

MSUKALIGWA LOCAL MUNICIPALITY



ASSET MANAGEMENT STRATEGY

Date: 1 July 2026 to 30 June 2027

Council Resolution number: LM 1084/05/2026
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IMMEDIATE AND SHORT-TERM ACTIONS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Institutional arrangements	Establish an Asset Steering Committee, comprising of GM, Infrastructure, Project Manager: Roads and Transportation, Project Manager: Electricity, CFO, Senior Manager: Assets & Liabilities, Project Manager: Land Fill Site, Manager: Project Management Unit, Manager Facilities, etc.	1 July 2025	Manager Office of the Municipal Manager	Appointment letters, Minutes of Asset steering committee	Reference to TORs	Sittings of the Committee	
	Create awareness of the Integrated Approach of Municipal Asset Management to Senior Management of the municipality	1 May 2024	Municipal Manager	Minutes of meetings with Senior Management	Tabled in the management meeting		
	Create awareness of the Integrated Approach of Municipal Asset Management to Political Leadership and political structures	15 May 2024	Executive Mayor	Minutes of municipal council and attendance registers	Tabled to Council see resolution number LM608/05/2024		
	Develop or review the municipal asset management strategy by using the PT guidelines	Annually	Asset Steering Committee	Council resolution and approved asset	LM 608/05/2024		

	<p>in areas where expensive equipment is kept;</p> <ul style="list-style-type: none"> • Only authorised personnel should be allowed to operate plant or vehicles; 			<p>Minutes of meeting to all business units</p>			
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PHYSICAL LAND PLANNING AND URBANIZATION

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Physical land planning and urbanization							
<p>Overview: It is much harder to improve services provision once settlements have been established without planning, than to anticipate growth and proactively provide subdivisions of land with public utility services (both public and private) at affordable rates for the expected population. The more information is available to the public and the auditing authorities about special zones to protect river basins, mountain slopes, geologically unstable areas, flooding, protection of special habitats for animals and plants, etc. the more likely these areas will not be converted (by corrupt means in some cases), to residence zones that endanger not only the uninformed buyers and future residents of these areas, but also the neighboring residents. Negative impacts could be caused by changes in the proximity and characteristics of the river basins and proximity to unstable mountain slopes, coastal regions or buffer zones.</p>							
<p>Minimum fixed asset register information required:</p>							
<p>Number of plot according to national, state or local classification, Location, Address, Geographical Coordinates, Zoning laws applicable, other current or potential national or local uses, Tax codes, Legal ownership., Site description, Size, front, depth, dimensions, map reference, Topography of site, Soil mechanical conditions (if applicable and available), Flooding conditions, Environmental services, hazards, Site improvements, Road, Utilities access</p>							
<p>Construction and use details, Buildings, Buildings areas, service area, usable area by categories, Properties, Other physical elements (e.g. overhead power cables)</p>							
<p>Financial valuation, revenues and costs, Land value, Building Value(s) for each category, Fixed equipment and Improvements value(s), Yearly cost of administration and maintenance (assigned and aggregate), Yearly rents, leases, other fees received</p>							
Fixed asset register	Review or develop a land based asset management strategy (e.g Town Planning)	1 July 2024	Disposal Committee Director PED	Approved land base strategy by Council	Committee is in place	None	None
	Create awareness of the land based asset management strategy to Senior Management of the municipality	1 July 2024	Municipal Manager	Minutes of meetings with Senior Management	Activities are presented to senior management	None	None

Create awareness of the land based asset management strategy to Political Leadership and political structures	1 July 2024	Community Political leaders, Municipal Council and Traditional Leaders	Public participation attendance registers and approved schedule of meetings	The strategy was adopted in a council meeting open to the public	None
Appointment of independent valuator (Promotion of Access to Information Act, Act 2 of 2000)	Once every 3 years	Chief Financial Officer, Technical Head and Head of Department - Planning	Appointed Valuator	Africa Valuers are appointed effective from 1 July 2015	None
Interface town planning records with valuation roll system	1 September 2024	Chief Financial Officer, Technical Head and Head of Department - Planning	Approved SOPs and interface reports	Completed the new system is called (PRIMS)	Employees are still learning the new system Constant training
Reconcile valuation roll with fixed asset register	Annually	Chief Financial Officer	Reviewed fixed asset register	Annually PRIMS is able to reconcile using LP codes	None
Conduct property use audit to determine and verify the zoning or rezoning of properties in terms of the land use management scheme or town planning scheme	Annually	Director PED	Property use audit report	Land audit was performed and the report is available	None

ASSET MANAGEMENT UNIT

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Asset Management Unit							
The CFO shall be responsible for the operation and management of the Asset Management Unit (AMU). Under the guidance of the MM							
	Keeping of complete asset records, which are verified and balanced on a regular basis.	Monthly	Chief Financial Officer and AMU	Verification plan and outcome	Done monthly	None	None
	Proper tagging and accountability of all movable assets where applicable (vehicle number plates and other unique identifiers if available and traceable).	Monthly	Chief Financial Officer and AMU	Barcoding and unique identifier	Done monthly	None	None
	Compiling an asset verification report, upon completion of the asset verification process, that will: <ul style="list-style-type: none"> • Reflect a complete list of all assets found during the verification; • Reflect assets that are on the register but not found on the floor; 	Annually	Chief Financial Officer and AMU	Detail verification report	Done bi-annually	None	None

	<ul style="list-style-type: none"> • Reflect assets that are on the floor but not found in the asset register; • Reflect any discrepancies between the assets found during verification and the complete record referred to above. Also provide reasons for difference and document future prevention plan. 	Monthly	Chief Financial Officer and AMU	Updated asset register balanced to general ledger	Monthly	None	None	
	Monthly balancing of the asset management system (asset register) with the general ledger and the financial statements.	Monthly	Chief Financial Officer and AMU	Updated asset register balanced to general ledger	Monthly	None	None	
	Collection of information from relevant units to determine useful lives of assets for the calculation of depreciation.	Monthly	Chief Financial Officer, Department Heads, SCM and AMU	Accurate MSCOA classification	Monthly	None	None	
	Allocation of additions to the correct asset classification.	Monthly						

	Prior to scrapping of an obsolete or damaged asset(s) or asset inventory item(s), a completed asset disposal form, countersigned by the Asset Management Unit, must be presented.	Annually	Chief Financial officer, AMU	Accurate disposal register	Quarterly	None	None
	Keeping of verifiable records of obsolete, damaged and unused assets and/ or asset inventory items received from Business Units.	Annually	Chief Financial officer, AMU	Accurate disposal register	Quarterly	None	None
	Compiling a list of the items to be auctioned or disposed of accordance with the guidelines in the Supply Chain Management (SCM) Policy. <ul style="list-style-type: none"> • Compiling and circulating a list of unused assets to enable other Strategic Business Units to obtain items that are of use to them. 	Annually	Chief Financial officer, AMU	Accurate disposal register	Quarterly	None	None
	Notification to Supply Chain Management of any assets / inventory items to be disposed of or to be written-off	Annually	Chief Financial officer, AMU	Updated records	Quarterly	None	None

	Appointment of audit support team for assets to resolve all audit queries in a timely manner	Half yearly and annually	Chief Financial Officer	Resolved audit queries	None	None
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SUPPLY CHAIN MANAGEMENT (SCM) AND EXPENDITURE UNIT

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Supply Chain Management (SCM) and expenditure unit	Matching of invoices to the goods received note.	Monthly	Chief Financial Officer, Senior Manager SCM	Accurate asset received	Monthly	None	None
	Dispose of assets in accordance with the provisions in the Supply Chain Management (SCM) Policy, MFMA and Municipal Asset Transfer Regulations.	Annually	Chief Financial Officer, Senior Manager SCM	Accurate disposal of assets	Annually	None	None
	Development and review of asset demand plan in line with IDP and budget <ul style="list-style-type: none"> • New assets • Replacement of assets • New infrastructure • WIP Provide information to AMU	Annually	Chief Financial Officer, Senior Manager SCM All Senior Managers and risk managers of units	Accurate procurement process and updated asset register	The procurement plans are developed annually	None	None

ALL BUSINESS UNITS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
All Business Units	Adherence to the approved Asset Management Policies by all employees in their Departments.	Day to day	All business unit	Accurate asset management processes	Daily activity	None	None
	Shall ensure that an employee with delegated authority has been nominated to implement and maintain physical control over assets in his / her Department. The Asset Management Unit must be notified of who the responsible person is. Although authority has been delegated, the responsibility to ensure adequate physical control over each asset remains with the manager of the Department.	1 July 2024	Senior Managers	Responsible managers for assets appointment letters	Employees have been nominated	Not adhering to the asset's SOPs	Awareness on the SOPs
	Proper maintenance of assets in accordance to their respective asset maintenance plans.	Daily	Senior Management Appointed asset controller in unit	Maintained assets	A service provider has been appointed to prepare maintenance plans	Not all maintenance plans are in place	Appointment of service provider to develop maintenance plans

Protect assets and / or inventory items of the Municipality against private usage / gain.	Day to day	Senior Management Appointed asset controller in unit	Safeguarding of assets	Assets monitored	is Most assets are being used for private gain	Awareness
Compliance to barcoding on all movable assets as reflected on the Assets Management	Monthly	Senior Management Appointed asset controller in unit	Asset barcoding in line with inventory lists	Performed monthly	None	None
Notification of any changes in the status of the assets under the Department's control to the Asset Management Unit	Day to day	Senior Management Appointed asset controller in unit	Updated asset register / condition assessment	Performed monthly	None	None
Certify in writing that they have assessed and identified impairment losses on all assets at year end when impairment indicators have been triggered. GRAP 21.20 and GRAP 26.20.	Annually	Senior Management Appointed asset controller in unit	Accurate impairment of assets	Performed with verification	None	None

All obsolete and damaged by asset items accompanied by the relevant asset form and attached disposal forms, are handed in to the Asset Management Unit without delay.	Annually	Senior Management Appointed asset controller in unit	Updated condition assessment / disposal register	Forms are yet to be implemented	None
Shall be responsible for maintaining and managing their own Inventory Listing (DIL)	Day to day	Senior Management Appointed asset controller in unit	Identification of assets not classified and recorded on asset register (private assets also)	Done by custodians	None
Verify that the correct cost element and descriptions are being used before authorising any requisitions.	Day to day	Senior Management Appointed asset controller in unit	Accurate classification of assets in line with MSCOA	Implemented by Budget Office	None
Prevent the usage of any asset until the asset number is allocated, the asset is bar-coded and insured through the Asset Management Unit (Insurance Department).	Day to day Monthly	Senior Management Appointed asset controller in unit	Barcoding and recording of assets (accurate asset register)	Barcoding of Assets are done at delivery And a report of Assets Addition is prepared for Council noting on a monthly basis	None

PROJECT MANAGEMENT UNIT

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Project Management Unit	Provision of information to the Asset Management Unit regarding all projects, from inception to completion	Monthly	PMU	Updated asset register and WIP	Monthly	None	None
	Monthly or as and when needed updates regarding all progress payments effected on each contract, as per schedules supplied to the Asset Management unit.	Monthly	PMU	Updated fixed asset register and WIP	Monthly	None	None
	Provide the Assets Management Unit with the details of all components of any infrastructure created, including values and estimated life span, on an ongoing basis as and when required.	Monthly	PMU	Accurate de-componentization of assets	Monthly	None	None
	Inform the Assets Management Unit when the work in progress is completed, and supply a copy of the relevant completion certificates, As-built drawings, Bill of Quantity and Close-Out Report.	Monthly	PMU	Accurate transfer of assets	Monthly	None	None

PRE-ACQUISITION PLANNING

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
<p>Pre-Acquisition Planning Acquisition of assets refers to the purchase of assets by buying, building (construction) or leasing. The CFO shall ensure that the Supply Chain Management (SCM) Policy makes provision for principles prescribing the acquisition of assets. The CFO shall furthermore ensure that all acquired assets are appropriately insured.</p>							
Pre-Acquisition Planning	Preparation of cost for acquisition or leasing of fixed assets <ul style="list-style-type: none"> The projected acquisition and implementation cost over all the financial years until the project is operational, The future operational costs and revenue on the project, including tax and tariff implications The financial sustainability of the project over its economic life span including revenue generation and subsidization requirements The physical and financial stewardship of the asset through all stages in its life span including acquisition, installation, maintenance, operations, disposal and rehabilitation The Chief Financial Officer is accountable to ensure that 	Annually	Chief Financial Officer, Technical Head and Head of Department - Planning	Acquisition plan for infrastructure and leases	Annually	None	None

	<p>the relevant persons responsible receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements</p>	Annually	Municipal Manager Chief Financial Officer, Department - Planning	Acquisition plan included in IDP	Annually	None	None
<p>The inclusion of the capital project in the Integrated Development Plans and future budgets.</p>							

NEW CAPITAL PROJECTS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
New Capital Projects	<p>Capital Works Project Form must be completed for all projects by the Department responsible for the Capital Project (<i>Example Annexure D</i>)</p> <ul style="list-style-type: none"> The Capital Works project form must be signed by the responsible official in the Department as proof that the new project has been authorised. The authorised capital works project form must be forwarded to the AMU. 	Monthly	Head Project Management Chief Financial Officer and AMU	Recorded capital work project in AMU	Performed on completion of projects	None	None
	<p>The assets controller must review the form to ensure that the details are correct and that the form has been duly authorised.</p> <ul style="list-style-type: none"> If the assets controller is satisfied that the form has been correctly completed and authorised, the asset controller must create the asset on the assets management system. The asset number should be recorded on the form and the 	Monthly	Chief Financial Officer, AMU and SCM (budget)	Capital work recognition in asset management	Done monthly	None	None

<p>form should be signed and dated by the asset controller.</p> <ul style="list-style-type: none"> The capital works project form with asset number recorded thereon should be filed sequentially by the AMU and a copy should be forwarded to the Department requesting the creation of the new project. 	Monthly	AMU	Register for all capital assets with documentation proof	Performed monthly	None	None
<p>The Accountant: Asset Management must maintain a register of all approved purchase orders together with a file containing copies of the purchase orders.</p> <ul style="list-style-type: none"> The Accountant: Asset Management should review the purchase order register on a regular basis to ensure that long outstanding purchase orders are investigated and followed up on with the Procurement department. 	Monthly	Chief Financial Officer and AMU	Updated records on purchase orders	Performed monthly	None	None
<p>The Senior Accountant: Asset Management must review the pending file of Purchase Orders (PO) on a weekly basis to ensure that long outstanding orders are followed up on.</p>	Monthly					

RECORDING CAPITAL PROJECTS ON THE FIXED ASSET REGISTER

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Recording Capital Projects on the FAR	<p>On a monthly basis the Asset Management unit in consultation with the Project management unit must create an Excel spreadsheet detailing all new capital projects created for the month.</p> <p>The Project Management Unit sends a SDBIP report for the preparation of the new capital projects spreadsheet by the AMU.</p> <ul style="list-style-type: none"> • The spreadsheet detailing new capital projects may contain the following: <ul style="list-style-type: none"> ○ Asset description and class, ○ Budgeted cost of asset, ○ Cost incurred on the project, ○ Asset number, ○ Vote /WBS number, ○ Serial number / Registration number / Title deed number, GPS Coordinates ○ Project start date, ○ Project end date, ○ Project details, and 	Monthly	AMU and Project management unit	Recording of all new capital projects	Performed monthly	None	None
		Monthly	Project management unit	Updated information to be included in the register for Project Progress Schedules	Done monthly	None	None

<p>○ Comments.</p>						
<p>The spreadsheet must be sent electronically to the AMU requesting them to update the Assets Management System with the new capital project.</p>	monthly	AMU	Updated Project Progress Schedules	Performed monthly	None	None
<p>On completion of the monthly updates to the Assets Management System, the Asset Management Unit must send a report to the Expenditure Control Office, listing all capital projects under construction (WIP).</p>	monthly	AMU and expenditure unit	Updated WIP	Performed monthly	None	None
<p>On completion of the monthly updates to the Project Progress Schedules the Project Management Unit must send a report to the Asset Management Unit, Expenditure Control Office, detailing all capital expenditure in respect of capital projects that need to be updated to the Assets Management System. The report must include the following minimum information:</p> <ul style="list-style-type: none"> • Asset number, • Description of additions (components), 	Monthly	Project management unit, expenditure control office and AMU	Updated asset information on financial system	Performed monthly	None	None

<ul style="list-style-type: none"> • Date of additions, • Amount of expenditure (excluding claimable VAT), • Estimated remaining life of asset, and • Serial numbers (if any). 	Monthly	Expenditure Control unit and PMU	Accurate project progress information	Performed monthly	None	None
<p>The Expenditure Control Office must review the report of new projects from the Project Management Unit and agree the details to the Excel spreadsheets and actual expenditure recorded in the financial system (reconciliation). Any discrepancies must be timeously followed up and resolved.</p>	Monthly	Expenditure Control unit and PMU	Updated asset project capital register	Performed monthly	None	None
<p>The Expenditure Control Office must then forward the capital expenditure details to the Asset Management Unit on a monthly basis for updating in the Assets Management System.</p>	Monthly	Expenditure Control unit and PMU	Updated asset project capital register	Performed monthly	None	None

CAPITALISATION OF ASSETS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
<p>Capitalisation of Assets</p> <p>Assets will only be capitalised in the asset register on completion or finalization of the project.</p> <p>Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as work in progress (WIP) thereafter only on completion the asset will be capitalised and depreciated.</p> <p>All relevant spatial information must be provided in electronic format (cad, pdf, dwg or shp) for capital projects that have been completed.</p>							
Capitalisation of Assets	The PMU must send a copy of the Completion Certificate for each project to the Asset Management Unit, when issued, for capitalisation of the asset at the date it is brought into use, and calculation of depreciation, and costing to the relevant Business Unit.	Monthly	Project Manager and AMU	Updated asset register	As and when completed	None	None
	The Bill of Quantities must be provided to facilitate componentisation of the assets.	Monthly	Project Manager and AMU	Componentisation of assets in asset register	As and when completed	None	None

ASSET CLASSIFICATION (MSCOA)

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
<p>Asset Classification (MSCOA)</p> <p>In compliance with National Treasury as well as GRAP regulations, the CFO shall ensure that all assets are classified under the following asset categories.</p> <p>Assets will be classified in to the following asset types in accordance with the relevant definitions detailed in the Asset Management Policy.:</p> <p>Property Plant and Equipment (GRAP 17)</p> <p>Land and Buildings (land and buildings not held as investment),</p> <p>Infrastructure Assets (assets which are part of a network of similar assets, immovable assets that are used to provide basic services),</p> <p>Electricity</p> <p>Gas</p> <p>Sewerage</p> <p>Road</p> <p>Pedestrian malls</p> <p>Airports</p> <p>Security measures</p> <p>Water</p> <p>Buildings</p> <p>Community Assets (resources contributing to the general well-being of the community),</p> <p>Buildings</p> <p>Recreational facilities</p> <p>Security</p> <p>Other Assets (utilised in normal operations):</p> <p>Emergency equipment</p> <p>Office equipment</p> <p>c) Furniture and fittings</p>							

<p>d) Bins and containers e) Motor vehicles f) Aircraft g) Watercraft h) Plant and equipment Leased Assets (assets held in terms of finance leases) (GRAP 13), Heritage Assets (culturally significant resources) (GRAP 103), Intangible Assets (GRAP 31), Investment Property (GRAP 16), and Agricultural Assets (GRAP 27).</p>	<p>Asset decision tree, illustrated in Annexure H shall be applied when determining the relevant asset types.</p>						
<p>ASSET CLASSIF ICATIO N</p>	<p>CFO to inform Business Units of the classification requirements</p>	<p>Annually</p>	<p>CFO</p>	<p>Written letter to all business units</p>	<p>Performed at year end</p>	<p>None</p>	<p>None</p>
	<p>Heads of Business Units shall in writing provide the CFO with information or assistance required to compile a proper classification of all assets. (MSCOA)</p>	<p>Monthly</p>	<p>Head of units</p>	<p>Asset classification from information from all business units</p>	<p>Performed at year end</p>	<p>None</p>	<p>None</p>
	<p>CFO and AMU to develop a concept document on useful life classification and revaluation of assets. (market cost can be utilized)</p>	<p>Annually</p>	<p>CFO and AMU</p>	<p>Useful life concept document</p>	<p>Performed at year end</p>	<p>None</p>	<p>None</p>

DONATED ASSETS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
<p>Donated Assets</p> <p>A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.</p> <p>Donated assets should be measured at fair value, reflected in the asset register, and depreciated as normal assets.</p>							
	The CFO must be informed of any donation to the municipality as and when it take place	Monthly	All business units CFO	Updated donation register received in a financial year	Performed monthly	None	None

	<p>The CFO must make a submission to MM to accept donation (all relevant documentations must be provided e.g. fair value useful life e.t.c)</p>	<p>Monthly</p>	<p>Municipal Manager CFO Council</p>	<p>MM to accept donation</p>	<p>Performed monthly</p>	<p>None</p>	<p>None</p>
	<p>Donated assets must initially be measured at cost. However where cost is not available the municipality will need to use fair value, at the date of acquisition, and included on the AR</p> <ul style="list-style-type: none"> Where the value of the asset is known, such value shall be included in 	<p>monthly</p>	<p>CFO and AMU</p>	<p>Updated AR</p>	<p>Performed monthly</p>	<p>None</p>	<p>None</p>

MOVABLE ASSET BARCODING AND ALLOCATION

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Movable Asset Barcoding Allocation	<p>Department procuring the asset is required to complete a Purchase of Asset form (Refer to Annexure E). The Purchase of Asset forms must include following information and all relevant supporting documentation must be attached:</p> <ul style="list-style-type: none"> • Requisition • Approved quotation • Type-1 Pro Forma • Award letter 	Day to day	All business units	Purchase asset form	Performed monthly	None	None
	<p>The AMU is responsible for verifying that all necessary information is supplied with signatures, cost-centres and budgets (must be available)</p> <p>If budgets are not provided the "Purchase of Asset" form will not be processed and will be</p>	Day to day	CFO and AMU	Accurate procurement form of assets	Performed monthly	None	None

<p>returned to the relevant Business Unit.</p>						
<p>If all the necessary information has been provided the receipt of asset will be processed and a barcode allocated. (municipality must have a secure barcoding system) AMU submit barcode information to relevant business unit</p>	<p>Day to day</p>	<p>AMU</p>	<p>Barcoded assets</p>	<p>Performed monthly</p>	<p>None</p>	<p>None</p>

MAINTENANCE OF ASSETS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
Maintenance of Assets	Repairs and Maintenance as 8% of Property, Plant and Equipment and Investment Property (Carrying Value)	Annually	CFO	Maintenance budget allocated	Not Implemented	Unfunded Budget	Budget funding plans
	The Heads of Business Units are responsible for the control and utilisation of infrastructure assets shall monitor maintenance actions and budget for the operation and maintenance needs of each asset or class of assets under their control. Operating expenses must include all labour and material costs for the repair and maintenance of the assets. This includes both contracted services and services performed by employees. The Heads of Business Units shall ensure that the operating expenses are expended	Day to day	Head of Business Units	Accurate classification of maintenance expenditure	Performed monthly	None	None

<p>against the operating budget and not the capital budget</p>							
<p>The Heads of Business Units shall report to the Council annually of the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance</p> <p>The Heads of Business Units shall report to the Council annually on the likely effects that maintenance budgetary constraints may have on the useful operating life of the infrastructure asset classes</p>	<p>Annually</p>	<p>Head of Business Units and CFO</p>	<p>Council minutes and report on maintenance</p>	<p>In progress</p>	<p>Maintenance Plans are being prepared</p>	<p>Finalise adverts re-</p>	
<p>The Heads of Business Units shall ensure that maintenance plans make provision for the additional maintenance burden of future infrastructure to be acquired</p>	<p>Annually</p>	<p>Business units and CFO</p>	<p>Maintenance plan</p>	<p>In progress</p>	<p>Maintenance Plans are being prepared</p>	<p>Finalise plans</p>	

RENEWAL OF ASSETS

Focus Areas	Key Activities	Timelines	Responsibility	Deliverables (POEs)	Progress	Challenges	Remedial Action
	<p>Renewal of Assets</p> <p>Asset Renewal is the restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial UL of the asset. Asset renewal projections are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.</p> <ul style="list-style-type: none"> • If the service provided by the asset is still required at the end of its UL, the asset must be renewed. However, if the service is no longer required, the asset should not be renewed. • Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life. 						
	CFO, in consultation with Heads of Business Units, develop process to be implemented to capture renewals data against specific assets and to capitalize it correctly.	Annually	CFO Business units	Develop plan to renew asset useful life	A tender was advertised for the repairs and replacement of assets	Delays in the appointment	None
	CFO and AMU to review regularly the condition of assets and implementation of the renew asset useful life plan	Annually	CFO and AMU	Monitoring of renew asset useful life plan	Performed monthly	None	None

Heads of Business Units must ensure that renewals expenditure are correctly budgeted for in the capital budget, demand plan and expended against this budget.	Annually	Budget Management and Business units	Accurate budget allocation for extended useful life of assets	Performed monthly	None	None
Budget and Heads of Business Units must ensure that renewals expenditure data are correctly captured against the assets and the expected lives adjusted.	monthly	Budget Management and Business units	Accurate budget allocation for extended useful life of assets	Reviewed monthly	None	None



MUNICIPAL MANAGER

02 June 26

DATE