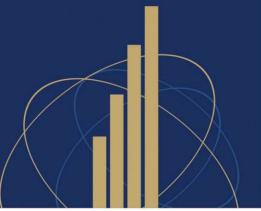


Digitalization: A game changer for municipalities, State owned entities, and communities







Problem Statement & Challenges



National Treasury statement

"Current public practices suffer from inefficiencies,
limited transparency, and outdated procedures, resulting in suboptimal value for money, inadequate competition, and an inability to adapt to changing needs.

The lack of

modernisation

in public procurement systems hampers

effective resource utilisation and prevents the achievement of optimal outcomes."



GOVERNANCE

- Competing and conflicting regulatory requirements.
- Irregular Expenditure

Simplification and standardisation



CAPACITATION & DEVELOPMENT

- SCM seen as admin function
- Corruption and a lack of accountability

Professionalisation and sharing best practice

 Lack of enabling systems

Digital Transformation

TECHNOLOGY



- Compliance driver
- Market volatility
- Fiscal and economic risk
- Cost containment

Sustainable procurement and value for money

SOURCING



General Challenges in Municipalities



- Service Delivery Failures
- Political Instability and Poor Governance
- Skills Shortages and Capacity Constraints
- Infrastructure Decay and Maintenance Deficit
- Revenue Collection and Financial Viability
- Environmental and Waste Management Issues
- Urbanization and Informal Settlements
- Community Engagement and Trust Deficit
- Lack of Intergovernmental Relations and Support

THE STATE OF MUNICIPAL INFRASTRUCTURE IN SOUTH AFRICA



Historical Challenges

Lack of commitment to long-term planning Inadequate dedicated funding Poor management systems Inconsistent data collection Inadequate resource deployment Low maintenance

AGSA (AUDITOR GENERAL MFMA REPORT 2018/19)

Fragmented AM System

Different approaches used in AM decision-making
Fragmented information flow within Municipalities
Lack of awareness of AM strategic processes and practices
AM Complexity challenges
Over-reliance on compliance

Asset Maturity

Integrated Organisational Structure
Competent Work-force
Clear long-term AM strategy in place
Financial, Commercial & Technical parts
of the Municipality speak the same
language

Understands AM portfolio capabilities & constraints etc.

Asset Management Challenges

SAICA (SOUTH AFICAN INSTITUTE FOR CHARTED ACCOUNTANTS)

PWC (2012 AM ASSESSMENT OF MUNICIPALITIES)

Financial Governance

40% of Municipalities had no approved AM Policy
27% Municipalities had no approved infrastructure road maintenance plan Delays in project completion
Poor planning that resulted in deviations and scope creep
Non-compliance with SCM legislation Irregular Expenditure

AM Improvement and Capacity Building Project

A two phased approach: Standardise AM Governance processes:

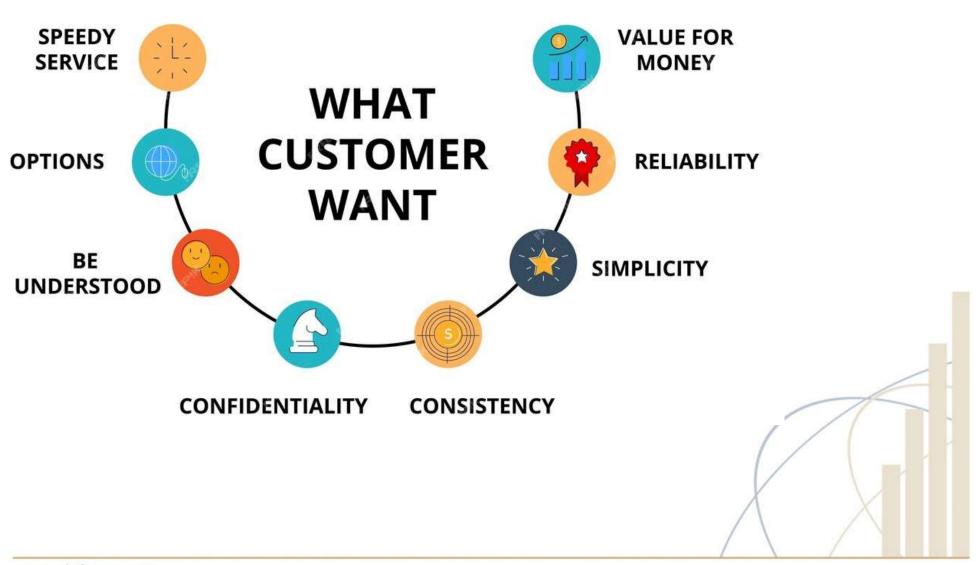
- Realign AM Policy
- AM Strategy and Objective
- AM SOP's
- AM Disposal Policy
- Asset Register Alignment

AM Training and Development

- LCC Modelling and Investment Decision making
- Calculating TOC for project appraisal
- The calculating of NPV, RRR & EAC

Citizen Value Criteria





Economic Empowerment of Communities through Basic Services







- Municipal and Departmental Strategies
- Economic growth strategy
- Spatial development plans
- Master Plans









Leveraging Digital Transformation to Enhance Local Government



• Revenue Collection – Strategy for Sustainable Financial Health in Local Government

Challenges

- Paper-based or outdated billing systems
- Poor customer engagement and communication
- Inaccurate property or business data
- Manual reconciliation and high administrative costs
- •Revenue leakage through illegal connections or unbilled services

Digital Solution	Revenue Impact	
Online Billing	Faster, accurate invoicing	
Mobile Payments	Easier access = higher compliance	-
Data Analytics	Detects unbilled properties/services	
GIS Mapping	Accurate property valuations	
Automated Reconciliation	Reduces errors and delays	
CRM Systems	Better citizen communication	

Dark Data in Municipalities



"Dark data" refers to data that is collected but not used for any meaningful purpose — it's stored and forgotten, despite potentially holding value.

Dark data includes:

- Unstructured data: Emails, scanned documents, call logs, CCTV footage, social media posts.
- Legacy data: Old systems no longer integrated with current IT infrastructure.
- Operational data: Maintenance records, water meter readings, housing applications, etc., stored but not analysed.
- Resident interaction data: Customer complaints, service queries, and ward meeting feedback, which aren't systemically mined.

Causes

Lack of data integration - Information hoarding or ownership disputes - Low data literacy - Limited data analytics capability:

Unlocking Dark Data through Digital Transformation in Municipalities



"Turning Hidden Information into Public Value"

Challenges

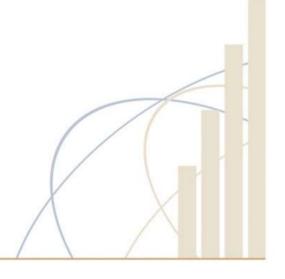
- Legacy systems and paper records
- Disconnected databases (silos)
- Lack of data policies or ownership
- Skills shortages in data analytics

Solutions

- Automates data discovery and integration
- Converts unstructured data into usable formats
- Enables analytics and dashboarding
- •Promotes secure, compliant data governance

Real World Examples

- Service complaints → Heatmaps of problem areas
- ■ Property data → Updated billing systems
- GIS mapping → Infrastructure planning
- ♠ Citizen feedback → Performance monitoring



Luphahla Value Proposition



Past Project Delivered

- •Digitalisation through near real time 3rd party data exchange to guarantee revenue collection
- Digital transformation, Digital & IT assessment,
 EA & PMO as a service, Managed services
- Citizen experience management

Existing solutions

- 1. Digital transformation eco system
- 2. Incident & Dispatch management
- 3. Smart Surveillance
- 4. Assets management
- 5. Customer Relationship Management



Any Questions?

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