometres of conveyance systems rehabilitated per annum	2km	0.525 km	Under by 1.475km	Target not met The initial plan that was implemented for the bypass was found not to be conveying enough water to the users. The contractor had to resolve this first.

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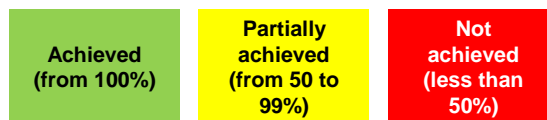
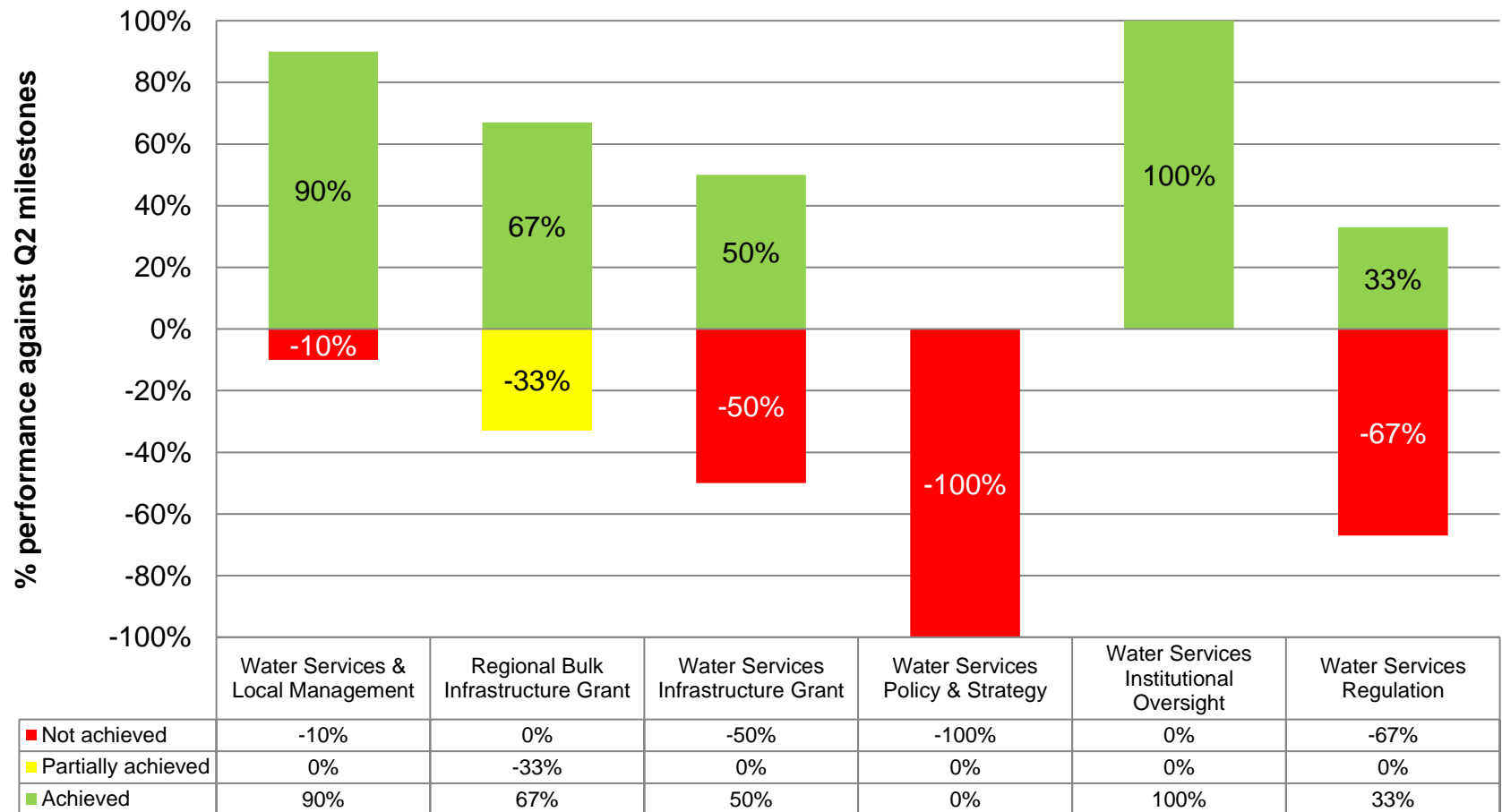
DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Water Resources Regulation					
6.2.5	Water economic regulator gazetted for establishment	Stakeholder consultations on draft business case for establishment of the Water Regulator Version III	Commenced with the review of the business case to accommodate the Regulator Commission	Stakeholder consultation was not conducted	Target not met The review of the business case to accommodate the Regulator Commission took longer than anticipated.
6.1.1	Regulation for advancement of water allocation reform finalised	Version 2 of Draft 2 Regulation updated	A request for a legal opinion submitted to Legal Services.	Version 2 of Draft 2 Regulation not updated	Target not met The NWA does not have enabling provisions for promulgation of WAR regulations.

ANALYSIS OF PERFORMANCE: WATER SERVICES MANAGEMENT (PROGRAMME 3)

- **OVERVIEW SUB-PROGRAMME PERFORMANCE**
- **SUMMARY OF SUB-PROGRAMME ACHIEVEMENTS FOR THE QUARTER**
- **DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER**

PERFORMANCE OVERVIEW PER SUB-PROGRAMME



SUMMARY OF ACHIEVEMENTS FOR THE QUARTER

Water Services & Local Management

- Stakeholder consultations for water conservation and water demand management strategies
- Water balance and data collected within the 4 large water supply systems
- Final No-Drop requirements: 9 consultations/ Communication on the No Drop Requirements for the 2022/23 Audit year
- Feasibility studies: 4 draft assessment reports for water and wastewater services projects (RBIG)
- Implementation readiness studies: 3 draft assessment reports for water and wastewater services projects (RBIG)
- 24 WSAs have completed their MuSSA
- Municipal priority action plan: Gap Assessment Report on consultation with WSA's through regions has been done.
- National Sanitation Integrated Plan: 9 draft provincial action plans updated
- Stakeholder consultations: National Faecal Sludge Management Strategy for on-site sanitation

Regional Bulk Infrastructure Grant

- A total of 77 regional bulk project phases under construction of which
 - 6 are mega project phases
 - 53 are large project phases
 - 18 are small project phases
- A total of 2 project phases completed of which
 - 2 are a large project phases
- Implementation of the Vaal and Giyani intervention projects
- 285 job opportunities created through implementing RBIG infrastructure projects

Water Services Infrastructure Grant

- A total of 203 projects under construction
- A total of 16 projects completed

Water Services Regulation

Blue Drop : scorecard developed and template programme in the IRIS

Water Services Institutional Oversight

- Assessment of 9 water boards quarterly reports

PROVINCIAL WATER SERVICES INFRASTRUCTURE GRANTS NUMBERS

Province	Regional bulk project phases		Water services infrastructure grant projects		Intervention project(s)
	Under construction	Completed	Under construction	Completed	
Eastern Cape	16	2	16	1	-
Free State	15	-	32	3	-
Gauteng	1	-	0	0	1
KwaZulu-Natal	5	-	30	1	-
Limpopo	9	-	48	1	1
Mpumalanga	18	-	14	1	-
Northern Cape	3	-	22	9	-
North West	7	-	30	0	-
Western Cape	3	-	11	0	-
Total	77	2	203	16	2

Achieved
(from 100%)

Partially
achieved
(from 50 to
99%)

Not
achieved
(less than
50%)

Recovery
from
previous
quarter

DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Water Services and Local Management					
4.1.1	Number of district municipalities (DMs) with developed 5-year water and sanitation reliability plans	Situational assessments for 5-year water and sanitation service delivery reliability completed for 10 DMs	2 situational assessments completed for for Capricorn, Ngaka Modiri Molema a District Municipalities	Under by 8	<p>Target not met</p> <p>The procurement process is underway for the completion of 4 DM situational assessments. The situational assessment of 4 DMs is underway.</p>

DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Regional Bulk Infrastructure Grant

3.9.3.1	Number of mega regional bulk infrastructure project phases under construction	7	6	Under by 1	Target partially met Polokwane WWTW phase 1 of 2: Contractor for Phase 1A abandoned site due to cashflow challenges.
3.9.3.2	Number of large regional bulk infrastructure project phases under construction	61	53	Under by 8	Target partially met KZN: financial commitments for 3 projects has been reached and 1 projects awaiting the appointment of an APP FS: legal proceeding underway for 1 project arising from contractor termination and 1 project is on hold due to contractor cash flow challenges.
Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments

Water Services Infrastructure Grant

3.10.2	Number of small WSIG projects completed	52	16	Under by 36	Target not met The community protests, poor contractor performance, and delayed procurement within the municipal space
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DETAILS ON AREAS OF PARTIAL AND NON-ACHIEVEMENT FOR THE QUARTER

Performance indicator		2022/23 Q2 target	2022/23 Q2 achievement	Deviation from Q2 target	Comments
Water Services Policy & Strategy					
5.2.1	Water Services Amendment Bill developed	Submit the Water Services Amendment Bill to Cabinet for approval to publish for public comments	OCSLA legal opinion	Water Services Amendment Bill was not submitted to Cabinet	Target not met The preliminary certificate that enables the Department to table the WSA Bill to Clusters and Cabinet thereafter has not been received.
Water Services Regulation					
5.3.4	Bulk water tariffs developed	Feedback for 2022/23 bulk water tariffs to all water boards	0	Feedback for 2022/23 bulk water tariffs to all water boards not provided	Target not met

PART C: OVERVIEW OF FINANCIAL PERFORMANCE

QUARTER 2 OVERVIEW EXPENDITURE

- Roll over amounting to R15.341 million was approved, increasing departmental budget allocation from R18.540 billion to R18.555 billion.
- The department's expenditure for the period ended 30 September 2022 amounted to R 7.010 billion, representing thirty-seven per cent (38%) of the total adjusted appropriation of R18.555 billion, leaving total unspent funds of R11.545 billion.
- When compared to the approved drawings to date of R8.683 billion (47%), the department reflected an under-expenditure of R1.673 billion or nine per cent (9%). Significant cumulative variations from projected spending within the various budget economic classifications are as follows:
 - **Compensation of employees** was below projected spending by R39.711 million, the under-spending is affected mainly by reduced rate of filling vacancies consequent to mandatory outer years personnel budgets for government departments.
 - **Goods and services** below approved drawings by R263.684 million. The under-spending is mainly due to moratorium on procurement and savings from implementation of cost containment measures. An amount of R130 million was however used to assist Magalies Water and Bloem Water with Sedibeng Water disestablishment process, approval was obtained from National Treasury.
 - **Transfers and subsidies** below drawings by R464.073 million, this is mainly due to the outstanding transfers to Municipalities which were withheld due to Division of Revenue Act compliance requirements issues and Umgeni Water transfer pending National Treasury reallocation of budget approval.
 - **Payments for capital assets** were below drawings by R905.964 million, the significant contributor is the indirect grant allocation to Municipalities which includes stagnant projects, detailed analysis is included in the subsequent slides.

MAIN ACCOUNT 2022/23 FINANCIAL PERFORMANCE

Programmes	Annual appropriation	Year to date cumulative approved drawings	Year to date cumulative actual expenditure	Available budget/ Variance	Variance - Accumulated drawings and actual expenditure	Projected spending	Expenditure as % of annual appropriation	Variance - Accumulated drawings and actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	%	%
Administration	2 019 933	1 064 929	997 431	1 022 502	67 498	53%	50%	3%
Water Resources Management	3 818 520	2 564 702	2 537 123	1 281 397	27 579	67%	66%	1%
Water Services Management	12 716 557	5 053 699	3 475 343	9 241 214	1 578 356	40%	27%	13%
Total Programmes	18 555 010	8 683 330	7 009 897	11 545 113	1 673 433	47%	38%	9%
Economic classification								
Current payments	3 732 701	1 958 155	1 654 759	2 077 942	303 398	52%	44%	8%
Compensation of employees	1 836 433	918 438	878 727	957 706	39 711	50%	48%	2%
Goods and services	1 896 265	1 039 713	776 029	1 120 236	263 684	55%	41%	14%
Interest and rent on land	3	3	3	-	3	100%	100%	0%
Transfers and subsidies	10 665 368	4 825 526	4 361 45	6 303 915	464 073	45%	41%	4%
Province and municipalities	6 223 417	1 724 458	1 514 457	4 708 960	210 001	28%	24%	4%
Departmental agencies and accounts	2 612 130	1 907 667	1 907 667	704 462	-	73%	73%	0%
Foreign governments and international organisations	250 978	226 491	227 240	23 738	-749	91%	91%	0%
Public corporations and private enterprises	1 543 686	941 973	695 729	847 957	246 244	61%	45%	16%
Non-profit institutions	1 592	952	651	941	301	60%	41%	19%
Households	33 565	23 985	15 708	17 857	8 277	71%	47%	24%
Payments for capital assets	4 156 941	1 899 649	993 685	3 163 256	905 964	46%	24%	22%
Buildings and other fixed structures	3 956 929	1 812 032	927 347	3 029 582	884 685	46%	23%	23%
Machinery and equipment	148 447	48 317	24 301	124 146	24 016	33%	17%	16%
Software and other intangible assets	51 565	39 300	42 037	9 528	-2 737	76%	81%	-5%
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	18 555 010	8 683 330	7 009 897	11 545 113	1 673 435	47%	38%	9%

WTE 2022/23 FINANCIAL PERFORMANCE

Programme	Annual Budget	% spent against Annual budget	YTD Budget	YTD Actual Expenditure	Available Budget	% spent on YTD budget	% Variance
	R'000	%	R'000	R'000	R'000	%	%
1. Administration	1 313 018	25%	671 379	334 071	978 947	50%	50%
2. Implementation of water resources management activities	738 874	42%	443 670	310 803	428 071	70%	30%
3. Operations, maintenance and refurbishment of national water resources schemes	2 331 768	23%	1 300 711	525 011	1 806 756	40%	60%
4. Financing and investment in raw water infrastructure	9 540 135	34%	3 202 210	3 202 210	6 337 925	100%	0%
5. Bulk water supply to strategic users	2 328 334	22%	1 511 243	509 611	1 818 723	34%	66%
6. Implementation of dam safety	184 471	16%	91 518	28 669	155 802	31%	69%
Total	16 434 600	30%	7 220 731	4 910 376	11 526 223	68%	32%
Economic Classification	R'000	%	R'000	R'000	R'000	%	%
Compensation of Employees	1 480 854	40%	760 949	590 151	890 703	78%	22%
Goods and Services	2 639 407	25%	1 457 688	650 703	1 988 704	45%	55%
Trans Caledon Tunnel Authority (TCTA)	9 540 135	34%	3 202 210	3 202 210	6 337 925	100%	0%
Payments for Capital Assets	2 776 204	17%	1 799 884	467 312	2 308 891	26%	74%
Total	16 436 600	30%	7 220 731	4 910 376	11 526 223	68%	32%

GRANTS INFRASTRUCTURE EXPENDITURE

- The 2022/23 financial year allocations-in-kind to municipalities for designated special programmes grants amounts R3.470 billion for the Regional Bulk Infrastructure Grant and R771.336 million for the Water Services Infrastructure Grant. The overall spending is 25% and 19% respectively.
- Some of the provinces recorded expenditure in line with the projections, however, others recorded low expenditure due to the following reasons:
 - Termination of Contractors due to poor performance.
 - Delay in the submission of invoices by the Implementing Agents, and delays in payment to the service providers.
 - Work stoppages and Contractual disputes/ Community protests.
 - Project implementation delayed due to non-responsiveness of bids.
 - Tender adjudication delays due to irregularities which include scope change that was in the tender document without the approval of DWS.
 - Bucket Eradication Programme slow moving projects (contractual disputes, changes to the designs mid-construction, etc.)
 - Instabilities within municipalities affecting the effective implementation of projects.
- Besides the challenges above, there has been a significant improvement from the midterm expenditure to the year-to-date expenditure. The department has registered commitments amounting to over R7.250 million, and Provincial Offices are currently working with Water Boards and Municipalities to resolve project bottlenecks.
- Acceleration Plans are being implemented, key projects with capacity to absorb additional funds includes amongst others Vaal River Intervention Project, Thembisile Water Scheme (Loskop) and Madibeng Bulk Water Supply.
- Further inputs are highlighted for each province and project, PART E: APPENDIX WITH additional slides

EARMARKED, SPECIFICALLY AND EXCLUSIVELY APPROPRIATED INFRASTRUCTURE ITEMS

Summary of Infrastructure Programmes	Revised Allocation	Year to date cumulative approved drawings	Year to date cumulative actual spending	Available Budget/ Variance	Variance - Drawings and actual expenditure	Projected spending	Expenditure as % of Revised Allocation	Variance - Drawings and actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	%	%
Regional Bulk Infrastructure Grant (RBIG): 5B	2 521 420	661 374	577 163	1 944 257	84 211	26%	23%	3%
Regional Bulk Infrastructure Grant (RBIG): 6B	2 984 029	1 351 392	628 495	1 866 264	722 897	45%	21%	24%
Bucket Eradication Programme (BEP): 6B	256 502	218 333	150 362	595 410	67 971	85%	59%	26%
Regional Bulk Infrastructure Grant (RBIG: Gauteng Vaal River System	229 860	-	88 177	141 683	(88 177)	0%	38%	-38%
Total RBIG	5 991 811	2 231 099	1 444 197	4 547 614	786 902	37%	24%	13%
Water Services Infrastructure Grant (WSIG): 5B	3 701 019	1 064 408	936 934	2 764 085	127 474	29%	25%	3%
Bucket Eradication Programme (BEP): 6B	87 187	39 919	-	87 187	39 919	46%	0%	46%
Water Services Infrastructure Grant (WSIG): 6B	609 149	362 903	142 693	466 456	220 210	60%	23%	36%
Disaster response allocation to provide water tankering services in KwaZulu-Natal and Eastern Cape	75 000	-	771	74 229	(771)	0%	1%	-1%
Total WSIG Total	4 472 355	1 467 230	1 080 398	3 391 957	386 832	33%	24%	9%
Lepelle water board: Regional Bulk Infrastructure Grant	422 000	422 000	422 000	-	-	100%	100%	0%
Magalies water board: Regional Bulk Infrastructure Grant	109 284	-	-	109 284	-	0%	0%	0%
Magalies water board: (Disestablishment of Sedibeng Water)	21 165	21 165	21 165	-	-	100%	100%	0%
Bloem water board: (Disestablishment of Sedibeng Water)	108 835	108 835	108 835	-	-	100%	100%	0%
Sedibeng water board: Regional Bulk Infrastructure Grant	143 729	143 729	143 729	-	-	100%	100%	0%
Umgeni water board: Regional Bulk Infrastructure Grant	738 673	246 244	-	738 673	246 244	33%	0%	33%
Total Water Boards	1 413 686	941 973	695 729	847 957	246 244	67%	49%	17%
Water Trading Entity - Acid mine drainage and other capital projects	2 122 638	1 418 175	1 418 175	704 463	-	67%	67%	0%
Water Trading Entity - Contribution to operations and maintenance	221 141	221 141	221 141	-0	(0)	100%	100%	0%
Water Trading Entity - Establishment of Catchment Management Agencies	70 000	70 000	70 000	-	-	100%	100%	0%
Water Trading Entity - Raising of clanwilliam dam olifants doorn river water resource project	195 000	195 000	195 000	-	-	100%	100%	0%
Komati Basin Water Authority (KOBWA)	248 278	224 941	224 941	23 337	-	91%	91%	0%
Total - Water Trading Entity and KOBWA	2 857 057	2 129 257	2 129 257	727 800	(0)	75%	75%	0%
Total	14 734 909	6 769 559	5 349 581	9 515 328	1 419 978	46%	36%	10%

WATER IS LIFE - SANITATION IS DIGNITY

INFRASTRUCTURE PROJECTS COMMITMENTS

Province	Closing balance (September 2022)	Opening balance (April 2022)	Movement	% Movement to date
	R'000	R'000	R'000	%
Eastern Cape	526 164	1 144 292	(618 128)	-54%
Free State	522 219	504 068	18 151	4%
Gauteng	409 463	164 191	245 272	149%
KwaZulu-Natal	-	-	-	0%
Limpopo	1 867 000	1 696 107	170 893	10%
Mpumalanga	2 225 448	586 786	1 638 662	279%
North West	1 311 127	1 149 013	162 114	14%
Northern Cape	98 489	117 635	(19 147)	-16%
Western Cape	4 427	4 427	-	-
H/O Sanitation	634 186	650 915	(16 729)	-3%
Total	7 598 521	6 017 433	1 581 088	26%

- The Department has entered into implementing agency agreements with Water Boards and Municipalities for the Regional Bulk and Water Services Projects.
- At the end of the 2021/22 financial year commitments on the water projects contracts amounted to R6.017 billion. This has since increased to R7.599 billion by the end of the second of the 2022/23 financial year.
- Despite a significantly high commitment balance projects have been moving slowly due to various reasons including poor performance, irregular procurements leading to cancellation of contracts.
- Projects contracts that were terminated during the 2021/22 and the current financial year amounts to R1.346 billion.
- Corrective measures implemented by the Department includes strengthening of oversight and monitoring of Implementing Agents as well as continuous support through technical skills on key projects, participation on critical procurement processes and committees of the Implementing Agents.
- The reported infrastructure commitments exclude contracts funded through the conditional grant allocations to Municipalities which are accounted for directly the Municipalities.

RBIG 6B FINANCIAL PROJECTIONS PER PROVINCE

Provinces (Capex)	Revised allocation	Expenditure 30 Sept	Available budget	Percentage spent	YTD Commitments	YTD Expenditure
	R'000	R'000	R'000	%	R'000	R'000
Eastern Cape	355,681	126,230	229,451	35%	414 481	136 487
Free State (BEP)	254,688	31,705	222,983	12%	573 290	43 594
Free State	691,129	137,201	553,928	20%	502 078	191 256
Gauteng	454,891	72,319	382,572	16%	346 046	116 321
Limpopo	807,856	216,282	591,574	27%	1 511 644	317 991
Mpumalanga	364,696	105,162	259,534	29%	1 879 127	162 680
Northern Cape (BEP)	1,814	1,026	788	57%	41 871	1,026
Northern Cape	54,643	13,161	41,482	24%	32 236	29 482
North West	239,936	75,771	164,165	32%	1 135 338	134 862
Western Cape	15,197	0	15,197	0%	4 427	151
Total	3,240,531	778,857	2,461,674	24%	6 440 538	1 133 850

Provinces (Goods & Services)	Revised allocation	Expenditure 30 Sept	Available budget	Percentage spent	YTD Commitments	YTD Expenditure
	R'000	R'000	R'000	%	R'000	R'000
Gauteng	229,860	88,177	141,683	38%	-	92 743
Total	229,860	88,177	141,683	38%	-	92 743

Grand Total	3,470,391	867,034	2,603,357	25%	6 440 538	1 226 593
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WSIG 6B FINANCIAL PROJECTIONS PER PROVINCE

Provinces (Capex)	Revised allocation	Expenditure 30 Sept	Available budget	Percentage spent	YTD Commitments	YTD Expenditure
	R'000	R'000	R'000	%	R'000	R'000
Eastern Cape	84,738	4,129	80,609	5%	72 100	14 580
Free State (BEP)	40,136	-	40,136	0%	919	919
Free State(WSIG)	15,120	6,181	8,939	41%	24 998	6 475
Gauteng	31,384	5,472	25,912	17%	12 836	12 297
KwaZulu-Natal	32,600	-	32,600	0%	32 600	-
Limpopo	187,691	30,070	157,621	16%	150 046	37 408
Mpumalanga	127,575	60,930	66,645	48%	284 087	91 013
Northern Cape (WSIG)	37,994	20,953	17,041	55%	16 133	20 953
Northern Cape (BEP)	47,051	-	47,051	0%	16 836	-
North West	92,047	14,958	77,089	16%	166 965	31 031
Total	696,336	142,693	553,643	20%	776 601	214 676

Provinces (Goods & Services)	Revised allocation	Expenditure 30 Sept	Available budget	Percentage spent	YTD Commitments	YTD Expenditure
	R'000	R'000	R'000		R'000	R'000
Eastern Cape	10,000	0	10,000	0%	-	0
KwaZulu-Natal	65,000	771	64,229	1%	62 787	771
Total	75,000	771	74,229	1%	62 787	771

Grand Total	771,336	143,464	627,872	19%	839 388	190,065
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RBIG & WSIG 5B FINANCIAL PERFORMANCE PER PROVINCE

Provinces (RBIG)	Revised Allocation	Year to date DoRA cumulative payment schedule	Year to date cumulative actual spending	Available Budget/ Variance	Variance - Drawings and actual expenditure	Projected spending	Expenditure as % of Revised Allocation	Variance - Drawings and actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	%	%
Eastern Cape	431,907	85,038	85,038	346,869	-	19.69%	19.69%	0.00%
Free State	204,407	64,407	64,407	140,000	-	31.51%	31.51%	0.00%
Gauteng	-	-	-	-	-	0.00%	0.00%	0.00%
KwaZulu-Natal	228,810	80,000	80,000	148,810	-	34.96%	34.96%	0.00%
Limpopo	154,584	-	-	154,584	-	0.00%	0.00%	0.00%
Mpumalanga	697,142	235,000	233,000	464,142	2,000	33.71%	33.42%	0.29%
Northern Cape	135,102	-	-	135,102	-	0.00%	0.00%	0.00%
North West	399,581	80,503	-	399,581	80,503	20.15%	0.00%	20.15%
Western Cape	269,887	114,718	114,718	155,169	-	42.51%	42.51%	0.00%
Total (RBIG)	2,521,420	659,666	577,163	1,944,257	82,503	26.16%	22.89%	3.27%

Provinces (WSIG)	Revised Allocation	Year to date DoRA cumulative payment schedule	Year to date cumulative actual spending	Available Budget/ Variance	Variance - Drawings and actual expenditure	Projected spending	Expenditure as % of Revised Allocation	Variance - Drawings and actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	%	%
Eastern Cape	498,051	114,425	114,425	383,626	-	22.97%	22.97%	0.00%
Free State	332,599	117,669	117,669	214,930	-	35.38%	35.38%	0.00%
Gauteng	196,678	64,906	39,906	156,772	25,000	33.00%	20.29%	12.71%
KwaZulu-Natal	939,400	240,520	225,520	713,880	15,000	25.60%	24.01%	1.60%
Limpopo	463,462	185,000	125,000	338,462	60,000	39.92%	26.97%	12.95%
Mpumalanga	487,745	68,500	68,500	419,245	-	14.04%	14.04%	0.00%
Northern Cape	266,948	115,974	88,500	178,448	27,474	43.44%	33.15%	10.29%
North West	370,676	121,430	121,430	249,246	-	32.76%	32.76%	0.00%
Western Cape	145,460	35,984	35,984	109,476	-	24.74%	24.74%	0.00%
Total (WSIG)	3,701,019	1,064,408	936,934	2,764,085	127,474	28.76%	25.32%	3.44%

WITHHOLDING PORTION OF REGIONAL BULK INFRASTRUCTURE

Province	Municipalities affected	Amount withheld per municipality	Amount withheld per province
		R'000	R'000
Mpumalanga	MP 326 City of Mbombela	2,000	2,000
North West	DC 39 Dr Ruth Segomotsi Mompati District Municipality	80,503	80,503
Grand total for Regional Bulk Infrastructure Grant		82,503	82,503

- Withholding of RBIG 5B allocations was done in line with the provisions of the Division of Revenue Act, the affected Municipalities were engaged including National Treasury, Provincial Treasuries and provincial department's responsible for local government. The main reasons for withholding the funds are:
 - Allocation withheld as per Section 17(1)(c) of the Division of Revenue Act, 2022 (Act No. 9 of 2022) ("DoRA") due to significant under-expenditure on previous transfers. (Municipalities must have spent at least 85 per cent of 2021/22 transferred funds to qualify for the first tranche of 2022/23)
 - Allocation withheld as per Section 17(1)(c) of the Division of Revenue Act, 2022 (Act No. 9 of 2022) ("DoRA") due to non-submission of the business plans for the 2021/22 financial year. (DWS must approve the business plans before projects can be implemented)

• City Of Mbombela

The Municipality only spend R300 000 against the total transferred amount of R 2000 000, which only translate to 15%. The provision of DoRA frameworks stipulates that Municipality must at least 85% of the previous year budget transferred.

Dr Ruth Segomotsi Mompati District Municipality

- Underspending of the previous transfers made in the financial year 2021/22. The Municipality only spend R106 642 445 against the total transferred amount of R 404 135 000, which only translate to 26%.
- The Department continues to assist affected municipalities with compliance in consultation with National and Provincial Treasuries together with the Department of Cooperative Government and Traditional Affairs.

WITHHOLDING PORTION OF WATER SERVICES INFRASTRUCTURE

Province	Municipalities affected	Amount withheld per municipality	Amount withheld per province
		R'000	R'000
Kwa-Zulu Natal	Umkhanyakude	15,000	15,000
Gauteng	Rand West City LM	25,000	25,000
Limpopo	Vhembe DM	20,000	60,000
	Mogalakwena LM	20,000	-
	Sekhukhune DM	20,000	-
Northern Cape	Nama Khoi LM	10,000	27,474
	Kamiesberg LM	2,500	-
	Emthanjeni LM	2,000	-
	Siyancuma LM	3,000	-
	Sol Plaatjie LM	9,974	-
Grand total for Water Services Infrastructure Grant		127,474	127,474

- Rand West City LM: Spend R48.683 million against R60 million Budget which translate to 81% in the financial year 2021/22.
- Umkhanyakude DM: The Municipality only spend R16 644 million against R35 million Adjusted Budget which translate to 48% in the financial year 2021/22.
- Vhembe DM : The Municipality only spend R31 080 million against R44 million Adjusted Budget which translate to 71% in the financial year 2021/22.
- Mogalakwena LM: The Municipality only spend R19 846 million against R27 million Adjusted Budget which translate to 74% in the financial year 2021/22.
- Sekhukhune DM: Municipality did not submit business plan for 2022/23 Financial Year.
- Nama Khoi LM: The Municipality only spend R9 436 million against R12 million Adjusted Budget which translate to 79% in the financial year 2021/22.
- Kamiesberg LM: The Municipality only spend zero against R5 million Adjusted Budget which translate to 0.00%.
- Emthanjeni LM: The Municipality only spend zero against R4 million Adjusted Budget which translate to 0.00%.
- Siyancuma LM: The Municipality only spend zero against R5 million Adjusted Budget which translate to 0.00%.
- Sol Plaatjie LM: The Municipality only spend R12 500 million against R21 million Adjusted Budget which translate to 60% in the financial year 2021/22

The Department continues to assist affected municipalities with compliance in consultation with National and Provincial Treasuries together with the Department of Cooperative Government and Traditional Affairs.

RECOVERY PLANS AND MITIGATION OF UNDERSPENDING

- The Department has prioritized service delivery and resolving of factors contributing to underspending through dedicated interventions at affected Water Boards and Municipalities.
- With measures put in place, budget reallocations supported by acceleration plans the Department will ensure that material underspending is prevented in the 2022/23 financial year.

PART D: OVERVIEW OF THE FINANCIAL RECOVERY PLAN

FINANCIAL RECOVERY PLAN OVERVIEW

Broad strategies	Key outputs	Status
Funding and budget management	Implementation of audit action plans	Internal and External Audit Action Plans were developed and are being implemented.
	Zero balance on overdraft	Positive bank balance achieved.
	Implementation of debt collection and revenue enhancement strategy	Implementation of Revenue enhancement strategy, credit control and intergovernmental relations.
Expenditure control, financial governance and accountability	Implementation of the accruals and payables management plan	Prior years accruals and payables have been reduced through payments made from reprioritised budgets.
	Fruitless and wasteful expenditure condonations and remedial measures.	Preventative measures have been implemented to ensure that no further incidents are reported.
	Irregular expenditure condonations and remedial measures report	Condonation requests have been submitted to National Treasury. Irregular expenditure was incurred on running contracts which were declared as irregular in the previous financial years.
	Report on implementation of exit strategies on irregular contracts	Legal review of irregular contracts is in progress. This includes work by the SIU and Legal Services.
Alignment of strategic intent	Align strategy, annual performance plans (APP) and budgets	Strategy and APP have been aligned to Estimates of National Expenditure and Procurement Plans.
Capital budget and asset management	Comprehensive reconciliations of assets and liabilities to enable maintenance of proper accounting records for management and reporting purposes.	Status reports have been compiled for infrastructure assets with remedial actions. Annual engineer's reviews have been compiled with remedial actions

PROGRESS ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Details	Main Account		Water Trading Entity	
	2022/23 (Q2) R'000	2021/22 R'000	2022/23 (Q2) R'000	2021/22 R'000
Unauthorised expenditure	641 109	641 109	-	-
Fruitless and wasteful expenditure	16 813	16 813	206 808	206 808
Irregular expenditure	9 459 616	9 459 106	7 181 484	7 082 046



- No **unauthorised expenditure** was incurred since the prior period incidents.
- The Unauthorized Expenditure relates to overspending on Bucket eradication and War on Leaks programmes in prior years and was reported to National Treasury for processing to Parliament.
- **Fruitless and wasteful expenditure** relates mainly to costs that could not be recovered from projects, these were incurred on internal and external construction projects. Further incidents were noted on the WTE and are currently at an assessment stage.
- Included in the **Irregular Expenditure** is an amount of R8.873 billion submitted for condonation.
- The reported incidents of unauthorized, irregular, fruitless and wasteful expenditure are at various processing stages, including investigations (by the department, Special Investigating Unit and South African Police Service), disciplinary proceedings and court proceedings.
- The Department appointed a panel of Professional Service Providers (PSPs) to augment the current investigation capacity of the Internal Audit Unit.

SUMMARY OF IRREGULAR EXPENDITURE

Details	Main Acc	WTE	Total R'000
	2022/23 (Q2) R'000	2022/23 (Q2) R'000	
Opening balance	9 459 106	7 082 046	16 541 152
Additions	510	99 438	99 948
Condonations	-	-	-
Closing balance	9 459 616	7 181 484	16 641 100
Of which:			
Condonations in progress	6 165 672	2 707 700	8 873 372
Submitted for investigation (Referred for Outsourcing)	265 405	1 770 120	2 035 526
Assessment	3 028 539	2 703 664	5 732 202
Total	9 459 616	7 181 484	16 641 100
Percentage breakdown			
Condonations in progress	65%	38%	53%
Submitted for investigation	3%	25%	12%
Assessment	32%	37%	35%
Total	100%	100%	100%

- Of the irregular expenditure R16.641 billion, total amount of R8.873 billion is in the process of condonation with R2.036 billion submitted for investigation and R5.732 billion under assessment.
- A panel of Professional Service Providers (PSPs) Forensic Audit and Investigators, are assisting to accelerate the investigations in progress.
- Current cases include:
 - Main Account: Proper process not followed when appointing the official to the post of the Deputy Director.
 - WTE: Emergency procurement not supported by National Treasury in the previous financial year, and expenditure approved/incurred by non-delegated official (Expropriation on Clan William Dam).

IRREGULAR EXPENDITURE IN PROCESS OF CONDONATION (1)

Description	Main Account	WTE	Total	Status/ Comments
	R'000	R'000	R'000	
Giyani Water Services Project	3 381 034	-	3 381 034	The disciplinary hearing was concluded. The employee was found not guilty. Department has taken the matter on review. The employee was subsequently charged for other misconduct and dismissed on 02 November 2022.
Upgrading of the Thukela Goedertrouw Scheme	-	477 310	477 310	Two employees implicated. One employee was charged and found not guilty in relation to this charge. She was however charged on other matters and dismissed on 02 November 2022. The other employee has been served with a charge sheet and his case is pending.
Desalination Plant Richards Bay	301 168	9 684	310 852	Two employees implicated. Both employees implicated have been served with charge sheets. Hearing in respect of one employee is concluded with the employee having been found guilty on 9 of the 10 charges and dismissed on 2 November 2022.

IRREGULAR EXPENDITURE IN PROCESS OF CONDONATION (2)

Description	Main Account	WTE	Total	Status/ Comments
	R'000	R'000	R'000	
Support and maintenance of SAP ECC6	-	285 951	285 951	Disciplinary file currently being processed by Labour Relations.
Unlimited SAP licences	-	285 000	285 000	Disciplinary proceedings concluded 4 October 2022. A sanction of dismissal was pronounced on 2 November 2022. Civil litigation is underway (DWS and SIU).
War on Leaks Project	823 130	1 499 330	2 322 460	Decision was taken that the matter needs to be referred to SIU for further investigation. No recommendations were made regarding disciplinary action to be taken.
Bucket Eradication Project	1 503 707	-	1 503 707	Due to insufficient evidence to proceed at the moment, the matter has been provisionally withdrawn.
Financial advisory services	17 901	-	17 901	Disciplinary hearing started in October 2021, proceeded on 19-21 July 2022, 04-06 October 2022, Will continue 28 November 2022, 1 – 3 February 2023. (Managed by Gauteng Finance Department). Furthermore Civil Litigation is underway for recovery of costs incurred.
Payments made without a Purchase Order	-	66 844	66 844	Condonation application under consideration by National Treasury.
Transfer payments	114 879	-	114 879	Condonation application under consideration by National Treasury.

IRREGULAR EXPENDITURE IN PROCESS OF CONDONATION (3)

Description	Main Account	WTE	Total	Status/ Comments
	R'000	R'000	R'000	
Gift of the Givers	20 376	-	20 376	Condonation application under consideration by National Treasury.
Dube ZT of CTSAP Investigators	3 477	-	3 477	Condonation application under consideration by National Treasury.
CSIR – V&V Project	-	73 564	-	Condonation application under consideration by National Treasury.
Umgeni Water – Adopt-A-River Project	-	10 017	-	Condonation application under consideration by National Treasury.
Total	<u>6 165 672</u>	<u>2 707 700</u>	<u>8 873 372</u>	

PAYMENT MADE TO A CONSULTANT FIRM WITHOUT EVIDENCE OF WORK PERFORMED

AG Report

Payment made to a consulting firm without evidence of work performed

- A payment of R17 900 594 was made on the 20 April 2018 to a consulting firm for financial management services, without the required progress report supporting that the work had been performed. The payment for services not delivered was a result of ineffective internal control relating to the approval and processing of payments, as required by treasury regulation 8.1.1.
- The non-compliance with legislation was likely to result in a material financial loss if the amount paid is not recovered from the firm.
- A contingent asset of R17 700 594 to this matter has been disclosed in note 20.2, of the financial statements.

Action Plan & Progress

The matter is being investigated by the Police, and before the High Court. Progress on these actions is as follows:

- Disciplinary action was taken against responsible Officials, who subsequent resigned from the Department.
- Disciplinary proceedings continued for the Official who is still in the Public Service. The hearing started in October 2021, sat 19-21 July 22, 4-6 October 2022, will continue on 28 November 2022 and 1-3 February 2023.
- The matter was reported to the South African Police Service, and it is currently before the High Court.
- Possible recovery of the R 17 900 594 paid to the service provider. Refer to Contingent Asset Note in this regard.

PAYMENT NOT MADE WITHIN 30 DAYS RESULTING IN ADDITIONAL INTEREST

AG Report

Payment not made within 30 days resulting in additional interest.

The entity entered into a contract with service provider with a contract value of R154 million (incl. VAT) which required a 10% advance payment on the contract value.

The entity did not make the advance payment as per the contract provisions. This resulted in the service provider issuing a letter of demand and consequently, in court proceedings. The court ordered the entity to pay the service provider interest of R2,2 million and the applicant's taxed party-party costs. The interest expense results in a financial loss.

The matter was referred to the State Attorney for recovery of funds from former officials. The entity received a response from the state attorney on 26 July 2022, indicating that the state attorney is in the process of appointment of an Advocate to assist in the matter.

I will follow-up on the status of the recovery during my next audit.

Action Plan & Progress

- In line with the recommendations of the investigation report the Department issued claim letters to the former Officials.
- The concerned officials made representations and claimed that the matter has prescribed.
- Office of the State Attorney opined to the effect that the matter may not have prescribed and they were instructed to issue summons and particulars of claim.

AMOUNTS PAID TO A CONTRACTOR FOR SITE RE-ESTABLISHMENT COST AND STANDING TIME

AGSA Report	Action Plan & Progress
<ul style="list-style-type: none"> • There were delays in the procurement process of permanent load cells required to finalise the project, this resulted in the project being put on hold from 15 January 2018, at this stage the project was 96% complete. Instances of non-compliance were noted. • The non-compliance resulted in a material financial loss comprising of two elements amounting to R28 824 618 for the entity. A financial loss amounting to R5 963 155 relating to payments made for site re-establishment, was disclosed as fruitless and wasteful expenditure in note 35 to the financial statements. Another financial loss amounting to R22 861 463, which related to standing time prior to year-end, was paid after 31 March 2021. • The material irregularity investigation was finalised on 8 July 2022 and the report indicated the following: • The root cause was determined as misrepresentation by the contractor and delays in procurement processes caused by officials of the entity; The investigation identified three individuals representing the entity who were responsible for weaknesses in procurement processes and recommended that disciplinary process be effected to those employees; In addition to the financial loss reported above, the investigation identified a further loss amounting to R10 247 486, this brings the total amount of financial loss to R39 072 104. 51 The report further recommended below some of the following key actions to be taken. The accounting officer has committed to implement these by the following dates: <ul style="list-style-type: none"> ○ Implement disciplinary action against officials within the entity as their actions or delayed actions resulted in the financial loss by April 2023. ○ Appoint a dedicated financial manager, by 01 September 2022, to the Hazelmere Dam Project to ensure that the financial controls are rigorously enforced. <p>I will follow up on the implementation of the planned actions during my next audit.</p>	<ul style="list-style-type: none"> • The recommendations of the investigation report are being implemented and the project completion is being monitored closely to ensure that the approved finalisation date is adhered to. • The project is nearing completion, scheduled completion date is January 2023. • A dedicated financial Manager has been appointed and implementing the recommended systems of internal control. • Labour Relations has begun with implementation of the recommendations in respect of identified officials.

THANK YOU

PART E: APPENDIX WITH ADDITIONAL SLIDES

DETAILS OF WATER SERVICES INFRASTRUCTURE DEVELOPMENT GRANTS PER PROJECT/ WATER SERVICES AUTHORITY/ BENEFITTING MUNICIPALITIES

- **RBIG 6B FINANCIAL PERFORMANCE PER PROVINCE, BENEFITING MUNICIPALITIES AND PROJECTS**
- **WSIG 6B FINANCIAL PERFORMANCE PER PROVINCE**
- **RBIG WATER BOARD FINANCIAL PERFORMANCE PER PROVINCE AND PROJECTS**
- **RBIG 5B FINANCIAL PERFORMANCE PER PROVINCE AND BENEFITING MUNICIPALITIES**
- **WSIG 5B FINANCIAL PERFORMANCE PER PROVINCE AND BENEFITING MUNICIPALITIES**

EASTERN CAPE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Ndlambe Bulk Water Supply	5 000	1 226	3 774	24,52%	18 115	1 226
Xhora East Water Supply	30 000	5 150	24 850	17,17%	62 229	5 901
Graaf-Reinet Emergency Water Supply Scheme (WSS)	715	-	715	0,00%	715	-
Sundays River - Paterson Bulk Water Supply	4 500	-	4 500	0,00%	9 799	-
Ikwezi Bulk Water Supply	30 000	14 397	15 603	47,99%	44 056	17 336
Kirkwood Water Treatment Works	5 000	66	4 934	1,32%	1 926	66
Misgund Bulk Water Supply	5 000	440	4 560	8,80%	12 279	530
James Kleynhans Bulk Water Supply (BWS)	30 000	3 354	26 646	11,18%	7 808	3 854
Mount Ayliff Bulk Peri Urban Water Supply	50 000	21 894	28 106	43,79%	143 768	24 281
Ngqamakhwe Bulk Water Supply (Butterworth Water Transfer Scheme)	135 153	31 538	103 615	23,34%	112 698	31 538
Nooitgedagt Coega	60 313	48 165	12 148	79,86%	1 088	51 755
Total	355 681	126 230	229 451	35,49%	414 481	136 487

EASTERN CAPE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Ndlambe Bulk Water Supply	<p>The project is on hold due delays by Amatola water (IA) and process to terminate IA status is at advance stage and expected to be concluded by November 2022 . The new IA to take over the project is Ndlambe LM. There are no contractors on the project except the PSP and security contracts. The contractors are either terminated or completed their scope of works. Ndlambe LM is to procure for the appointment of contractor to complete the remaining scope of works. The remaining budget on the approved project cost is R50 million.</p> <p>The overall estimate to complete the project is R93,7 million broken down as follows:</p> <ul style="list-style-type: none"> • Civil, Structural, Mechanical and Electrical works on Port Alfred BWRO estimated at R77,413 million • Civil works on Contract 14 and 15 estimated at R6,015 million • M and E works and Fees estimated at R10,3 million <p>The project requires additional funding of R44million.</p> <p>The project will be implemented beyond March 2023 since its still going out to tender for the contractor procurement and Ndlambe LM is submit the PIP.</p>
Xhora East Water Supply	<p>The current project phase which is under construction is at 55% progress however the overall project progress is at 93%.</p> <ul style="list-style-type: none"> • The Contractor suspended the works due to non-payment of invoices because of ADM workers strike. • ADM resolved workers issues of workers strike as in November 2022. • The contractor is back on site and will submit acceleration plan • The outstanding civil works completion is anticipated in June 2023.
Graaf-Reinet Emergency Water Supply Scheme (WSS)	<p>Practical Completion certificate has been issued, and the project is 100% complete. The project is on defects liability period.</p> <p>Therefore, the available budget of R715, 007,38 is for the release of retention before the end of 2022/23 FY provided that there are no defects.</p>
Sundays River - Paterson Bulk Water Supply	<p>The overall progress for the whole project is 82%.</p> <p>The IA has resolved the contractual issues with the PSP and Contractor.</p> <p>Contractor is back site and the resumption of works meeting held on the 24 November 2022.</p> <p>The remaining works includes:</p> <ul style="list-style-type: none"> ▪ Completion of the Raw water intake structure (Civil works) ▪ Installation of the chlorine equipment and minor remedial works. ▪ Its expected that the project will be completed before end of March 2023.
Ikwezi Bulk Water Supply	<ul style="list-style-type: none"> • The project is progressing well ahead of the programme and the Contractor is fast-tracking the works on site. • The project is predominately Civil works • The current allocation with spent by the end of 2022/23 FY • An additional amount of R8m will be required. • Its expected that the project will be completed before end of August 2023.

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EASTERN CAPE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Kirkwood Water Treatment Works	<ul style="list-style-type: none"> The IA requested additional funding to the value of about R12.8m before going out tender and the tender document is ready. The submission for addition funding has been prepared by the DWS Provincial Office for approval of the DG. The IA will take about 2 to 3 months to procure and appoint the contractor to enable expenditure on the allocation. A further reduction of the 2022/23 FY Allocation is proposed, and the allocation will be spent on detailed designs and tender stage.
Misgund Bulk Water Supply	<ul style="list-style-type: none"> Contractor was appointed on the 25th of October 2022 at R11,8 million. The kick off meeting held on the 24 November 2022 on site and available budget allocation will be spent by end of FY. The project scope entails construction of the 400 kl/d capacity of the WTW (Civils and M & E works), 300 kl service reservoir, 2,3 km bulk pipelines. The project duration is 6 months and planned completion date is end July 2023
James Kleynhans Bulk Water Supply (BWS)	<ul style="list-style-type: none"> Contractor was been terminated in June 2022 due to poor performance. The appointment of the new Contractor was delayed due to non-responsive tenders. A new emergency procurement process was undertaken by the IA and the BEC meeting was held from 31 October to 01 November 2022 and BAC was held on 03 November 2022. The contractor has been appointed on 22 November 2022 and project is 9 months (September 2023). The appointment value R75 , 4 million. Civil works account to R13 million and M&E is R61 million. Current budget under FY will be spent.
Mount Ayliff Bulk Peri Urban Water Supply	<ul style="list-style-type: none"> The project is on practical completion stage and 99% complete. The WTW was commissioned by the end July 2022 and currently producing water. The additional raw water system will be commissioned by end November 2022. Outstanding is Eskom connection, and the IA has eventually signed the agreement with Eskom. The IA is to fast-track VO approval to enable the payment of Eskom connection. The 2022/23 budget allocation of R42.2 million is sufficient to complete the project.
Nqgamakhwe Bulk Water Supply (Butterworth Water Transfer Scheme)	<ul style="list-style-type: none"> The Phase 5A main Contractor – DWS Construction Unit – South was terminated in June 2022. IA is in the process of appointing a new Contractor. The BEC meeting was held on 31 October 2022, but the tenders could not be evaluated due to discrepancy in the CIDB grading. The IA has been advised by their legal unit to re-tender and IA. Current FY allocation will be spent on the pipe manufacturing, PSP costs and termination costs. Phase 5 B is at detailed design finalisation and Phase 5 C at appointment of the subconsultants.
Nooitgedagt Coega – Phase 3	<ul style="list-style-type: none"> The project is practically complete and commissioned and the remaining balance will be spent by December 2022.

EASTERN CAPE WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Ndlambe Drought Project	9 525	3 193	6 332	33,52%	16 333	3 193
Dr Kouga LM Jeffreys Bay Bholes	36 798		36 798	0,00%	47 237	10 164
COVID-19(Coronavirus)	660	-	660	0,00%	7 181	0
CVD-Didi Vilage	858	454	404	52,91%	224	533
CVD-Gorha Village	555	398	157	71,71%	673	439
CVD-Kwanyokana	520	-	520	0,00%	452	251
CVD Msukeni Village	181	-	181	0,00%	0	0
CVD Msukeni Village	641	84	557	13,10%		
Amatola Water Drought	35 000		35 000	0,00%		
Ndlambe Drought Project	84 738	4 129	80 609	4,87%	72 100	14 580

EASTERN CAPE WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Ndlambe Drought Project	<ul style="list-style-type: none"> Revised Business plan has been approved for the refurbishment of Bathurst WTW and drilling of boreholes. It is anticipated that an amount of about R10m might not be spent by end of the FY and should be reallocated to the AW drought interventions. The proposed budget of R9,5 million will be spent before the end of FY.
Kouga Local Municipality	<ul style="list-style-type: none"> Two of the projects have been completed and there is impact on the ground. The other projects are still on procurement stage. An amount of R20,6 million is proposed for reallocation to the AW drought interventions. The invoice at hand is around R6 million.
Covid 19 projects	<ul style="list-style-type: none"> Projects that were not ready for implementation due to water sources that were not confirmed were terminated. 2 x Village projects were terminated as Alfred Nzo was already implementing water infrastructure development projects under MIG. Therefore, an amount of about R4,4 million will not be spent and should be reallocated to the AW drought interventions. The remaining projects are progressing on site and more expenditure is anticipated. The completion of the projects is anticipated before the end of the current FY.
Amatola Water Drought	Approval on further drawdown of R35 million to enable the completion of the Amatola water drought Programme was granted in November. Amatola Water is currently sitting with invoices around R3,1 million at hand.

FREE STATE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Nketoana Regional Water Supply	28 000	4 677	23 323	16,70%	0	7 681
Tokologo Regional Water Supply 2	40 000	10 655	29 345	26,64%	131 603	15 195
Dihlabeng Bulk Water Supply Phase 3	30 000	9 070	20 930	30,23%	80 374	21 064
Mathjabeng Bulk Sewer (Welkom)	150 000	-	150 000	0,00%	46 200	-
Jagersfontein/Fauresmith Bulk Water Supply	800	-	800	0,00%	1 481	-
Brandford bulk sewer	9 000	5 001	3 999	55,57%	1 445	7 631
Lindley Sewer	9 000	-	9 000	0,00%	0	-
Refurbishment of Fika-patso WTWs	20 000	7 676	12 324	38,38%	40 816	10 510
Mantsopa water and sanitation intervention	10 000	838	9 162	8,38%	6 377	1 703
Mafube water and sanitation intervention	15 000	-	15 000	0,00%	0	-
Tswelopele Bulk Water Supply	33 329	13 045	20 284	39,14%	8 091	16 305
Maluti-a-Phofung BWS Phase 2	40 000	7 409	32 591	18,52%	75 109	10 457
Maluti-a-Phofung Intervention	100 000	-	100 000	0,00%	0	
Frankfort Bulk Sewer (Mafube)	30 000	11 676	18 324	38,92%	102 634	13 713
Upgrading of Deneysville WWTW	50 000	13 468	36 532	26,94%	4 867	30 934
Welbedacht Pipeline	79 400	52 077	27 323	65,59%	123	52 077
Masilonyana Bulk Water Supply	15 000	-	15 000	0,00%	0	-
Refurbishment of Kroonstad WWTW and Pumpstations	15 000	-	15 000	0,00%	0	-
Construction of Reversal Gravity Pipeline in Qwaqwa	16 600	1 609	14 991	9,69%	2 958	3 986
Total	691 129	137 201	553 928	19,85%	502 078	191 256

WATER IS LIFE - SANITATION IS DIGNITY

FREE STATE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Nketoana Regional Water Supply	Currently the consultant is the only one spending as the IA is busy with procurement processes for contractors The IA advertised tenders in September and October 2022 and expected to make appointments in December 2022 and January 2023 respectively.
Tokologo Regional Water Supply 2	Municipality has terminated two contractors due to poor performance. Municipality went on tender on 14.10.2022 (closing date 21.11.2022) for 6 contracts to complete the bulk water supply scheme to Boshof. Expected appointment date is 14-16 December 2022. The slow progress and delay in delivery of materials for the pipeline and conflict between the municipality and service provider has led to the under expenditure.
Dihlabeng Bulk Water Supply Phase 3	The project is performing well. Additional allocation for R20m is required. The allocation will be reprioritized.
Matjhabeng Bulk Sewer (Ministerial Intervention)	Bloemwater was directed through a Ministerial directive on 15 July 2022. The project has just started, 3 contractors were appointed on 23 Sept 2022 and 11 October 2022 and consultants were appointed in October 2022 . Bloemwater as IA might underspend by R50m due to delay in appointment of contractors and PSP. Three tenders had to be cancelled due to not meeting specifications. Invoice of R15m in hand, to be paid as soon as the SCM documents of the IA has been evaluated.
Jagersfontein/Fauresmith Bulk Water Supply	The project is at snag list. The contractor has not come back to complete the snag list. Currently engaging with Bloemwater and Kopanong LM(IA) to complete the project using contractor snag list.
Brandford bulk sewer	The project progressing well and aligned with commitments Budget will be spent by March 2023.
Lindley Sewer	The project is at planning stage and moving to IRS There was delay in approval of Feasibility study. Currently the consultant is busy with Implementation Readiness study for the project. IA will underspend by R6m due to this delays experienced in approval of Feasibility study.
Refurbishment of Fika-patso WTWs	The project is progressing well. The Budget will be spent by March 2023.
Mantsopa water and sanitation intervention	The project is not progressing well due to contractor facing cashflow problems. Bloemwater has sent intention to terminate to contractor. Contractor has submitted recovery plan to complete the project. Bloemwater has indicated that they will spend their allocation by March 2023.
Mafube water and sanitation intervention	The project has not yet started. Bloemwater has appointed consultant in October 2022 Bloemwater has delayed in appointment of service providers and might underspend by R5m.

FREE STATE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Tswelopele Bulk Water Supply	The project is progressing well but with minor challenges from the other contractor facing cashflow problems. The budget will be spent by March 2023.
Maluti-a-Phofung BWS Phase 2	The project is not progressing well due to contractor facing cashflow challenges. Bloemwater has terminated the contractor and aim to go on tender by next month and appoint a new contractor. The project might underspend by R25m.
Maluti-a-Phofung Intervention	Bloemwater was appointed through Ministerial Directive in May 2022. has no commitment yet in the project. Consultants were appointed in October 2022 and currently Bloemwater is busy with the panel of contractors to assist with projects in Maluti-a-Phofung LM. The project might underspend by R60m. Invoices amounting R1.7m were received and are being evaluated.
Frankfort Bulk Sewer (Mafube)	Contractor is not performing well due to cashflow problems and not spending as per project cashflow. Randwater has resorted to having weekly technical meetings to assist Contractor with work scheduling. The project might underspend by R5m.
Upgrading of Deneysville WWTW	The project is progressing well as per commitments. Metsimaholo LM has committed to spend the budget by March 2023. Invoice of R10m was received and being evaluated.
Welbedacht Pipeline	The project is progressing with few challenges regarding VOs. The budget will be spent by March 2023.
Masilonyana Bulk Water Supply	The project is on hold due to municipality not paying service providers. Municipality has terminated all service providers due to irregularities. Currently the municipality is engaging with the service providers that were terminated to resolve all outstanding payments. Municipality is planning to go on tender and appoint new service providers. Municipality might underspend by R5m.
Refurbishment of Kroonstad WWTW and Pumpstations	The project just started. Municipality went tender for the contractor in November 2022. The budget will be spent by March 2023.
Construction of Reversal Gravity Pipeline in Qwaqwa	The project is on hold due to non-payment by Sedibeng /Bloemwater. Construction Unit has left the site due non- payment. DWS is currently engaging with Bloemwater and Finance team to resolve the issue of non-payment.

FREE STATE WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments	YTD Expenditure
DR-Smithfield 2 Pump & Inst Sen	730	722	8	98,90%	-	722
DR Cornelia boreholes	1 500	1 497	3	99,80%	-	1 497
DR Viljoenskroon boreholes	230	222	8	96,52%	-	222
DR-Ngwathe Refurb WTW	390	389	1	99,74%	-	389
DR-Qwaqwa Dev & Eqp Boreholes	2 300	2 266	34	98,52%	7,087	2 266
DR-Qwaqwa Rep Valve, Pipeline & Leaks	30	27	3	90,00%	-	27
DR-Qwaqwa : Comet to Ha Rankopane	4 940	1 058	3 882	21,42%	5,728	1 352
DR-Windburg/ Brandford EQP Boreholes	5 000	-	5 000	0,00%	536	-
Senekal WWTW	40 136	-	40 136	0.00%	11,647	919
Total	55 256	6 181	49 075	11,18%	24 998	6 475


FREE STATE WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Mohokare Drought Intervention	Project spent well
Mafube Drought Intervention	Project spent well
Moghaka Drought Intervention	Project spent well
Ngwathe Drought Intervention	Project spent well
Maluti-a-Phofung Drought Intervention	The project is on hold due to non-payment by Sedibeng /Bloemwater. Contractors have left the site due non- payment. DWS is currently engaging with Bloemwater and Finance team to resolve the issue of non-payment. An invoice of R300,000 is being evaluated.
Masilonyana Drought Intervention	The project is on hold due to non-payment by Sedibeng /Bloemwater. Contractors have left the site due non- payment. DWS is currently engaging with Bloemwater and Finance team to resolve the issue of non-payment.
Senekal WWTW	The contractor was appointed on 30 September 2022, 2 invoices to the value of R900,000 were received and are being evaluated.

GAUTENG REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name (Capital)	R'000	R'000	R'000	%		
Meyerton Waste Water Treatment Works	30 000	812	29 188	2,71%	7 566	1 527
Vaal River System Intervention	305 481	17 884	287 597	5,85%	203 970	49 950
Sedibeng Regional Waste Water Treatment Works	39 410	10 422	28 988	26,45%	-	10 422
Sebokeng Waste Water Treatment Works	45 000	30 079	14 921	66,84%	34 021	32 972
Rothdene pump station and rising main	35 000	13 122	21 878	37,49%	100 488	21 450
Total	454 891	72 319	382 572	15,90%	346 046	116 321
	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name (Goods & Services)	R'000	R'000	R'000	%		
RL62-Vaal River System(VRS)	183 789	66 328	117 461	36,09%	-	68 663
RL62 - Unblocking	14 294	6 073	8 221	42,49%	-	8 304
RL62 - Biosolid	31 777	15 776	16 001	49,65%	-	15 776
Total Gauteng Province	229 860	88 177	141 683	38,36%	-	92 743

GAUTENG REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Meyerton WWTW	The project was put on hold at 83% due to contractor liquidation. The civil contractor to be appointed by Rand Water to complete the remaining works and complete the project. Updating of the designs and specification to enable Rand Water to go into the market and appoint contractors for the project is in progress. Assessment report was submitted for outstanding works and need detailed investigation to be included in the appointment of the contractors. Rand Water together with GIBB consultant is preparing the tender document to advertise for appointment of a new contractor, based on the assessment it is unlikely that an amount of R20 million will not be spend in the current financial year.
VRS Intervention (CAPEX)	Contractors are on site and work is progressing well. The available budget will be spent by 31 March 2022 including the following key work packages. R64.142 million work packages issued for replacement of collapsed pipes completion date scheduled for December 2022. R109.608 million work packages for the refurbishment of the critical pump stations with scheduled completion date of 11 April 2023, this is due to the lead times given by the suppliers for the delivery of material. R49.962 million work package for the Construction of 1,3 km long 710mm diameter gravity main to pump station 2. Completion date is April 2023. Project managers monitor the project on the monthly basis to accelerate project implementation in ensuring that funds are spend.
Sedibeng Regional WWTW	The project is at design and tender stage. The appointment of contractors is anticipated to be in February 2023 and based on the assessment it is unlikely that an amount of R20 million will not be spend. The submission as submitted to Head Office for further reallocation in the current financial year
Sebokeng WWTW	The provincial office is engaging legal services to address historical contractual issues which on the impact implementation of the project and spending thereof, based on the assessment it is unlikely that an amount of R10 million will not be spend. it is anticipated that an amount of R100 million will be required to implement the project for module 7 in respect of Rietspruit and Leeukil Waste Water Treatment works. The updating of the designs and specification to enable Rand Water to go into the market and appoint contractors for the project are in progress. The budget has been reprioritized for 2023/24 financial year The submission as submitted to Head Office for further reallocation
Rothdene Pump Station	Project at 99% complete stage, work packages of R30.618 million were issued to finalise 3% remaining works. The contractor is almost complete with all the works including the bypass line and cathodic protection on steel line. The project will be complete by 19 December 2022. It is anticipated that the entire allocation will spend by the 31 March 2023
VRS Intervention (OPEX)	The invoices are being verified and reviewed against the scope of work in line with the Implementation Agent (IA) agreement, expensed against the relevant budget codes. <ul style="list-style-type: none"> R8,477,924.50 worth of invoices have been received from Rand Water and will be expensed R2,385,437.21 are payable to GIBB (Pty) Ltd for the monitoring and supervision of contractors R209,421.90 are payable to Moreki Distributors and Bokana Construction & Projects, R313,536.00 is payable to Titanium Projects, the Project Manager is certifying and approving invoices for payment.
<div>  <div> water & sanitation Department: Water and Sanitation REPUBLIC OF SOUTH AFRICA </div> </div>	
	<p>The project manager monitors project implementation to accelerate to ensure that funds are being spent, 7 civil contractors, 3 mechanical contractors and consulting engineers appointment to implement the project. Total remaining commitment of R203.9 million has been recorded on the financial year records to be spent in the current financial year.</p>

GAUTENG WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Emfuleni Local Municipality	4 666	-	4 666	0,00%	-	-
Midvaal Local Municipality	10 192	-	10 192	0,00%	10 192	4 232
Merafong City Local Municipality	10 192	-	10 192	0,00%	10 192	1 786
Rand West Local Municipality	6 334	5 472	862	86,39%	862	6 279
Total	31 384	5 472	25 912	17,44%	21 246	12 297

GAUTENG WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Emfuleni Local Municipality	An amount of R4.666 million unspent funds has been declared on Emfuleni Local Municipality's allocation due to no/ slow spending.
Midvaal Local Municipality	<p>The project is progressing well. Rand West City Local Municipality (RWCLM) appointed Kgosihi Trading and Projects 78 CC as the contractor for the provision of water tank (reservoir) in Bekkersdal and water reticulation in Crashers Informal Settlement. The Municipality will spend all the allocated funds by 31 March 2023.</p> <p>Received 2 invoices and awaiting another invoice from Midvaal LM. They committed to spend total allocation by 12 December 2022 which is the last day of contract.</p>
Merapong City Local Municipality	<ul style="list-style-type: none"> The municipality has committed the allocation and appointed contractors to implement Covid19 phase 2 sustainability project. Requires additional budget of R8.581 million under goods and services classification to defray excess expenditure relating to invoices for water tinkering services under Merapong Local Municipality. The capital portion of the allocation will be used to instal/ construct a water supply pipeline to connect the Welverdiend and Khutsong Ext.5 water network with a 150 diameter HDPE pipeline approximately 250m in length, all in accordance with the SANS 1936 and related standards for the construction of water supply pipeline on dolomite land. The connection will thus provide for a ring feed between the two townships to feed each other when one experiences interruption. Through this intervention, the need for water tinkering when one of the townships suffers an interruption in water supply will be eliminated. <p>3 Invoices was received of R1,7m and passed the 30 day payment time span due to water tanker. HO gave permission to continue processing of payment and will be processed.</p>
Rand West Local Municipality	<ul style="list-style-type: none"> The municipality has committed the allocation and appointed contractors to implement Covid19 phase 2 sustainability project. The Municipality has submitted two invoices worth R4,231,660.60, which are still being certified and approved for payment. Last invoice received from RWCLM went over budget and RWCLM was requested to amend the invoice to only claim the balance of available funds.

KWAZULU NATAL WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments R'000	YTD Expenditure R'000
Umkhanyakude WSIG Projects	32 600		32 600	0,00%	32 600	0
Disaster Response	65 000	771	64 229	1,19%	62 787	771
Total	97 600	771	96 829	0,79%	95 387	771

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Umkhanyakude	<p>No expenditure yet for uMhlathuze Water (uMkhanyakude) schedule 6B, three business plan for uMkhanyakude District Municipality have been approved and two are at the evaluation stage, expected to appoint Contractors and Consultants while the project is still on valuation stage.</p> <ul style="list-style-type: none"> • Mhlathuze Water Board is appointed as IA for UKDM interventions. • Mhlathuze Water Board will be appointing service providers (Consultants and contractors). • Mhlathuze Water Board is currently underway with the approved projects with their SCM. • At the moment 3 of the 5 BP's have been approved and 2 have just been recommended and enrounted to Head Office for approval.
Disaster Response	All AQUA draft invoices were checked and verified by the Project Manager, discrepancies were identified for correction, and all these draft invoices have been sent to AQUA for proper checking. The process will be completed during December 2022 an amount of +- R62,8 Million is projected to pay these invoices.

LIMPOPO REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name (Capital)	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments	YTD Expenditure
Giyani Water Services	213 000	61 283	151 717	28,77%	172 687	73 116
Mametja Sekororo Bulk Water Supply	28 993	5 892	23 101	20,32%	74 075	10 999
Giyani Bulk Water Supply Drought Relief	140 000	72 205	67 795	51,58%	79 394	98 956
Bambanana Pipeline	90 949	23 631	67 318	25,98%	193 917	42 767
Sinthumule Kutama Bulk Water Supply	70 000	16 904	53 096	24,15%	267 773	25 180
Mogalakwena Bulk Water Supply	80 000	28 287	51 713	35,36%	289 928	30 148
Moutse Bulk Water Supply	100 799	590	100 209	0,59%	67 637	25 029
Nebo Bulk Water Supply	40 000	-	40 000	0,00%	201 403	1 930
Mooihoek/Tubatse Bulk Water Supply	44 115	7 490	36 625	16,98%	164 830	9 866
Total	807 856	216 282	591 574	26,77%	1 511 644	317 991

LIMPOPO REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Giyani Water Services	Poor performance by the contractors, DWS construction and 2 support contractors. DWS construction is affected by procurement process which the Department is in the process of resolving. The two subcontractors are given notices of poor performance and are expected to implement recovery plans to expedite progress on site. The project as per recovery plan is planned to be completed by May 2023. Projected expenditure from Nov to Mar 2023 is R 61,5 million
Mametja Sekororo Bulk Water Supply	Poor performance by the contractors and delays in submission of invoices to the Department by the Municipality. The contractors were put on terms and have increased resources to expedite progress. The Department engaged with the Municipality to expedite submission of invoices to the Department for payment. Phase 1 which is under construction is expected to be completed by December 2022.
Giyani Bulk Water Supply Drought Relief	The progress is moving very well following regular stoppages by the Local Tribal Authorities over land issues which was resolved. Acceleration plan implemented to expedite progress and deliver raw water to Giyani by Mid December. The completion of the project including minor works that does not affect water delivery is expected in June 2023. Projected expenditure from Nov to Mar 2023 is R 74,5 million
Bambanana Pipeline	Project delayed due to prolonged procurement of support contractors by Lepelle Northern Water. Two of the 4 contracts appointed and handed over site end of October 2022- One for material supply already started with supply and the other contractor established site and in progress of procuring material to start with construction works. Phase 1 under construction is anticipated to be completed by Aug 2023. The expenditure from Nov to Mar 2023 is estimated at R 83,7 million
Sinthumule Kutama Bulk Water Supply	Delays in commissioning of Vuwani to Valdesia pipeline due to failure on Eskom connection. Matter reported to Eskom and follow up is done regularly. Poor performance by the Mechanical & Electrical contractor- contractor developed recovery plan and anticipated to complete the project by May 2023. The projected expenditure from Nov to Mar 2023 is R53 million for both Vuwani pipeline and Sinthumule Kutama pipeline project
Mogalakwena Bulk Water Supply	The contractor for WTW was underperforming due to cashflow challenges. The contractor was issued with letter of intention to terminate the contract if progress is not expedited. Contractor secured funding to procure material and currently delivering on site – projected expenditure is R58 million
Moutse Bulk Water Supply	The contractor resumed site end of August after delays in finalizing the VO approval. The rate of works on site is gradually increasing and expected to affect the expenditure. There are invoices to the tune of R24,4million in progress for payment. The project is expected to be completed by 31 October 2023, Amount to be spent by March is R 73,8million including the R24,4 million that is in progress of payment
Nebo Bulk Water Supply	Delays in finalizing the VO for the engineer that is above 20% that resulted from prolonged and regular stoppage by the community and long lead of procuring material by DWS construction and Sekhukhune DM. The IA(Sekhukhune DM) engaged with National Treasury and the VO was approved. The project is expected to resume site by end of November 2022 and the projected expenditure from Dec to Mar 2022 is R 21,3 million

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LIMPOPO REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Mooihoek/Tubatse Bulk Water Supply	Under performing contractor for Phase 4G1.1 terminated, Sekhukhune DM in the process of appointing new contractor to start with works by Jan 2023 . The contractor for phase 4G1.2 was under performing but appointed subcontractor to assist in completing the remaining works by Oct 2023. The projected expenditure from Nov to Mar 2023 is R20,2 million

LIMPOPO WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
CVD-Mopani DM	90 634	507	90 127	0,56%	4 186	507
Thabazimbi Development of BWSS	7 508	10 183	-2 675	135,63%	56 438	12 048
Lephalale dev of W&S Sup Serv	16 375	9 725	6 650	59,39%	33 740	15 198
Modimolle WTWSS	27 508	1 581	25 927	5,75%	42 593	1 581
Sekhukhune WTSS	3 666	1 327	2 339	36,20%	6 377	1 327
CVD Modimole LM	10 000		10 000	0,00%	0	
CVD Sekhukhune DM	11 000	6 747	4 253	61,34%	0	6 747
CVD Polokwane	5 250			0,00%	4 580	-
CVD Bela-Bela	5 250			0,00%	1 162	-
CVD-Lepelle-Nkumpi LM	5 250			0,00%	0	-
CVD Capricon DM	5 250			0,00%	971	-
Total	187 691	30 070	136 621	16,02%	150 047	37 408

LIMPOPO WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Mopani District Municipality	Submission of outstanding invoice supporting documents by the IA. Invoice for concept and viability has been submitted to DWS. The region is currently assessing invoice amounting to 66 Million. The Region has arranged a working session to address outstanding supporting documents required in order to expedite payment.
Lephalale LM	Poor performing Contractor on one project. Contractor is put on terms until December 2022. Anticipating termination in January 2023, Assess the remaining scope and reappoint a new Contractor by the beginning of February 2023. The Municipality unlocked two approved projects by appointing two engineers in October 2022. The projects are at planning stage. Expenditure will soon be incurred.
Modimolle Mokgopong	Recovering from institutional instability. The municipality appointed new MM and unlocked four approved projects. Engineers are appointed, projects are at planning stage and RBAC is due to sit on the 29th Nov 2022 to appoint the WSA as the Implementing agent.
Sekhukhune DM	Business plans are not yet submitted. The Municipality is in this current financial year under dual allocations and concentrating on schedule 5B, The remaining budget under 6B will be servicing two carried over projects from last financial year including retention. The Region to follow up on the resubmission of 2023/24 BP's.
Polokwane LM	Poor performing Contractor: Contractor reported delays caused by procurement of services and material, inadequate stakeholder involvement (PLK LM & Ward leaders) to assist on technical matters and energizing of borehole. Contractor put on terms to expedite the works, service provider has been appointed and anticipated practical completion by 31 January 2023. Meeting held with Polokwane LM Moletji Cluster management, and they have committed to provide necessary support to the project for the completion of works.
Capricorn DM	Poor performing Contractor: Delays on procurement of services and material, challenges with stakeholder engagements for the alignment of scope to the existing infrastructure and obtaining consent to work on existing infrastructure and obtaining technical information and energizing of the infrastructure. Contractor put on terms to expedite the works, Contractor still in the process of procuring some services, anticipated completion date is 28 February 2023.
Lepelle-Nkumpi LM	Project implemented by Construction North. Poor performing Contractor: Delays in procuring of material and services. Drilling of borehole done but no water was encountered, procuring another service provider required. Contractor put on terms to expedite the works, service provider has been appointed and drilling works to commence soon, anticipated completion date is 28 February 2023.
Bela-Bela LM	Poor performing Contractor; dispute between the contractor and the appointed service provider for the drilling of borehole. Contractor put on terms to expedite the works, Contractor to provide a report on actions taken on the dispute and if decision is to terminate, Contractor to Fasttrack the process of appointing another service provider or the works to be deferred to the WSA.

MPUMALANGA REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
	R'000	R'000	R'000	%		
Thembisile Water Scheme (Loskop)	140 000	5 277	134 723	3,77%	1 573 945	26 977
Western Highveld (Rust de Winter) Bulk Water Scheme	5 000	3 745	1 255	74,90%	3 744	3 745
Balf/Siyat/Greyl/Willem/Nthor Bulk Water Supply	110 000	72 974	37 026	66,34%	145 088	101 051
Lekwa Waster Services	20 000	-	20 000	0,00%	9 695	-
Amsterdam and Sheepmore Bulk Water Scheme	20 000	1 129	18 871	5,65%	20 297	1 345
Embalenhle Bulk Sewer and WWTW's refurbishment & upgrading	10 000		10 000	0,00%	0	
Sibange Bulk Water Supply	30 000	15 849	14 151	52,83%	55 540	20 448
Driekoppies Upgrading	29 696	6 188	23 508	20,84%	70 818	9 114
Total	364 696	105 162	259 534	28,84%	1 879 127	162 680

MPUMALANGA REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Thembisile Water Scheme (Loskop)	<p>The following 3 contractors out of 5 work packages identified;</p> <p>WP1: has been awarded on 5th September 2022 to Mpumelelo Business Enterprise at an amount of R475 850 889.30 and started construction on 9th November 2022. The project is scheduled to be implemented over a period of 18months with completion expected on 08th May 2024 and projected to spend an amount of R55.82million by March 2023</p> <p>WP2: has been awarded on the 5th September 2022 to Unik JV Dipatse at an amount of R546 956 488.01 and has started on 09th November. The project is scheduled to be implemented over a period of 24months with completion expected on 08th November 2024 and is projected to spend an amount of R54.96million by March 2023</p> <p>WP3: has been awarded on the 05th September 2022 to JCP JV Kgotso Mokone Traders at an amount of R438 355 421.89 and has started construction on 09th November 2022. The project is scheduled to be implemented over a period of 24months with completion expected on 8th November 2024 and projected to spend R24.27million by March 2023.</p> <p>WP4 & WP 5: Are at evaluation/adjudication stage and contractors are expected to be appointed in December and January respectively. Due to the complexity of the project a works permit is required from the Department of Labour with a turn around time of 30days upon submission of the application</p>
Western Highveld (Rust de Winter) Bulk Water Scheme	The project expenditure is inline with the spending trends
Balf/Siyat/Grey/Willem/Nthor Bulk Water Supply	The project has spent more than what was initially allocated and hence a reallocation to increase the budget allocation from R50million to R110million was provided. An invoice of R7.44million is at hand and due to be processed on Monday 28 th November
Lekwa Waster Services	Re-purposing of funds by National Treasury has been granted/approved. Projects identified are at tender stage and due to be awarded in December 2022, with construction expected to commence in January after builders' holiday
Amsterdam and Sheepmore Bulk Water Scheme	<p>WULA has been obtained in July •Concurrence from Kingdom of Eswatini for the construction of dam has been obtained in July •Department of Minerals and Energy has in principle agreed to waiver mining permit (July) •IA finalising application to DWS for Permit to construct (due for submission in Mid August)</p> <p>• Project has been advertised and compulsory site inspection was held on 23rd November 2022. The tender was initially scheduled to close on 14 December 2022, however bidders have requested extension of time given the complexity of the project and the IA is evaluating the application. Construction is expected to commence in February and the project is estimated to cost over R380million</p>
Embalenhle Bulk Sewer and WWTW's refurbishment & upgrading	The appointment of Gert Sibande District as the Implementing Agent has been approved. The Municipality is currently finalizing the appointment of the PSP to commence with Planning including Detailed designs and expenditure is expected in February 2023.
Sibange Bulk Water Supply	Release of retention for 3 contracts are due in February and Phase 2 is still progressing expected to complete construction in December and an amount of R6,5million is expected to be paid out in January
Driekoppies Upgrading	The allocation has been further reduced by R10million in the last adjustment that was approved on the 14 November 2022. And the remaining budget will be spent on the 2 contracts in place . An invoice of R3.39million is at hand and due to be processed on Monday 28 th November

MPUMALANGA WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Rooikoppen Sewer Upgrade	82 013	35 694	46 319	43,52%	105 974	46 185
Delmas WWTW Upgrade	45 563	25 236	20 327	55,39%	178 112	44 828
Total	127 575	60 930	66 645	47,76%	284 086	91 013

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Rooikoppen Sewer Upgrade	An invoice of R13.17million is at hand and expected to be processed by Monday 28 th November
Delmas WWTW Upgrade	An invoice of R7.87million is at hand and due to be processed by Monday 28 th November

NORTHERN CAPE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments	YTD Expenditure
Upington Wasterwater treatment works	36 367	22 435	13 932	61,69%	14 750	28 692
Warrenton Wasterwater treatment works	18 276	790	17 486	4,32%	17 486	790
Total	54 643	23 225	31 418	42,50%	32 236	29 482

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Upington Wasterwater treatment works	3 suppliers appointed namely BVI Consulting Engineers, Alveo and Bigen Africa Services. Date appointed 19 March 2021, Contract amount-R 65 723 012, The project is anticipated to be completed by end December 2022 , Additional funds (R 18 276 Million required to complete the project.)
Upgrading of Warrenton Wastewater Treatment Works	The Municipality indicated the intention to terminate the contracts with the non-performing Civil and Mechanical Contractors Remaining available budget of R 17 486 000 will be shifted to the Upington WWTW project discussed above, as this project will require funding to complete.

NORTHERN CAPE WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Windsorton/Holpan	908	-	908	0,00%	0	-
Covid- Sol Plaatje LM Sust Wat Supp	3 771	2 771	1 000	73,48%	1 000	2 771
Covid- Siyancuma LM Sust Wat Supp	17 061	1 928	15 133	11,30%	15 133	1 928
DR Joe Moro LM:Conti of Var Prj	16 254	16 254	-	100,00%	0	16 254
Total	37 994	20 953	17 041	55,15%	16 133	20 953

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Windsorton to Holpan Bulk Water Supply	The funding allocation relates to the appointment of a Consulting Engineering company to complete the design and documentation. Specification committee appointed and Procurement documentation to be finalised. Log compiled and will be submitted to SCM in January when log are open for processing. However the SCM policy must be revised ,no specification meetings are to be convened until this is finalised.
Drought relief Joe Morolong	Fully paid
CVD-Siyancuma	Awaiting billing from DWS construction .Sol Plaatje Municipality and Siyancuma municipalities are implementing agents. Total amount to be spent R 5 133 million from 22 Nov 2022 to 31 March 2023 There will be a saving on the project as DWS construction indicated final billing is expected to be approximately R5 million.
CVD-Sol Plaatjie	Project completed and paid. R1 million declared a saving on the project.

NORTH WEST REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

	Revised allocation	Expenditure	Available budget	Percentage spent	Commitments	YTD Expenditure
Project Name	R'000	R'000	R'000	%		
Madibeng Bulk Water Supply (Brits)	135 608	38 463	97 145	28,36%	626 510	97 550
Moretele South Bulk Water Supply (Klipdrift)	30 000	29 101	899	97,00%	256 647	29 101
Mafikeng South Bulk Water Supply	20 000	2 694	17 306	13,47%	174 588	2 694
Ratlou Bulk Water Supply	24 328	2 939	21 389	12,08%	17 387	2 943
Potchefstroom Waste Water Treatment Works upgrade (Tlokwe) Phase 1 to 5	30 000	2 574	27 426	8,58%	60 206	2 574
Total	239 936	75 771	164 165	31,58%	1 135 338	134 862

NORTH WEST REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT (NARRATIVES)

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Madibeng Bulk Water Supply (Brits)	<ul style="list-style-type: none"> The bulk of project material under Mechanical and Electrical is currently under manufacturing Projected completion date January 2023. Total value of work packages for Mechanical amounts to R170m. and delivery date is February 2023. Total value of work packages for Electrical amounts to R104m. and delivery date is March 2023. Total value of work packages for Civil amounts to R38m. and delivery date is January 2023. The project requires additional funding of R334m.
Moretele South Bulk Water Supply (Klipdrift)	<ul style="list-style-type: none"> 3 invoices covering the design of reservoir and pipeline to be submitted first week of Dec 2022 R4.4 million with Magalieswater ,to be submitted to DWS for payment.
Mafikeng South Bulk Water Supply	<ul style="list-style-type: none"> The bulk of project material under Mechanical and Electrical is currently under adjudication process (22 Nov 22) Estimate remaining total value of work packages for Mechanical amounts to R35 million. and expected appointment end date is 30 January 2023 Total value of work packages for Civil work on reservoir is R88 million ,commence with construction on 30 January 2023.
Ratlou Bulk Water Supply	<ul style="list-style-type: none"> The remaining work on civil ,electrical and mechanical work in Setlagole is R4 million to project completion. Phase 2 Madibogo- to commence in the new Financial year
Potchefstroom Waste Water Treatment Works upgrade (Tlokwe) Phase 4 to 5	<ul style="list-style-type: none"> Total value of work packages for Mechanical amounts to R 3 million . and delivery date 30 January 2023 New appointment on civil contractor total value of work packages amounts to R79 million. and first invoices 07 Dec 2022 . Cash flow projection –Dec 22 R11 million invoices ,January 23 R9million ,February 23 R12 million March R8million

NORTH WEST WATER SERVICES INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments	YTD Expenditure
Madibeng Refub & Augm of Wtr Inf	32 577	9 527	23 050	29,24%	79 489	15 813
Derby Groundwater restoration	21 817	2 898	18 919	13,28%	38 765	15 218
Mafikeng & Ramtsh Mla RWS	37 653	2 533	35 120	6,73%	48 711	-
Total	92 047	14 958	77 089	16,25%	166 965	31 031

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Madibeng Refub & Wwtw	<ul style="list-style-type: none"> All 3 projects are under construction . Expected Nov 2022 invoices , R 3 million . Ccompletion of 2 projects end of March 2022 . 1 project to overlap into new a financial year .
Koster BWS Project	<ul style="list-style-type: none"> 1 x BWS project ,under construction R7 million invoices for pipeline cession, date of delivery of material 05 Dec 2022 R2.5 million invoices for construction Invoices at hand R7 million
Mafikeng & Ramtsh Mla RWS	<p>3 projects to be implemented by Magalieswater</p> <ul style="list-style-type: none"> All projects still to undergoes out of tender to appoint the contractors Only Psp appointed ,still investigating and to compile a detail design Dinokana water Supply, Motswedi Water Supply and Shupingstad Water Supply

WESTERN CAPE REGIONAL BULK INFRASTRUCTURE GRANT: 6B PER PROJECT

Project Name	Revised allocation R'000	Expenditure R'000	Available budget R'000	Percentage spent %	Commitments	YTD Expenditure
Clanwilliam /Lambertsbaai Regional Water Supply and Desalination	15,197	-	15 046	0,00%	4 427	151
Total	15,197	-	15 046	0,00%	4 427	151

Project Name	Narratives
Budget performance	The total allocation will be expended in full by 31 March 2023
Clanwilliam /Lambertsbaai Regional Water Supply and Desalination	R10 mill was set aside for refurbishment of the Desalination Plant however Implementing agent never submitted the proper costing of refurbishment hence the Region decided to declare the refurbishment budget as savings. The project is about the completion of the marine sea outfall. The contractor on site is encountering geotechnical problems on drilling. The Municipality has been engaged for a full report on details of challenges as well as what is the way forward with regards to completion of the project

REGIONAL BULK INFRASTRUCTURE GRANT: WATER BOARDS PER PROJECT AND PROVINCE

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WATER BOARDS FINANCIAL PERFORMANCE

Water boards	Revised Allocation	Year to date cumulative approved drawings	Year to date cumulative actual spending	Available Budget/ Variance	Variance - Drawings and actual expenditure	Projected spending	Expenditure as % of Revised Allocation	Variance - Drawings and actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	%	%
Lepelle northern water: Regional Bulk Infrastructure Grant	422,000	422,000	422,000	-	-	100.00%	100.00%	0.00%
Magalies water: Regional Bulk Infrastructure Grant	109,284	-	-	109,284	-	0.00%	0.00%	0.00%
Magalies water: Regional Bulk Infrastructure Grant (Disestablishment of Sedibeng Water)	21,165	21,165	21,165	-	-	100.00%	100.00%	0.00%
Bloem water board: Regional Bulk Infrastructure Grant (Disestablishment of Sedibeng Water)	108,835	108,835	108,835	-	-	100.00%	100.00%	0.00%
Sedibeng water: Regional Bulk Infrastructure Grant	143,729	143,729	143,729	-	-	100.00%	100.00%	0.00%
Umgenti water: Regional Bulk Infrastructure Grant	738,673	246,244	-	738,673	246,244	33.34%	0.00%	33.34%
Total	1,543,686	811,973	695,729	847,957	116,244	52.60%	45.07%	7.53%

- The budget provision to cover the Disestablishment of Sedibeng process has been set aside during the Departmental budget reprioritization. An amount of **R21.165 million** and **R108.835 million** has been allocated in the budget adjustment respectively for Magalies and Bloem Water Boards.
- Lepelle Northern Water: **R422 million** has been processed.
- Magalies Water: **R109 million** - will be transferred in January 2023 as per the approved drawings.
- Sedibeng Water: **R143.7 million** - transferred during the first quarter as per the approved drawings, part of ring-fenced funds to Bloem Water upon disestablishment of Sedibeng Water.
- Umgenti Water: **R246.2 million** - requested reprioritisation of funds from projects experiencing delays to projects that are advancing. The – Lower uMkhomazi Bulk Water Supply Scheme project is likely move faster than anticipated due to the budget reallocation proposed. Construction is currently underway. Submission for virements has been forwarded to National Treasury for approval.

REGIONAL BULK INFRASTRUCTURE GRANT: 5B PER PROVINCE / MUNICIPALITIES

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REGIONAL BULK INFRASTRUCTURE GRANT: 5B PER PROVINCE / MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Eastern Cape Province	431,907	85,038	85,038	15.06%
DC13 Chris Hani District Municipality	216,907	65,038	65,038	29.98%
DC14 Joe Gqabi District Municipality	15,000	-	-	0.00%
DC15 O.R. Tambo District Municipality	200,000	20,000	20,000	0.00%
Free State Province	204,407	64,407	64,407	31.51%
FS163 Mohokare Local Municipality	4,407	4,407	4,407	100.00%
FS191 Setsoto Local Municipality	150,000	45,000	45,000	30.00%
FS203 Ngwathe Local Municipality	50,000	15,000	15,000	30.00%
Kwa-Zulu Natal Province	228,810	80,000	80,000	34.96%
DC26 Zululand District Municipality	15,247	10,000	10,000	65.59%
DC28 Uthungulu District Municipality	213,563	70,000	70,000	32.78%
Limpopo Province	154,584	-	-	0.00%
LIM354 Polokwane Local Municipality	154,584	-	-	0.00%
Mpumalanga Province	697,142	233,000	235,000	33.42%
MP301 Chief Albert Luthuli Local Municipality	165,142	48,000	48,000	29.07%
MP302 Msukaligwa Local Municipality	175,000	75,000	75,000	42.86%
MP313 Steve Tshwete Local Municipality	145,000	60,000	60,000	41.38%
MP324 Nkomazi Local Municipality	200,000	50,000	50,000	25.00%
MP326 City of Mbombela	10,000		2,000	0.00%
MP321 Thaba Chweu Local Municipality	2,000			0.00%
Northern Cape Province	135,102	-	-	0.00%
NC065 Hantam Local Municipality	50,000	-	-	0.00%
NC085 Tsantsabane Local Municipality	85,102	-	-	0.00%
North West Province	399,581	-	80,503	0.00%
DC39 Dr Ruth Segomtsi Mompti District Municipality	399,581		80,503	0.00%
Western Cape Province	269,887	114,718	114,718	42.51%
WC011 Matzikama Local Municipality	10,000	7,028	7,028	70.28%
WC022 Witzenberg Local Municipality	19,239	7,690	7,690	39.97%
WC044 George Local Municipality	240,648	100,000	100,000	41.55%
Total Regional Bulk Infrastructure Grant (RBIG)	2,521,420	577,163	659,666	22.89%

WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE / MUNICIPALITY

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WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE/ MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Eastern Cape Province	498,051	114,425	114,425	23%
EC101 Dr Beyers Naude Local Municipality	10,939	2,000	2,000	18.28%
EC102 Blue Crane Route Local Municipality	10,000	2,000	2,000	20.00%
EC104 Makana Local Municipality	16,112	3,000	3,000	18.62%
EC105 Ndlambe Local Municipality	85,000	6,500	6,500	7.65%
EC106 Sundays River Valley Local Municipality	20,000	5,000	5,000	25.00%
DC12 Amathole District Municipality	86,000	15,200	15,200	17.67%
DC13 Chris Hani District Municipality	60,000	30,925	30,925	51.54%
DC14 Joe Gqabi District Municipality	60,000	16,500	16,500	27.50%
DC15 O.R. Tambo District Municipality	50,000	10,000	10,000	20.00%
DC44 Alfred Nzo District Municipality	100,000	23,300	23,300	23.30%
Free State Province	332,599	117,669	117,669	35.38%
FS161 Letsemeng Local Municipality	20,000	4,000	4,000	20.00%
FS162 Kopanong Local Municipality	20,000	3,000	3,000	15.00%
FS163 Mohokare Local Municipality	22,088	9,940	9,940	45.00%
FS181 Masilonyana Local Municipality	23,334	5,500	5,500	23.57%
FS182 Tokologo Local Municipality	15,720	4,074	4,074	25.92%
FS183 Tswelopele Local Municipality	12,276	5,524	5,524	45.00%
FS184 Matjhabeng Local Municipality	25,800	5,610	5,610	21.74%
FS185 Nala Local Municipality	11,528	5,188	5,188	45.00%
FS191 Setsoto Local Municipality	15,301	6,885	6,885	45.00%
FS192 Dihlabeng Local Municipality	13,000	5,850	5,850	45.00%
FS193 Nketoana Local Municipality	20,000	2,000	2,000	10.00%
FS194 Maluti- a-Phofung Local Municipality	38,896	17,503	17,503	45.00%
FS195 Phumelela Local Municipality	15,328	6,898	6,898	45.00%
FS196 Mantsopa Local Municipality	11,720	5,274	5,274	0.00%
FS201 Moqhaka Local Municipality	10,292	4,631	4,631	45.00%
FS203 Ngwathe Local Municipality	15,000	6,750	6,750	45.00%
FS204 Metsimaholo Local Municipality	22,316	10,042	10,042	45.00%
FS205 Mafube Local Municipality	20,000	9,000	9,000	45.00%

WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE/ MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Gauteng Province	196,678	39,906	64,906	20.29%
GT422 Midvaal Local Municipality	18,864	7,000	7,000	37.11%
GT423 Lesedi Local Municipality	18,874	8,000	8,000	42.39%
GT481 Mogale City Local Municipality	45,160	15,000	15,000	33.22%
GT484 Merafong City Local Municipality	40,420	9,906	9,906	24.51%
GT485 Rand West City Local Municipality	73,360		25,000	0.00%
Kwa-Zulu Natal Province	939,400	225,520	240,520	24.01%
DC21 Ugu District Municipality	70,000	25,000	25,000	35.71%
KZN225 Msunduzi Local Municipality	60,000	12,000	12,000	20.00%
DC22 uMgungundlovu District Municipality	85,600	17,120	17,120	20.00%
DC23 uThukela District Municipality	80,800	20,800	20,800	0.00%
DC24 uMzinyathi District Municipality	80,000	16,000	16,000	20.00%
KZN252 Newcastle Local Municipality	48,000	9,600	9,600	20.00%
DC25 Amajuba District Municipality	70,000	20,000	20,000	0.00%
DC26 Zululand District Municipality	95,000	25,000	25,000	26.32%
DC27 uMkhanyakude District Municipality	60,000	-	15,000	0.00%
KZN282 Umhlathuze Local Municipality	50,000	10,000	10,000	0.00%
DC28 King Cetshwayo District Municipality	65,000	25,000	25,000	38.46%
DC29 ILembe District Municipality	80,000	25,000	25,000	31.25%
DC43 Harry Gwala District Municipality	95,000	20,000	20,000	21.05%
Limpopo Province	463,462	125,000	185,000	26.97%
DC33 Mopani District Municipality	50,000	20,000	20,000	40.00%
DC34 Vhembe District Municipality	60,000		20,000	0.00%
LIM354 Polokwane Local Municipality	77,160	35,000	35,000	45.36%
DC35 Capricorn District Municipality	115,000	40,000	40,000	34.78%
LIM366 Bela Bela Local Municipality	62,010	30,000	30,000	48.38%
LIM367 Mopani District Municipality	47,640		20,000	0.00%
DC47 Greater Sekhukhune District Municipality	51,652		20,000	0.00%

WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE/ MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Mpumalanga Province	487,745	68,500	68,500	14.04%
MP301 Chief Albert Luthuli Local Municipality	62,745	7,000	7,000	11.16%
MP302 Msukaligwa Local Municipality	60,000	10,000	10,000	16.67%
MP303 Mkhondo Local Municipality	55,000	5,000	5,000	9.09%
MP304 Pixley Ka Seme Local Municipality	20,000	1,000	1,000	5.00%
MP311 Victor Khanye Local Municipality	20,000	3,000	3,000	15.00%
MP312 Emalahleni Local Municipality	15,000	2,000	2,000	13.33%
MP313 Steve Tshwete Local Municipality	35,000	5,000	5,000	14.29%
MP314 Emakhazeni Local Municipality	20,000	2,500	2,500	12.50%
MP315 Thembisile Local Municipality	25,000	10,000	10,000	40.00%
MP321 Thaba Chweu Local Municipality	40,000	3,000	3,000	0.00%
MP324 Nkomazi Local Municipality	50,000	5,000	5,000	10.00%
MP325 Bushbuckridge Local Municipality	55,000	5,000	5,000	9.09%
MP326 City of Mbombela	30,000	10,000	10,000	33.33%

WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE/ MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Northern Cape Province	266,948	88,500	115,974	33.15%
NC451 Joe Morolong Local Municipality	40,000	20,000	20,000	50.00%
NC452 Gasegonyana Local Municipality	30,000	15,000	15,000	50.00%
NC453 Gamagara Local Municipality	5,000	2,500	2,500	50.00%
NC061 Richtersveld Local Municipality	10,000	2,000	2,000	20.00%
NC062 Nama Khoi Local Municipality	20,000		10,000	0.00%
NC064 Kamiesberg Local Municipality	5,000		2,500	0.00%
NC065 Hantam Local Municipality	11,000	5,500	5,500	50.00%
NC066 Karoo Hoogland Local Municipality	13,000	3,000	3,000	23.08%
NC071 Ubuntu Local Municipality	9,000	4,500	4,500	50.00%
NC072 Umsobomvu Local Municipality	15,000	7,500	7,500	50.00%
NC073 Emthanjeni Local Municipality	16,000		2,000	0.00%
NC075 Renosterberg Local Municipality	5,000		-	0.00%
NC076 Thembelihle Local Municipality	10,000	5,000	5,000	50.00%
NC078 Siyancuma Local Municipality	6,000		3,000	0.00%
NC082 !Kai !Garib Local Municipality	9,000	4,500	4,500	50.00%
NC084 Kheis Local Municipality	5,000		-	0.00%
NC085 Tsantsabane Local Municipality	6,000	3,000	3,000	50.00%
NC086 Kgatelopele Local Municipality	12,000	6,000	6,000	50.00%
NC087 //Khara Hais/Mier Local Municipality	5,000	2,500	2,500	50.00%
NC091 Sol Plaatjie Local Municipality	19,948		9,974	0.00%
NC093 Magareng Local Municipality	5,000	2,500	2,500	50.00%
NC094 Phokwane Local Municipality	10,000	5,000	5,000	50.00%
North West Province	370,676	121,430	121,430	32.76%
NW371 Moretele Local Municipality	65,000	15,000	15,000	23.08%
NW373 Rustenburg Local Municipality	70,000	30,000	30,000	42.86%
NW375 Moses Kotane Local Municipality	65,000	15,000	15,000	23.08%
DC39 Dr Ruth Segomtsi Mompti District Municipality	90,000	20,000	20,000	22.22%
NW403 City of Matlosana Local Municipality	15,676	5,000	5,000	31.90%
NW404 Maquassi Hills Local Municipality	30,000	18,430	18,430	61.43%
NW405 JB Marks Local Municipality /	35,000	18,000	18,000	51.43%

WATER SERVICES INFRASTRUCTURE GRANT: 5B PER PROVINCE/ MUNICIPALITY

Name of Region and Municipality	Grant Allocation	Transfer		Spent
	2022 Division of Revenue Bill (DoRB) allocation	Year to date actual transfers	Year to date DoRA cumulative payment schedule	Expenditure as % of main appropriation
	R'000	R'000	R'000	%
Western Cape Province	145,460	35,984	35,984	24.74%
WC011 Matzikama Local Municipality	9,196	2,300	2,300	25.01%
WC013 Bergrivier Local Municipality	3,150	155	155	4.92%
WC022 Witzenberg Local Municipality	15,701	3,111	3,111	19.81%
WC025 Breede Valley Local Municipality	5,107	1,107	1,107	21.68%
WC032 Overstrand Local Municipality	27,439	8,000	8,000	29.16%
WC033 Cape Agulhas Local Municipality	17,000	9,500	9,500	55.88%
WC034 Swellendam Local Municipality	6,437	2,655	2,655	41.25%
WC047 Bitou Local Municipality	9,079	775	775	8.54%
WC051 Laingsburg Local Municipality	17,360	4,200	4,200	24.19%
WC052 Prince Albert Local Municipality	6,552	300	300	4.58%
WC053 Beaufort West Local Municipality	28,439	3,881	3,881	13.65%
Total Water Services Infrastructure Grant (WSIG)	3,701,019	936,934	1,064,408	25.32%

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