



ASSET MANAGEMENT STRATEGY FOR ILEMBE DISTRICT MUNICIPALITY– 2022/23

Project Title: Technical Support for Implementation of Recommendations in the Asset Management Plan for the iLembe District Municipality

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Acronyms and Abbreviations

DBSA	Development Bank of Southern Africa
GRAP	Generally Recognised Accounting Practice
AGSA	Auditor General South Africa
AM	Asset Management
DEA	Department of Environmental Affairs
DME	Department of Minerals and Energy
DoT	Department of Transport
DWS	Department of Water and Sanitation
SALGA	South African Local Government Association
IWA	International Water Association
IDM	iLembe District Municipality
IDP	Integrated Development Plan
KDM	KwaDukuza Local Municipality
MLM	Mandeni Local Municipality
MPLM	Maphumulo Local Municipality
MTSF	Medium Term Strategic Framework
NLM	Ndwedwe Local Municipality

LM	Local Municipality
MM	Municipal Manager
OEM	Original Equipment Manufacturer
O&M	Operations and Maintenance
CFO	Chief Financial Officer
HOD	Head of Department
NT	National Treasury
PCU	Vuthela Programme Project Coordinating Unit
SDF	Spatial Development Framework
SP	Service Provider
ToR	Terms of Reference
WWTW	Wastewater Treatment Works
WWRAP	Wastewater Risk Abatement Plan
WTP	Water Treatment Plants
GIS	Geographic Information System
R&M	Repairs and Maintenance
FAR	Fixed Assets Register
IAM	Infrastructure Asset Management
WSP	Water Safety Plan
WSIA	Water Supply Intervention Area
PPM	Planned Preventive maintenance
PPE	Property Plant and Equipment

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1 INTRODUCTION AND BACKGROUND

INTRODUCTION

Asset management is a cycled, but phased approach that includes planning, purchase, construction, operation, maintenance and renewal/disposal of assets. This Asset Management Strategy (the Strategy) defines objectives that will address findings and improve management practices and knowledge of all assets. It will provide a road map to support the desired objectives of the IDM.

This Asset Management Strategy (AMS) consists of the IDM's strategic approach to asset management and an Action Plan which is to be used by management to remediate findings that have been noted. Furthermore, to prioritise a budget to complete current projects and initiate new projects which will improve service delivery and eradicate backlogs. The asset type addressed in this document relates to the water and sanitation infrastructure assets as owned and operated by the IDM.

BACKGROUND

This project forms part of the Vuthela LED (Local Economic Development) Programme which was officially launched on 29 November 2017 by the iLembe District Municipality, together with Switzerland's State Secretariat for Economic Affairs (SECO) and the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (KZN DETEA). The Vuthela iLembe LED Programme covers the iLembe District Municipality. With the completion of the Vuthela-initiated projects, it was established that it was imperative to provide technical support to IDM to ensure that the outcomes of the Asset Management Plan (AMP) and practices improvement plan are implemented.

iLembe district municipality (IDM) consists of four local municipalities; Mandeni, KwaDukuza, Maphumulo and Ndwedwe iLembe and located between Durban and Richards Bay. IDM functions as a Water Services Authority and Water Services Provider (WSP) but is also supplemented by Umgeni Water (as bulk WSP) in certain areas. Furthermore, an area in the south of the KwaDukuza local municipality is serviced through a concession agreement.

PURPOSE OF THE STRATEGY

This Strategy provides a plan for consistent and effective asset management across all assets for the long-term planning period up to 2030. The Strategy intends to:

- List the objectives of the IDM in terms of the themes of organizational asset management approach; technical asset management; service level management and financial management.
- Following the objectives, to Outline the necessary steps required to achieve cohesion between finance, planning projects and technical aspect of the asset management process which will provide a basis for
 - Adequate technical and financial management of fixed assets
 - Establish practices of identifying future fixed assets that will be required to meet the service level needs of the communities.
 - Remediate process and activities and which would ensure that the Asset Management Policy is complied with.

2 CLASSIFICATION OF FIXED ASSETS

Municipalities and public entities prepare their financial statements in terms of Standards of Generally Recognised Accounting Practices (GRAP). The GRAP standards for each component/categories is detailed in the Asset Management Policy.

WATER AND SANITATION ASSETS INVENTORY

As per the Fixed Asset Register for the 2022/2023 Financial Year the following data was extracted for Water and Sanitation Infrastructure – (Shown in Table 2 Below). Detailed overview and conditional assessment of all assets are reported and can be retrieved from the asset management department. AB Projects was tasked to compile the Asset Register from 2021/2022FY-2022/2023FY. The Asset Register must be updated yearly and include all changes for that year in accordance with GRAP Standards.

The 22/23FY O&M Plan provides an overview of all asset classes and its condition. Table 2 below provides asset inventory for major infrastructure facilities.

Table 1: iLembe DM Infrastructure Overview abstracted IDM Fixed Assets Register (22/23FY)

Infrastructure class	No. of Locations
Pump Stations (Water and Sanitation)	198
Reservoirs and Tanks	576
Water Treatment Works (WTW)	11
Wastewater Treatment Works (WWTW)	12
Bulk Pipelines (Water)	3 500 Km (Information still needs to be verified)
Bulk Pipelines (Sewer)	Extract from Updated GIS once finalised
Transport Assets and Plant	144

The current Situational Assessment shows that most of the assets are ranging from good to fair condition. The IDM Asset Register 2022/2023FY shows that a total of 426 individual assets were impaired and 125 individual assets disposed with the main causes being theft, vandalism and no scheduled maintenance undertaken.

3 ASSET MANAGEMENT FRAMEWORK

Asset management requires a life cycle approach and applies to all assets managed for delivering sustainable services to the community. The Asset Management Framework enables alignment of asset planning and management practices with service delivery priorities and strategies, within the limits of the resources available. The Asset management life cycle, which is aligned to the framework is depicted below:

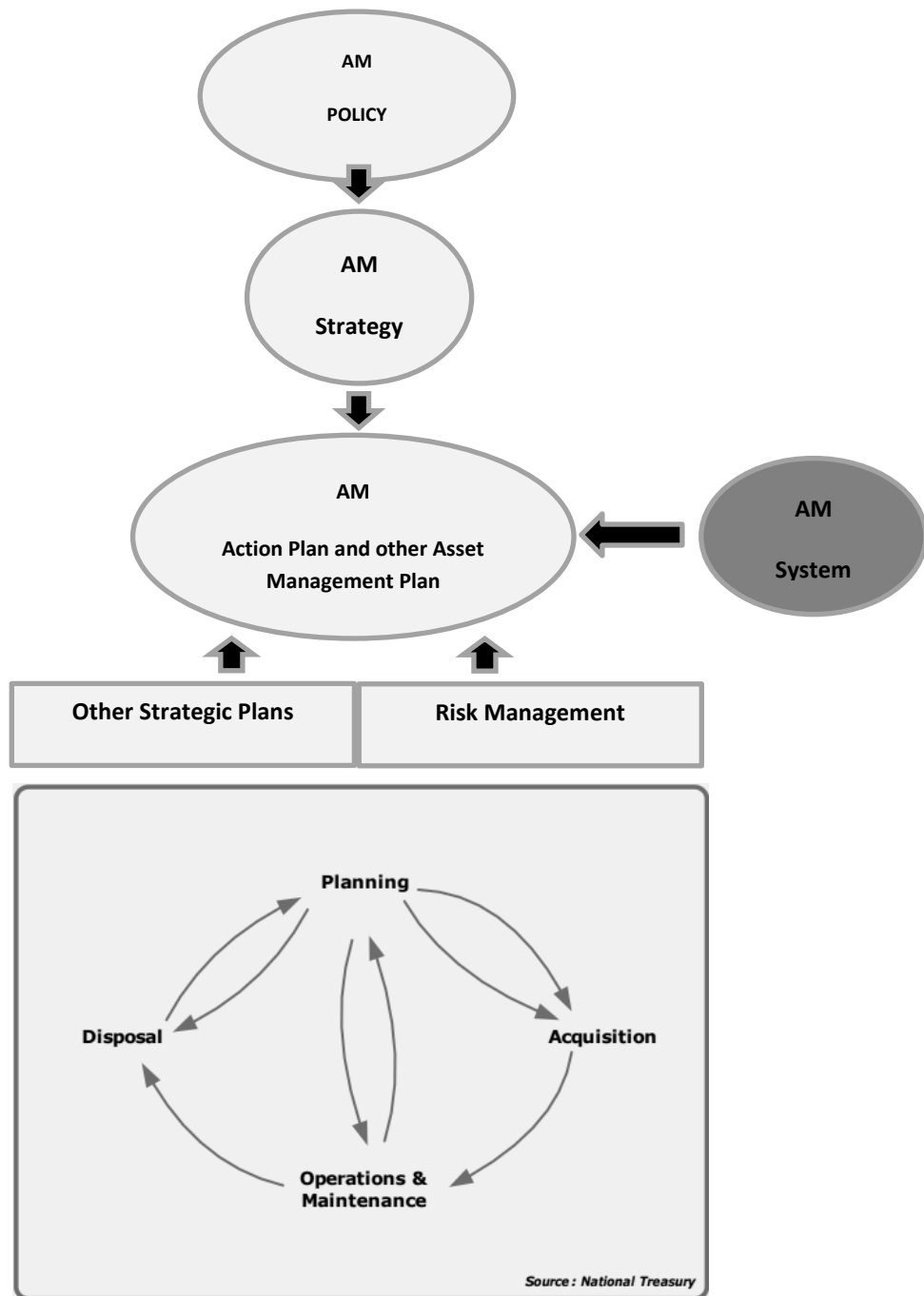


Figure 1: Asset Management Life Cycle

The Asset Management framework would consist of the following:

The use of PFMA and MFMA:

Both the Public Finance Management Act, (PFMA) (Act No. 1 of 1999), and the Municipal Finance Management Act, (MFMA) (Act No. 56 of 2003), require the Accounting Officer of iLembe DM to manage infrastructure and facility assets that are used by the organ of state to deliver services (PFMA, clause 38; MFMA clause 63). Both Acts can be found in the Asset Management

Asset Management Policy:

Provides guidelines and a framework for implementing consistent asset management practices, as well as defining key principles in which assets are managed and reviewed.

The policy is aligned to the reporting framework, Generally Recognised Accounting Practice (GRAP)

Asset Management Strategy:

Provides for a long-term action plan to deliver the Asset Management Policy. It specifies asset management objectives and articulates how these objectives are to be achieved.

These objectives are aligned to the Integrated Development Plan (IDP). The strategy should be reviewed and updated to ensure consistency with the IDP.

Asset Management Action Plan:

Outlines the practices and procedures to be implemented based on the findings identified.

Other Strategic Plans:

These relate to other strategy documents specific to fixed asset classes. These strategy documents provide insight into current and future trends, community needs, community priorities. These would assist in determining priorities across assets categories. These strategic plans may include the Procurement Plan and O&M (Operations and Maintenance) Plan.

Risk Management:

Encourages a coordinated approach across the municipality to manage risks, which lead to well-defined strategic, operational, and project related risk actions. Municipalities should be proactive in identifying events that have the potential to compromise in achieving objectives in relation to asset management.

Long Term Financial Plan:

Outlines the future funding of asset management practices, including maintenance, renewal and the provision of new infrastructure. All major Asset Management Plans should provide information to inform the Long-Term Financial Plan.

4 INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM (IDMS)

The IDM aspires to eventually apply the framework from the Infrastructure Delivery Management System (IDMS) which is a framework used in National and Provincial Government for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes which transform inputs into outputs and outcomes. It is currently being piloted in eight local municipalities in preparation for full roll-out nationally to all local government institutions.

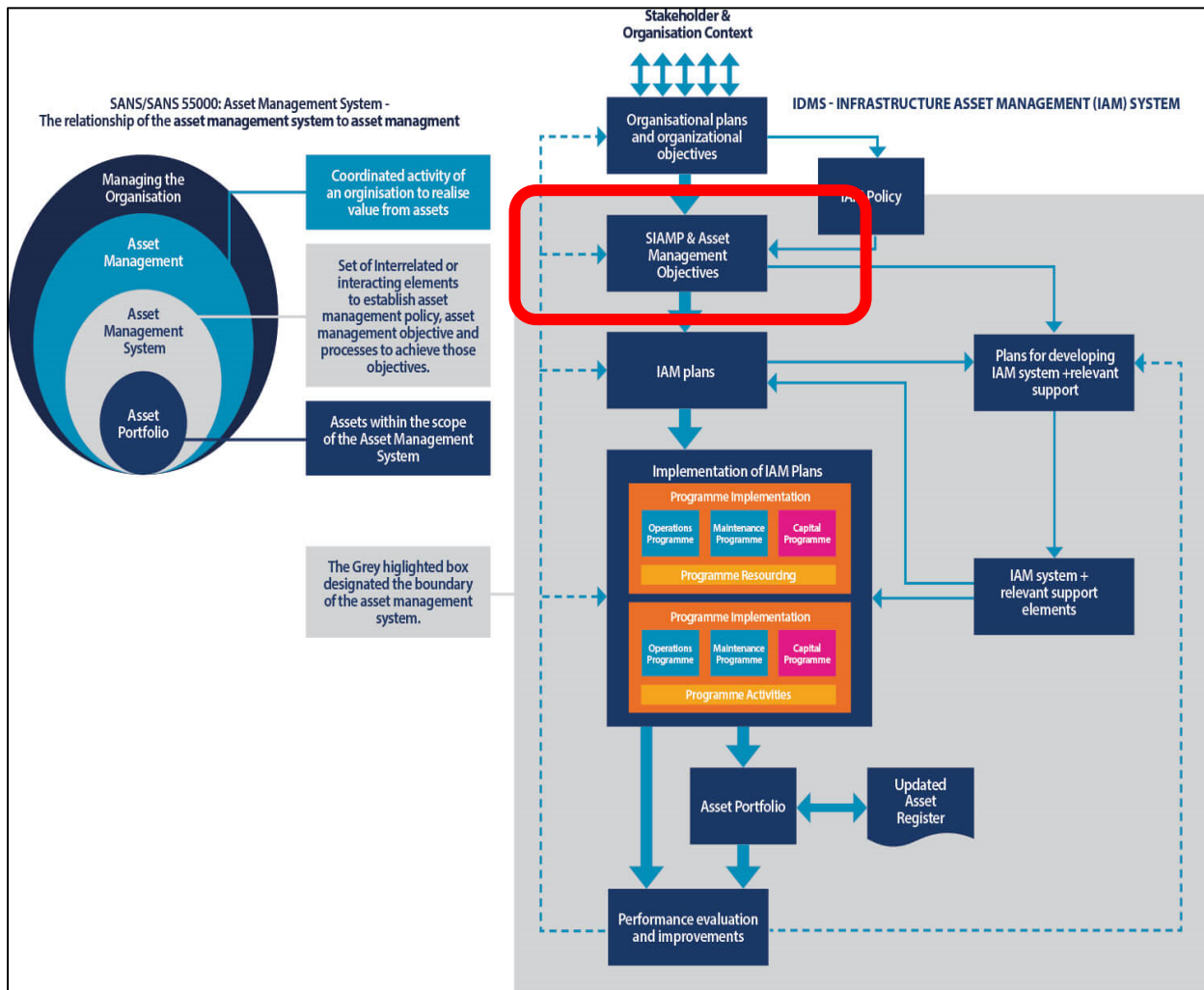


Figure 2: Asset management relationship to asset management and the asset portfolio

The Strategic Infrastructure Asset Management Plan (SIAMP) describes an organisation's long-term approach to managing its infrastructure assets. This plan specifies how organisational objectives and IAM Policy objectives will be converted into infrastructure asset management objectives, and the approach for developing the infrastructure asset management plan.

From the IDMS: Strategic planning is aimed at aligning infrastructure asset management objectives with organisational strategy. The strategic planning horizon is long term, usually 15 to 20 years.



The Key Concepts of the IDMS is the 'Plan Do Check Act (PDCA) which an organization to ensure that its processes are adequately resourced and managed, and that opportunities for improvement are determined and acted on.

Figure 3: The PDCA Cycle (From IDMS)

The primary objectives of the IDMS are to:

- Contribute to a transformed society, through improving infrastructure delivery and achieving developmental objectives.
- Promote reliable, repeatable, predictable Infrastructure Delivery Management (IDM) processes, based on best practice and legislative requirement.
- Create long term certainty in planning and delivery of IDM processes, using the five Life Cycle Strategies, which lead to the development and implementation of the 5 Life Cycle Programmes.
- Promote standardisation and uniformity on how infrastructure assets must be delivered and managed throughout the three spheres of government.

The organ of state must establish its strategic plan; and develop specific, measurable, achievable, realistic, and time-bound, infrastructure asset management (IAM) strategic objectives—focusing on its immovable assets.

5 ASSET MANAGEMENT OBJECTIVES

The objectives identified for this Asset Management Strategy were mainly informed by the Asset Management Policy of the IDM. It highlights the focus areas of the IDM and in turn relate to the Operations and Maintenance Plan and Asset Management Plan and Practices assessment.

It is further noted that through the Vuthela programme, a project (VILP//041) was initiated during 2022 to amongst other – develop the first draft SOPs, for the iLembe District Municipality to guide the process of information management as it relates to water and sanitation infrastructure assets. The Departments involved are IDP and Planning (GIS Unit), Finance (financial Asset Management); Technical Services (including the PMU office); and ICT.

The Vuthela Programme also initiated project VILP//044 that commenced in January 2023, for the procurement, installation and implementation of a computerised asset management information system based on the EDAMS platform. The project is still in the beginning stages and will require dedicated efforts from various iLembe Departments, to build the information to a level at which the system's full operational capacities for asset planning, management, operation, and maintenance can be utilised.

The Vuthela projects provide support to the IDM in the sector of asset management and compliments the asset management objectives as identified in this document.

THE OBJECTIVES IDENTIFIED AS PART OF THE IDM'S ASSET MANAGMENET STRATEGY ARE AS FOLLOWS:

- I. Identify Roles and Responsibilities (refer to the AM Policy, Section 3).
- II. Ensure recording of Work-In-Progress (WIP) and capitalised assets in the Fixed Asset Register in compliance to legislation and regulations as well as the IDM's AM Policy (refer to the AM Policy, Section 5.4 and Section 7).
- III. To Improve Water and Sanitation Service Levels to a reliable standard in terms of operations (operations are not explicitly addressed in the AM Policy, however it forms a major component of asset management same as maintenance).
- IV. Ensuring longevity of assets through appropriate operations, scheduled/planned maintenance, emergency preparedness, through appropriate financial and operational planning and response procedures (refer to the AM Policy, Section 11 and Section 14).
- V. Identification and Spatial information of Assets (refer to the AM Policy, Section 12).
- VI. Verification and conditional assessment of assets (refer to the AM Policy, Section 21).
- VII. Replacement of Assets; Disposal of Assets (refer to the AM Policy, Sections 22-24). Improve Communication between different departments internally and with external stakeholders and communities (not explicitly addressed in the AM Policy, this is an additional objective).
- VIII. Implementation of an electronic asset management system including the development of appropriate business processes to use the system for asset operations and maintenance (not explicitly in the AM Policy, this is an additional objective).

This asset management strategy aims to help iLembe DM to streamline workflows, keep accurate records, be more responsive to community needs, and respond quickly to emergencies.

IDEAL OUTCOMES:

- Meet legislative requirements.
- Safeguard Assets
- Improve efficiency by streamlining workflows and maintaining accurate records.
- Ensure accuracy in budgeting and planning.
- Increase transparency within the different departments making the data easily accessible.
- Promote responsiveness in the operations and maintenance of assets.

6 ASSET MANAGEMENT STRATEGY

6.1 IDENTIFICATION OF ROLES AND RESPONSIBILITIES

The roles and responsibilities are covered in Table 2 Below

Table 2: Roles and responsibilities or personnel involved in Asset Management

Position	Responsibility
Municipal Manager (MM)	The Accounting Officer (MM) is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.
Chief Financial Officer (CFO)	The CFO is the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO
Head of Department (HOD) Asset Manager Finance Manager Technical Directors Supply Chain Management	HODs are managers who report directly to the MM and ensure that: <ul style="list-style-type: none"> • The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently; • Procedures are adopted and implemented in conformity with the correct asset management procedures to produce reliable data to be input to the municipal fixed asset register; • Any unauthorized, irregular, fruitless or wasteful utilization, and losses resulting from criminal or negligent conduct, are prevented; • Manage asset life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.
Municipal Employees (Technical, Finance and Contracts Staff)	Every employee of the council must take all reasonable steps to ensure that: <ul style="list-style-type: none"> • Assets assigned to them are safeguarded and utilised effectively, efficiently, economically and transparently; • Assets of the council are not used for private gain; • They notify the asset management division of all obsolete, damaged and stolen assets, without delay; • Assets under their possession are properly bar-coded; • Any discrepancies in the asset stock take report are followed up • They comply with the operational procedure manual. • Assets are uploaded onto the GIS platform

6.2 MAINTENANCE AND CAPITALISATION OF THE W.I.P AND FIXED ASSETS REGISTER

6.2.1 WIP Schedule/Register:

The WIP register must be updated yearly and record all payments made within that contract showing all direct and indirect costs associated with each project. Furthermore, indicate all necessary timelines and sources of funding and if/any challenges experienced.

Strategy: The WIP Register must include the following information (for each project) to ensure performance monitoring in line with financial status:

- Source of Funding and Budget allocated for each project.
- Start and Anticipated Completion Dates
- All Payments made to Professional Consultants, Specialists Services and Contractors; Also indicate retention balances where necessary.
- Include Project Codes (Internal and/or External)
- Challenges/Comments if there are delays experienced or project is on Hold for a specific reason.

6.2.2 Fixed Asset Register:

The Fixed Asset Register must be prepared yearly before the end of each financial year and contain all Water and Sanitation Infrastructure assets that are owned and in control of IDM.

Strategy: - The CFO is the fixed asset registrar of the municipality and is to ensure the following:

- Identification and Physical verification of assets and conditional assessments. Must be undertaken by Engineers/Specialist either sub-contracted or completed internally.
- Formulate a Team of consisting of technical and financial personnel.
- Update the FAR - All Assets must be captured in a computerised format (Excel or Asset Management Software)
- All additions are recognised and updated onto the asset register.
- Unbundle and Componentise all Capital Projects that were completed within the financial year/ currently in use.
- All derecognitions (Impairments/Disposals) are updated on the asset register following the GRAP Standards and Asset Management Policy

6.3 IMPROVING WATER AND SANITATION SERVICE LEVELS TO A RELIABLE STANDARD

The Department of Water and Sanitation is currently implementing a 5yr Reliable Plan for Water and Sanitation Services which will focus on reliable and sustainable service delivery. It is about actions, a “pipeline of projects” to achieve reliable services. It requires dedicated implementation by all sector role players and stakeholders. It is urgent and must achieve differential success in the committed time frame of five years. It is a must-do turn-around plan to become viable, resilient, and self- sustaining WSA.

The LoS (Level of Service) addresses the basic standards and supports the concept of progressive improvement of LoS. In addition to these levels of service, the municipality also provides a rudimentary service, referred to as safe access, as an interim measure in areas that cannot be guaranteed with sustainable water resources.

Table 2: Water Supply Levels of Service

Level of Service	Description	Characteristics
LoS 1	communal water point	<ul style="list-style-type: none"> • basic level of service – RDP Standard • reticulated standpipe • stationary water tank • standpipe distance < 200m from household
LoS 2	yard standpipe on each property	<ul style="list-style-type: none"> • metered or unmetered connection
LoS 3	pressurised water connection on each property	<ul style="list-style-type: none"> • metered connection connected to internal plumbing

Table 3: Sanitation Levels of Service

Level of Service	Description	Characteristics
LoS 1	VIP on every informal property	<ul style="list-style-type: none"> • basic level of service – RDP Standard • preferred option to rural & informal settlements • one site one structure
LoS 2	septic and conservancy tanks	<ul style="list-style-type: none"> • For urban sites not serviced by sewer reticulation system
LoS 3	waterborne sewage on each serviced site	<ul style="list-style-type: none"> • for urban sites serviced by sewer reticulation system • individual connection to each erf

Table 4: Percentage of Households WITH and WITHOUT reliable Water Services

District Municipality Name	Local Municipality Name	Total Households with reliable Services	Total Households NOT having reliable Services
IDM	Kwadukuza Local Municipality	58%	42%
IDM	Ndwedwe Local Municipality	55%	45%
IDM	Maphumulo Local Municipality	31%	69%
IDM	Mandeni Local Municipality	70%	30%

Strategy: - for improving service delivery to a reliable service standard:

- To develop a Service Level Policy and set targets that must be completed in consultation with the public.
- Develop financial model integrating all grant funding.
- Develop pipeline of projects for Five-Year Implementation Period
- To cater for future demand up until 2030. Refer to Master Plan for projects prioritised.
- Monitor implementation compliancy related to alleviation of reliable services.
- Monitor performance of the Asset and its condition through the O&M Plan as prepared under the Vuthela project contract VILP/I/030 dated 22nd September 2023 and EDAMS Asset Management Systems project (Vuthela contract VILP/I/044) will be completed in September 2023 with installations and training conducted for IDM officials, followed by operationalisation of the system. Budget Allocations provided for planning and scheduling maintenance.
- Review conditional assessments, asset management plan and other technical reports per scheme and prioritise high risk areas/assets.

6.4 PLAN AND PERFORM APPROPRIATE MAINTENANCE ON ASSETS, RISK ASSESSMENT AND MANAGEMENT.

National Treasury has laid down that municipalities shall budget for maintenance and repair an annual sum equivalent to 4% to 8% of the “carrying value” of “property, plants and equipment and investment property”. The Table Below refers to Table 17 of the O&M Plan dated 22 September 2023

Historical Asset Value	Total Assets PPE	Actual Expenditure on R&M	R&M versus Total PPE Assets (%)
FAR 2020/21	R 2 182 523 256,29	R 56 071 931,00	2.6%
FAR 2021/22	R 2 282 831 814,62	R 47 608 849,00	2.1%
FAR 2022/2023	R 2 345 294 942,70	R 126 445 000,00	5.39%

The Actual Spend on repairs and maintenance is 2,06% take from the Audited 21/22FY AFS. There is no budget for planned/scheduled maintenance.

Deterioration of an asset over time is inevitable however pre-mature failure can occur if little or no maintenance performed on an asset.

Strategy:

- Attend to incidents reported via the call centre in accordance with the time for identification of the fault/incident to procurement and finally close-out of each job card issued. Refer to O&M Plan Table 9.
- Prevent failure of assets by following Original Equipment Manufacturer (OEM) guidelines/operating manuals
- Schedule maintenance of each asset class and component at regular intervals as prescribed in the O&M Plan.
- Pro-active routine monitoring of assets condition to be inspected regularly by physical verification as prescribed in the O&M Plan for each high priority asset/component (e.g., Reservoirs, Treatment Plants. Pump Stations) for all Water and Sewer Infrastructure.
- Develop and regularly review appropriate emergency response capability.

- Identify any Risks and Update the Water Safety Plan (WSP) and Wastewater Risk Abatement Plan (WWRAP) at regular intervals as per Blue Drop and Green Drop guidelines and requirements.
- Conduct Water Balances monthly and prepare WC/WDM Plans annually to provide holistic view of NRW losses and strategies to enhance revenue collection and reliability.
- Implement Ground Water Source Programmes and that optimise borehole sources.
- Create Asset Movement Log Sheets to keep control on All Assets. These door sheets are to be placed in each facility and asset movement (New and existing) to be recorded.

6.5 IDENTIFICATION AND SPATIAL INFORMATION OF ASSETS

The Asset Management Policy states that each asset must be able to be identified by a unique code attached to it and easily located and tracked.

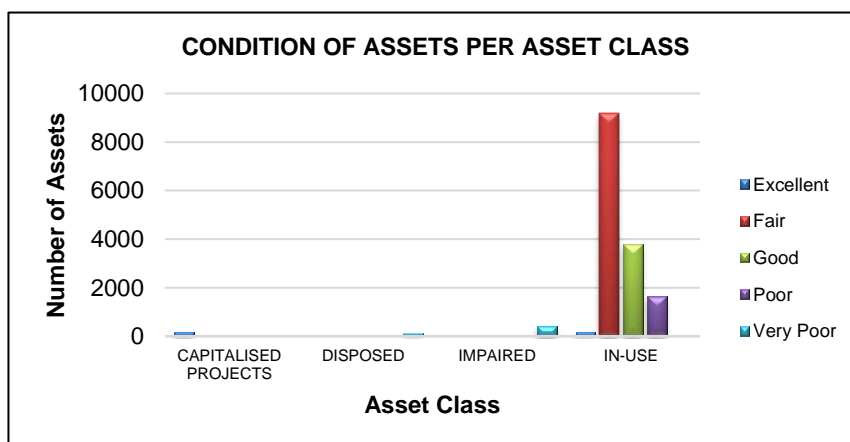
Strategy:

- Municipal Barcodes or unique identification numbers must be attached to each asset and easily identifiable during physical verification of the asset. The code on the asset must correspond to the asset register.
- Each Asset must be assigned a location (Local Municipality), sub-location (Area name/Scheme name or facility) and exact GIS co-ordinates to be updated on the register to track location and movement of the asset.
- Integrate the Asset Register into the GIS system for ease of mapping spatial data.

6.6 VERIFICATION AND CONDITIONAL ASSESSMENT OF ASSETS

The Asset register must be submitted before the end of June every year and contain all movements of assets in terms of condition changes, location, additions, and financial status.

Over 9000 individual assets are in fair condition which shows clear evidence of deterioration and requires significant maintenance as shown in Figure 4 below:



Strategy: to ensure physical verification is completed yearly and conditional assessments reported to identify any deficiencies in the system

- Appoint professional consultants (Engineers) with the necessary qualifications and past experiences with Asset Management for Municipal Infrastructure
- Each asset must be physically inspected and verified of its condition and location
- Prepare conditional assessment reports on each scheme and high priority assets and supported by photographic evidence
- Create a list of impaired assets and assets marked for disposal to be further evaluated by council.
- Provide recommendations to alleviate any risks

6.7 REPLACEMENT OF ASSETS: (DISPOSALS) (CFO)

Assets that have been deteriorated, in poor condition or subject to theft vandalism must be replaced /or repaired to ensure service delivery is not compromised.

Strategy: - IDM to advise on approach in line with current procedures and operations and what are the funding sources

- Calculate the replacement cost of the asset and claim for any damages that are covered under the asset insurance.
- Perform a cost benefit analysis of repairing asset to acquiring new asset.
- Request for quotations from contractors/suppliers in line with best SCM Practices.
- Negotiate costs for services rendered and appoint contractor/s if necessary and ensure quality control as per IDM standards.
- Once complete, include asset into Asset Register and Scheduled Maintenance Programme.

6.8 EFFECTIVE COMMUNICATION

To mitigate miscommunication and errors among personnel, an effective communication and record keeping system should be put in place.

Outcome of Strategy: Effective communication strengthens the connections between a company and all its stakeholders and benefits businesses in the following ways:

- Stronger decision making and faster problem solving
- Earlier warning of potential problems
- Increased productivity and steadier workflow
- Stronger business relationships
- Better financial results
- Higher return for investors



Figure 5: Methods of Effective Communication

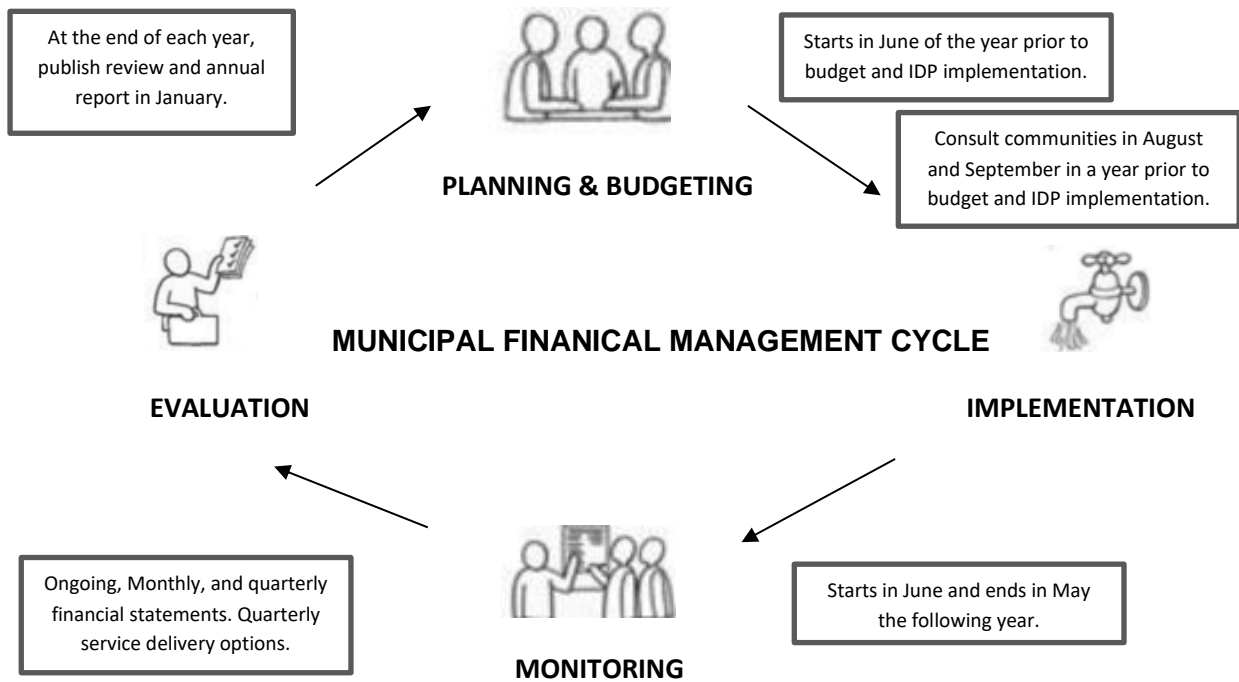
6.8.1 Bridging the gap between the different departments

Asset management, technical, finance and supply chain management are the key role players in terms of procurement and maintenance of assets by means of SOPs and implementation of the SOPs

Strategy: iLembe DM is to ensure that:

- communication between the various departments within the asset cycle is strengthened to ensure projects are completed timeously and recorded correctly.
- all queries/findings are investigated further and must make certain that appropriate measures are put in place to mitigate risk of delays in capturing of new assets and ensure that the FAR is complete and accurate.

iLembe District Municipality follows the same cycle all municipalities follow as per the diagram below:



6.9 IMPLEMENTING ASSET MANAGEMENT SOFTWARE (EDAMS)

The EDAMS Asset Management Software implemented by Vuthela under project VILP/I/044 is currently in progress. The Software will provide digital documentation storage for asset records, budgeting and financial management tools, asset tracking, programming and automation of maintenance scheduling, assist in non-revenue water (NRW) management and electronic management of work orders to enhance accountability. It furthermore will assist in project and contract management by means of developing workflows and steps to track and trace activities and assign responsibilities to improve effectiveness and efficiencies in project management for water services.

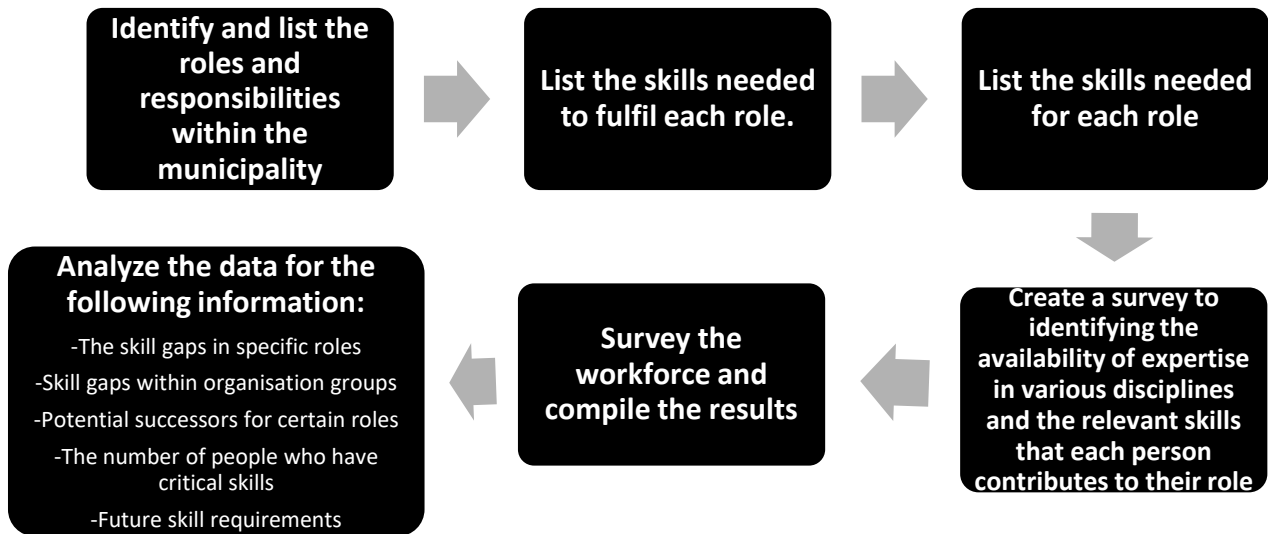
Strategy: Require timelines from IDM for full adoption

- Move from manual and simplified AM practices to an integrated, fully digital AM System
- Capacity Building and Training

6.9.1 Capacity building and training

Recommended Procedures in the workplace:

The purpose of capacity building and training is to transfer skills among the municipal officials, to better understand the asset management value chain and manage assets more effectively to ensure optimum service delivery. A skills audit should provide evidence of existing or developing competence. The skills audit plan helps to identify where improvement needs to be made, where training and development will be better targeted, where recruiting is needed and ensures that the organisation is meeting its goals.



6.9.2 Skills Audit Plan

A skills audit is a process of assessing the skills and knowledge of personnel to identify the skill gaps in an organisation. The audit should provide evidence of existing or developing competence. The skills audit plan helps to identify where improvement needs to be made, training and development will be better targeted, where recruiting is needed and ensures that the organisation is meeting its goals.

Performing a Skills Audit/Performance Monitoring

- I. Identify and list the roles and responsibilities within the municipality
- II. List the skills needed to fulfil each role.
- III. List the skills needed for each role
- IV. Create a survey aimed at identifying the availability of expertise in various disciplines within the department and the relevant skills that each person contributes to their current role.
- V. Survey the workforce and compile the results
- VI. Analyse the data for the following information:
 - The skill gaps in specific roles
 - Skill gaps within organisation groups
 - Potential successors for certain roles
 - The number of people who have critical skills
 - Future skill requirements

6.9.3 Skills development and transfer plan

Based on the outcomes of the skills audit plan, a skills development and transfer program must then be developed and implemented in line of work of young professionals. The plan comprises the following programmes:

Induction

Employees should be introduced to all departments, colleagues and important stakeholders (e.g. leaders, managers)

All employees should be made familiar with the asset management system, asset management policy

Job description, roles and responsibilities should be clearly defined.

Employees should be made aware of safety/health risks as well as informed on the correct PPE where required.

Job Specific Skills

The municipality must review the job descriptions of finance staff to ensure that the management of assets is correctly delegated, and that staff are able to perform this function sufficiently. Asset Staff should be trained appropriately on software such as MS Excel to enhance their functions and create efficiencies.

Project and Mentorship Development in the workplace

According to the national skills development act, employers are encouraged to:

Use the workplace as an active learning environment.

Provide employees with the opportunities to acquire new skills.

Provide opportunities for new entrants to the labour market to gain work experience.