

SAAMA2018

Smarter approaches in asset management

4-6 JUNE | NH The Lord Charles Somerset West



Redefining 21st Century Asset Management

A Municipal Perspective

Emmanuel Ngcobo | June 2018

Points of Discussion

- Overview
- Traditional vs. Modern Times Techniques
- Limitations on Infrastructure Assets
- Modern Approaches
- Conclusion





Overview

- Driver:-
 - Constitution Sec 152.

Objects of local government –

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the **provision of services** to communities in a **sustainable manner**;
- (c) To promote social and economic development;
- (6) To promote a **safe and healthy environment**; and
- (e) To encourage the involvement of communities and community organisations in the matters of local government.



Overview

- Driver:-
 - Municipal Finance Management Act (Section 96)
- Safeguarding of Assets
- Establishment of Systems

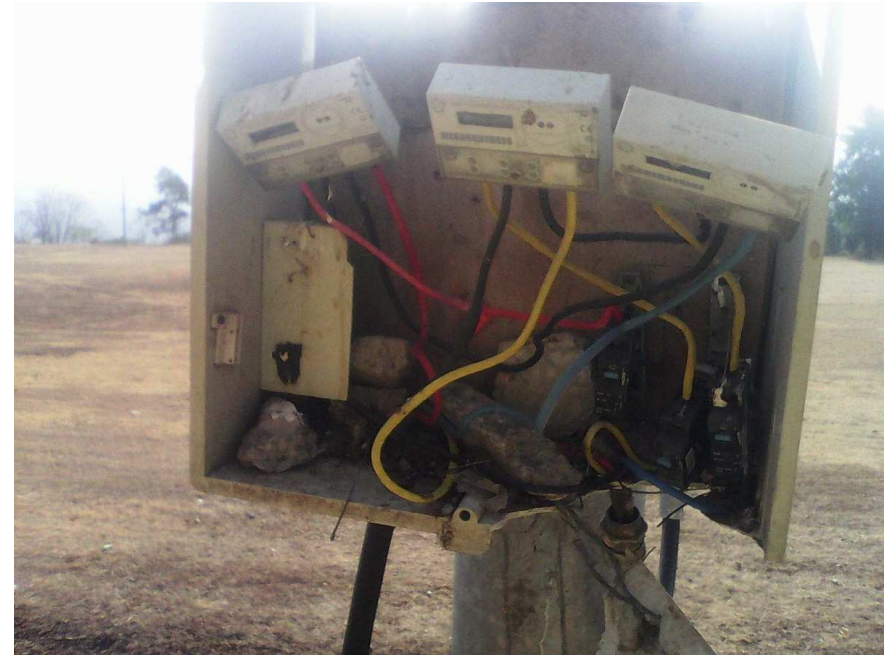
- Proper & sound management of assets allows municipalities to provide an agreed and **expected level of service** in the most **cost effective** manner for present and future generations/communities.



Current Status



Current Status





Traditional vs. Modern Times

- Audit Outcomes Approach
- Preparation of Annual Financial Statements
- **CFO Office** Driven
- Movables vs Infrastructure 'Management' **time spent**
- AMP 'in place' adopted by Councils
- Conditional Assessment **performed**....mostly each year





Limitations

- Human Capacity (*Subject Matter*)
- Inadequate Budgets (0.5% vs 8% of PPE); O & M; Replacements
- Depreciated Values – Not set aside
- Political > Socio-economic *
- Impact of Climate Change

“aging of roads caused by climate change will require increased maintenance and more frequent rehabilitation”

- Urbanisation

...Modern Times





...Modern Times

- Holistic Approach – Organisationally
- **Level of Service** Understanding – Optimum Cost Effective Use
- Data Analytics/Management – Uses
- Alternative **Funding** Models
- Human Resource Development

- Collaborations *





Thank You



SMARTER approaches in Asset Management

