

# GREATER TZANEEN MUNICIPALITY



**FEBRUARY 2019/2020**

**FINANCIAL REPORT**

# FEBRUARY 2019/20 FINANCIAL REPORT

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## 1. BUDGET PERFORMANCES

### 1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 309 239 841	1 223 888 495	63 502 674	627 721 866	51.29%	66.66%
Capital Expenditure	142 484 850	142 332 525	14 241 454	96 393 745	67.72%	66.66%
<b>TOTAL EXPENDITURE</b>	<b>1 451 724 691</b>	<b>1 366 221 020</b>	<b>77 744 128</b>	<b>724 115 611</b>	<b>53.00%</b>	66.66%

### OPERATIONAL EXPENDITURE

The actual operational expenditure represents 51% of the budgeted operational expenditure which is also less than the 66.66% that could have been spent. The Operational expenditure does not include water and sewer expenses. A provision for bad debt and depreciation has not been allocated. It must be mentioned that an amount of R 66 million which represents bulk electricity purchased for February 2020 payable in March 2020 has not been included in the year to date expenditure. If the bulk electricity purchase, provision for bad debts and depreciation is included, the percentage year to date will increase to 52%.

### CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R14 241 454 at the end of February 2020. The total capital expenditure to date amounts to R 96 393 745 and the percentage spending is currently at 67%.

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## 1.2 SALARIES

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	357 715 346	331 256 903	27 047 039	210 757 390	63.62%	66.66%
<b>TOTAL</b>	<b>357 715 346</b>	<b>331 256 903</b>	<b>27 047 039</b>	<b>210 757 390</b>	<b>63.62%</b>	<b>66.66%</b>

## 1.3 OVERTIME

Department	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	33 565	0.00%	66.66%
02-Planning & economic development	0	0	0	0	0.00%	66.66%
03-Financial services	837 457	418 728	73 587	957 107	228.57%	66.66%
04-Corporate services	563 047	281 523	39 591	500 463	177.77%	66.66%
05-Engineering services	2 341 123	1 170 561	203 434	1 497 320	127.91%	66.66%
06-Community services	18 261 099	9 130 549	929 695	9 438 361	103.37%	66.66%
07-Electrical engineering	19 099 228	9 549 614	773 097	6 209 547	65.02%	66.66%
<b>Total</b>	<b>41 101 954</b>	<b>20 550 975</b>	<b>2 019 404</b>	<b>18 636 363</b>	<b>90.68%</b>	<b>66.66%</b>

The actual salary expenditure which includes social contributions represents 63.62% of the budgeted salary amount for the period under review. An amount of R2 million was paid for overtime for the month of February 2020

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## 1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28 302 991	28 302 991	2 185 418	17 606 423	62.21%	66.66%
<b>TOTAL</b>	<b>28 302 991</b>	<b>28 302 991</b>	<b>2 185 418</b>	<b>17 606 423</b>	<b>62.21%</b>	<b>66.66%</b>

## 2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	February Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARES	360 693 000	360 693 000	0	287 644 000	79.75%
FMG	2 145 000	2 145 000	0	2 145 000	100.00%
IIPSA		10 000 000	0	10 000 000	100.00%
INEP	20 000 000	20 000 000	8 000 000	20 000 000	100.00%
SETA		544 040	544 040	544 040	100.00%
MIG	94 263 000	94 263 000	0	63 718 000	67.60%
EPWP	5 749 000	5 749 000	1 723 000	5 749 000	100.00%
<b>TOTAL</b>	<b>482 850 000</b>	<b>493 394 040</b>	<b>10 267 040</b>	<b>389 800 040</b>	<b>79.00%</b>

An amount of R389million which represents 79% of all grants budgeted for has been received during the financial year.

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## 3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	February Spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from receipt
EQUITABLE SHARES	360 693 000	360 693 000	0	287 644 000	159 872 000	127 772 000	55.58%
FMG	2 145 000	2 145 000	254 645	2 145 000	1 236 603	908 397	57.65%
IIPSA		10 000 000		10 000 000		10 000 000	0.00%
INEP	20 000 000	20 000 000	2 932 969	20 000 000	7 398 746	12 601 254	36.99%
SETA		544 040	544 040	544 040	544 040	0	100.00%
MIG	94 263 000	94 263 000	4 733 080	63 718 000	52 789 464	10 928 536	82.85%
EPWP	5 749 000	5 749 000	3 136 609	5 749 000	3 610 894	2 138 106	62.81%
<b>TOTAL</b>	<b>482 850 000</b>	<b>493 394 040</b>	<b>11 601 343</b>	<b>389 800 040</b>	<b>225 451 747</b>	<b>164 348 293</b>	<b>57.84%</b>

It is clear from the tables above that R225 million of the R389 million grant money received was spent, 57.84% of grant money received for the financial year was spent.

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## 4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	February Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	140 000 000	140 000 000	9 542 955	76 254 032	54.47%	66.66%
Water	25 284 000	25 284 000	2 476 006	14 412 757	57.00%	66.66%
Sewer	7 800 100	7 800 100	532 143	4 016 300	51.49%	66.66%
Solid Waste	35 021 657	35 021 657	2 899 375	22 865 828	65.29%	66.66%
Electricity	577 501 000	577 501 000	39 318 716	346 203 469	59.95%	66.66%
Income foregone	-38 200 000	-38 200 000	3 231 312	25 373 816	-66.42%	66.66%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>58 000 507</b>	<b>489 126 204</b>	<b>65.44%</b>	<b>66.66%</b>

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## 5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	February Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	140 000 000	140 000 000	7 043 551	76 254 032	58 981 500	77.35%	42.13%
Water	25 284 000	25 284 000	1 725 752	14 412 757	14 149 477	98.17%	55.96%
Sewer	7 800 100	7 800 100	449 160	4 016 300	3 596 618	89.55%	46.11%
Solid Waste	35 021 657	35 021 657	2 475 291	22 865 828	20 521 666	89.75%	58.60%
Electricity	577 501 000	577 501 000	35 476 162	346 203 469	367 978 341	106.29%	63.72%
Income foregone	-38 200 000	-38 200 000	3 231 312	25 373 816	25 373 816	100.00%	-66.42%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>50 401 227</b>	<b>489 126 204</b>	<b>490 601 419</b>	<b>100.30%</b>	<b>65.64%</b>

## 6. BANK BALANCE

Name of institution	Cash in the Bank at 29 February 2019
ABSA	R43 079 976

Council had a positive Bank Balance of R43 079 976 at the end of February 2020.



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## 7. BANK RECONCILIATION

Feb-19

BALANCE ACCORDING TO BANK STATEMENT	6 489 484
BALANCE ACCORDING TO BANK STATEMENT	88 754
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	1 178 874
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	35 322 864
	<hr/>
	43 079 976
Less: OUTSTANDING CHEQUES	-7 399 427
	<hr/>
	35 680 549
Add: R/D CHEQUES	880 982
	<hr/>
	36 561 531
Less: OUTSTANDING DEPOSITS	-10 364 706
	<hr/>
	26 196 825
Add: CASH ON HAND	3 353 930
	<hr/>
	29 550 755
Add: PAYMENTS IN BANK NOT IN C/B	3 067
	<hr/>
BALANCE ACCORDING TO CASHBOOK	<b>29 553 821</b>
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## 8. INVESTMENT AS AT 29 February 2020

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## 8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 29 February 2020
Liberty life	R 279 169.44
Standard Bank	R17 388 103.00

An Annual investment with Liberty to repay a loan of R15 million on maturity date has been withdrawal and the account has a balance of R279 169.44. An investment of R 11 350 000 has been made with Standard Bank to repay a loan of R30 million on maturity date. The loan bears interest at a rate of 12.09% and the value of the investment amounts to R17 388 103.00

## 8.2 SHORT TERM INVESTMENTS

Institution Name	Type of Account	Rate	Amount
Absa	Call Account	6.15%	R15 000 000.00
<b>Total</b>			<b>R15 000 000.00</b>

Council had R15 million on short term investments as at 29 February 2020

## 9. DEBT MANAGEMENT

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## 9.1 LONG TERM LOAN

Greater Tzaneen Municipality has 5 loans with 3 different institutions. Attached is a list of loans with balances and interests amounts paid.

COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	31-Jul-19		31-Aug-19		30-Sep-19		Closing Balance
				Capital	Interest	Capital	Interest	Capital	Interest	
DBSA	STOCK	1/10/2009	15'000'000	Nil	Nil	Nil	Nil	15'000'000	376'079	Nil
ABSA	ANNUITY	2/6/2011	16'848'523	Nil	Nil	Nil	Nil	Nil	Nil	16'848'523
DBSA	ANNUITY	1/11/2010	30'170'361	296'527	342'887	152'268	167'384	147'561	172'090	29'870'533
STANDARD BANK		3/11/2015	30'000'000	Nil	Nil	Nil	Nil	Nil	Nil	30'000'000
DBSA	STOCK		40'000'000	Nil	Nil	Nil	Nil	Nil	1'135'726	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	Nil	Nil	Nil	Nil	255'836	20'000'000
<b>TOTAL</b>			<b>152'018'884</b>	<b>296'527</b>	<b>342'887</b>	<b>152'268</b>	<b>167'384</b>	<b>15'147'561</b>	<b>1'939'731</b>	<b>136'719'056</b>

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COMPAN Y NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	31-Oct-19		30-Nov-19		31-Dec-19		Closing Balance
				Capital	Interest	Capital	Interest	Capital	Interest	
DBSA	STOCK	1/10/2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ABSA	ANNUITY	2/6/2011	16'848'523	Nil	Nil	Nil	Nil	809'427	984'960	16'039'095
DBSA	ANNUITY	1/11/2010	29'870'533	148'407	171'244	160'251	159'400	144'710	174'942	29'417'165
STANDAR D BANK	STOCK	3/11/2015	30'000'000	Nil	1'828'405	Nil	Nil	Nil	Nil	30'000'000
DBSA	ANNUITY	1/10/2018	40'000'000	Nil	Nil	Nil	Nil	Nil	1'111'562	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	Nil	Nil	Nil	Nil	511'671	20'000'000
<b>TOTAL</b>			<b>136'719'056</b>	<b>148'407</b>	<b>1'999'650</b>	<b>160'251</b>	<b>159'400</b>	<b>954'137</b>	<b>2'783'134</b>	<b>135'456'260</b>

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COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	31-Jan-19		28-Feb-19		Closing Balance
				Capital	Interest	Capital	Interest	
DBSA	STOCK	1/10/2009	15'000'000	Nil	Nil	Nil	Nil	Nil
ABSA	ANNUITY	2/6/2011	16'039'095	Nil	Nil	Nil	Nil	16'039'095
DBSA	ANNUITY	1/11/2010	29'417'165	151'006	168'645	168'109	151'543	29'098'050
STANDARD BANK	STOCK	3/11/2015	30'000'000	Nil	Nil	Nil	Nil	30'000'000
DBSA	ANNUITY	1/10/2018	40'000'000	Nil	Nil	Nil	Nil	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	Nil	Nil	Nil	20'000'000
<b>TOTAL</b>			<b>135'456'260</b>	<b>151'006</b>	<b>168'645</b>	<b>168'109</b>	<b>151'543</b>	<b>135'137'145</b>

Long term loan expenditure paid for February 2020 is R 168 109

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## 10. CREDITORS AGE ANALYSIS

Trade creditors not paid within 30 days as at 29 February 2020:

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	VOLTEX	ELEC APPLIANCES	R 7,337.21	-	-	-	-	R 7,337.21	Tax Invoice received but not yet due
2	KM BOLT & NUTS	STEEL	R 1,998.14	-	-	-	-	R 1,998.14	Tax Invoice received but not yet due
3	MAGIC BUILDERS CENTRE	BUILDING MATERIAL	R 2,591.43	-	-	-	-	R 2,591.43	Tax Invoice received but not yet due
4	NTK		R 20,217.45	-	-	-	-	R 20,217.45	Tax Invoice received but not yet due
5	WALTONS	STATIONERY	R 26,409.71	-	-	-	-	R 26,409.71	Tax Invoice received but not yet due
6	LETABA LOCKSMITH	PADLOCKS	R1,897.50	-	-	-	-	R1,897.50	Tax Invoice received but not yet due
7	FORMS MEDIA INDEPENDENT	STATIONERY	R 26,288.80	-	-	-	-	R 26,288.80	Engagements in progress with supplier re. SARS query /VAT issues (Supplier not VAT Registered but claimed VAT)

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8	BRIAN PIERNAAR NORTH		R 3,277.50					R 3,277.50	Tax Invoice received but not yet due for payment (31 Mar 2020 )
9	BEKMAR IRRIGATION (PTY) LTD		R 26,708.43					R 26,708.43	Tax Invoice received but not yet due for payment (31 Mar 2020 )
10	REGAR TRADING T/A RHINO CHEMICALS		R5,703.26				-	R5,703.26	Tax Invoice received but not yet due for payment (31 Mar 2020 )
			<b>R 122,429.43</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 122,429.43</b>	

Sundry creditors not paid within 30 days as at 29 February 2020:

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	Current	16-30 DAYS	31-60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ESKOM	BULK PURCHASES	R25,559,257.49	R31,698,020.42	R27,780,915.30	-	-	-	R85,038,193.21	Current Tax Invoice received not yet due (payable 03 Apr 2020 )
		<b>TOTAL</b>	<b>R25,559,257.49</b>	<b>R31,698,020.42</b>	<b>R 27,780,915.30</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R85,038,193.21</b>	

The total outstanding creditors as per the creditors' age analysis amounted to R1, 925,771.82 at the end of February 2020, which includes the current amount of R 1,803,342.39

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## 11. REVENUE MANAGEMENT

### 11.1 RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS

RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS								
Age Analysis	Rates	Electricity	Refuse	Sewerage	Water	Total - Rates & Serv.	Total Sundry	Total
Current	10 147 354	43 959 547	3 711 446	735 875	3 450 861	62 005 082	-265 230	61 739 853
30 days	5 367 616	12 513 632	2 178 725	415 393	1 267 727	21 743 093	-599 134	21 143 959
60 days	4 470 008	7 419 649	1 826 108	584 833	4 375 768	18 676 367	134 531	18 810 898
90 days	4 286 435	4 839 599	1 862 736	325 553	984 822	12 299 145	139 364	12 438 508
120 days	4 155 628	12 861 323	1 463 267	356 055	1 291 919	20 128 192	450 700	20 578 892
120 days plus	184 016 905	147 138 210	78 148 562	21 177 605	86 378 671	516 859 951	36 002 855	552 862 806
<b>Balance</b>	<b>212 443 946</b>	<b>228 731 959</b>	<b>89 190 844</b>	<b>23 595 313</b>	<b>97 749 767</b>	<b>651 711 830</b>	<b>35 863 085</b>	<b>687 574 916</b>

The outstanding rates and service charges increased by 0.88% from R681 million in January to R687 million in February 2020. These amounts include sundry debtors of R35 million.



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## 11.2 AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days +	Total
GOVERNMENT	R 1 736 554.57	R 684 893.05	R 534 684.25	R 514 623.57	R 13 952 437.51	17 423 192.94
BUSINESS	R 31 763 827.11	R 7 443 224.08	R 4 241 602.54	R 2 899 648.93	R 140 370 914.20	186 719 216.85
INDIVIDUALS	R 18 579 920.14	R 8 030 427.19	R 9 039 812.48	R 5 351 211.17	R 247 358 629.09	288 360 000.07
OTHER	R 5 472 815.25	R 3 302 295.42	R 34 196.98	R 2 362 649.90	R 62 553 467.88	73 725 425.43
<b>BALANCE</b>	<b>57 553 117.06</b>	<b>19 460 839.74</b>	<b>13 850 296.25</b>	<b>11 128 133.57</b>	<b>464 235 448.67</b>	<b>566 227 835.29</b>

## 11.3 PAYMENT RATES PER TOWN

PAYMENT RATES PER TOWN - RATES AND SERVICE CHARGE DEBTORS			
Towns	Current Account	Payment Received	Payment Rate (%)
Tzaneen - Urban	28 820 365	-26 728 205	93%
Tzaneen - Rural	24 292 130	-17 979 727	74%
Nkowankowa	5 123 446	-1 484 255	29%
Lenyenye	1 031 513	-215 789	21%
Politsi	34 674	-22 550	65%
Letsitele	2 015 643	-1 968 893	98%
Haenertsburg	687 311	-386 825	56%
<b>Aggregate</b>	<b>62 005 082</b>	<b>-48 786 245</b>	<b>79%</b>

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## 11.4 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

The number of indigents registered and verified, amounts to 25 693 for the month ended 29 February 2020.

## 11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	10 598 190	(7 043 551)	3 554 638.83
Electricity	39 318 716	(35 476 162)	3 842 554.18
Water	2 476 006	(1 725 752)	750 253.93
Sewerage	532 143	(449 160)	82 983.44
Refuse Removal	2 899 375	(2 475 291)	424 083.93
Stand Sale	-	(5 200)	(5 200.00)
Sundry Charges	1 446 929	(1 611 129)	(164 200.55)
Interest charge on services debts	1 756 006		1 756 006.00
<b>TOTAL</b>	<b>59 027 364</b>	<b>(48 786 245)</b>	<b>10 241 119.76</b>

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## 12. CAPITAL PROJECTS

Project No	Capital Project	Original Budget 2019/2020	February	Actual July to February	% Spent
CSD-22	Purchase of Fleet: 1xTLB, 1xexcavator, 2xWaste Trucks, 1xLow Bed	2,900,000	-	-	0
CSD-23	Purchase of Grass cutting Machines	800,000	-	-	0
CSD-37	Purchase of mobile Air Qaulity monitoring station and calibrate annually	85,000	-	-	0
ESD-11	Mopye High School Access Road: Phase 1 of 2 and 2 of 2	14,365,700	-	3,793,749	26.41
ESD-12	Paving of Nelson Ramodike High Access Road phase 1 of 2 and phase 2 of 3 and 3 of 3	4,402,376	-	3,085,220	70.08
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street Phase	3,000,000	-	211,823	7.06
ESD-19	Mulati Access RoadPaving 1 of 3 and 2 of 3 and 3 of 3	19,134,345	95,338	13,228,083	69.13
ESD-25	Upgrading of Access Road- Mbambamencisi Phase 1	2,968,065	-	2,297,206	77.4
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3 and 2 of 3 and 3 of 3	19,554,712	1,128,223	17,368,992	88.82
ESD-28	Paving of moseanoka to Cell C Pharare internal streets in ward 28	2,000,000	1,725,388	1,725,388	86.25
ESD-31	Relela Access Road 1 of 4 Upgrading from gravel to paving	4,402,376	679,870	4,269,252	96.98
ESD-32	Matapa to Leseka Access Road Phase 1 of 2 and 2 of 2	4,402,376	291,084	7,523,416	170.89
ESD-34	Mawa B12 Low Level Bridge	2,000,000	-	314,046	15.7
ESD-42	Purchasing of tar cutting machines and small compactors	200,000	-	-	0

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ESD-44	New generator for georges valley	300,000	-	-	0
ESD-59	Area Lighting at R36 Kujwana turn off	300,000	-	-	0
ESD-60	Upgrading of old fire station building and civic centre	2,500,000	-	2,666,349	106.65
ESD-81	Fencing of cemetery Lesedi Regional Cemetry ( Lenyenye)	350,000	-	-	0
ESD-82	Ablution block with change room at Lesedi Regional Cemetery ( Lenyenye)	150,000	-	-	0
ESD-86	Fence Nkowankowa cemetery extension	350,000	-	-	0
ESD-87	Construct ablution with change room at Nkowankowa cemetery	150,000	-	-	0
ESD-100	Additions to existing Tzaneen stores including fencing	750,000	-	-	0
ESD-101	New Lenyenye Taxi RankPhase 1 of 2 and 2 of 2	8,119,900	467,375	3,359,566	41.37
ESD-110	Paving of Risaba, Mnisi, shando, to Driving school internal streets in ward 5	2,000,000	-	-	0
ESD-110	Paving of main road from Ndhuna mandlakazi, Efrika, Zangoma, Mpenyisi to Jamba Cross internal streets( in ward 13, Mandlakazi)	2,000,000	1,730,169	1,730,169	86.51
ESD-114	Rehabilitation of Haenertsburg Cementry road	1,000,000	-	149,077	9.94
ESD-117	Miniature Sub- Urban Distribution Networks	800,000	-	-	0
ESD-119	Substation Tripping Batteries	100,000	-	-	0

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ESD-120	Provision of Electrical Tools-Customer Retail	50,000	-	6,934	13.87
ESD-121	Provision of Electrical Tools-Operation and Maintenance	50,000	-	-	0
ESD-122	Replacement of Existing Air Conditioners in Municipal Buildings in phases	150,000	-	15,426	10.28
ESD-297	Purchase of the Mayoral Car	1,000,000	-	-	0
ESD-298	Purchase of the Speaker's Car	400,000	-	-	0
	Purchase of Office Furniture	200,000	-	-	0
EED-20	New generator for Head office	400,000	-	-	0
EED-46	Installation Entrance Street Lights R71	500,000	-	156,522	31.3
EED-47	R71 Deerpark Traffic Circle Lights SANRAL	1,600,000	-	-	0
EED-48	High Mast Lights at Dan Village	1,200,000	-	-	0
EED-115	New Electricity Connection -Consumer Contribution	4,000,000	91,974	1,422,923	35.57
EED-115	New Electricity Connection -Consumer Contribution	4,000,000	-326,713	3,212,936	80.32
EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	300,000	-	1,401,566	467.19
EED-123	Rebuilding of Lines- Green frog-Haenertsburg in phases	1,050,000	-	-	0
EED-124	Rebuilding of Lines-Gravelotte- De Neck	1,000,000	-	-	0

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EED-125	Rebuilding of Lines 33 KV-Lalapanzi/Waterbok	600,000	-	69,722	11.62
EED-126	Rebuilding of Mashuti 11KV Line (2 km)	400,000	-	-	0
EED-128	Rebuilding of Yamorna & Shivulari 11KV Line (4 km)	600,000	-	-	0
EED-127	Rebuilding of Deeside 11KV Line (2,5 km)	600,000	-	183,551	30.59
EED-129	Rebuilding of Ledzee 11KV Line from LZ44 to Vandergruy Farm(2,5 km)	1,400,000	-	-	0
EED-130	Rebuilding of Lines- Letsitele Valley Substation- Bosbou & all T offs (2,5 km)	500,000	-	-	0
EED-132	Rebuilding of Rooikoppies 11KV lines (5 km)	500,000	-	711,462	142.29
EED-139	Rebuilding of Mieliekloof & Deerpark 11KV lines (2,5 km)	500,000	-	-	0
EED-140	Rebuilding of Letaba Feeder 33KV lines (2,5 km)	1,000,000	-	-	0
EED-143	Substation Fencing at major substations in phases	500,000	-	-	0
EED-144	Replace 2 x 15 MVA 66/11 Kv Transformers with 2 x 20 MVA at Tzaneen Mainsub Phase 1 and 2	5,000,000	5,809,845	8,623,626	172.47
EED-146	Replace 11KV & 33KV Auto Reclosers p.a (x5) (Item B53 6/14)	1,000,000	-	-	0
EED-148	Refurbishment of Ebenezer 33KV Feeder (2,5 km)	1,000,000	-	-	0
EED-153	Rebuilding of Valencia 11KV Lines	500,000	-	-	0

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PED-30	Purchase of Geographical Information Systems Equipments	400,000	-	-	0
	Electrification of Motseteng	400,000	486,572	486,572	121.64
	Moruji-Matshwi-Kheshokolwe	2,693,273	2,062,329	2,062,329	76.57
	Rebuilding of Lines Thabina Valley	12,847,675	-	12,845,276	0
	Rebuilding of Lines Blacknoll		-	1,062,549	0
	Rebuilding of Lines Mabiet 11KV		-	779,852	0
	Khwekhwe Low Level Bridge (Retention Correction)		-	(75,654)	0.00
	Rebuilding of Lines Waterbok		-	1,014,811	0
	Rebuilding of Lines Mieliekloof		-	395,257	0
	Replacement of Aircons		-	55,000	0
	Auto Recloser		-	240,746	0
<b>TOTAL</b>		<b>145,025,798</b>	<b>14,241,454</b>	<b>96,400,251</b>	<b>66.47%</b>

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## MUNICIPAL INFRASTRUCTURE GRANT

The below spending on MIG grant figure, includes work in progress to date.

Moruji to Maswi Tar Road	The project is on practical completion and the contractor is busy attending to the snag list. (No expenditure for February and Accumulated expenditure is R116 248 425.28)
Upgrading of Lenyenye Taxi Rank	The Contractor has completed construction of the platform and cannot proceed with civil services where the market stalls has to be constructed due to land dispute. The Legal Department has issued the occupant with an eviction order and we await outcome. (Expenditure for February is R537 481.25 and Accumulated expenditure is R5 597 005.25 )
Upgrading of Mulati Access Road	Contract has been terminated and the matter awaits court outcome. (No expenditure for February and Accumulated expenditure is R23 571 075.27 )
Upgrading of Lenyenye to Khujwana Access Road	The Contractor has completed the surfacing of the road and is now busy with road marking and preparation for construction of drains. (No expenditure for February and Accumulated expenditure is R32 941 651.11 )
Construction of Mawa Block 12 Low level bridge	Contractor had completed the construction of pavement layers and culverts have been delivered. Due to rains, the layer works where eroded and they are behind schedule. The Contractor will be submitting application for extension of time (No expenditure for February and accumulated expenditure is R984 470.82 )
Upgrading of Relela Access Road	Contractor has completed base layer works for 500m and are busy with construction of kerbs, drains and interlocking bricks. (Expenditure for February is R781 850.50 and accumulated expenditure is R6 789 137.40 )
Mmatapa to Leseka Access Road	The Contractor is busy with box cut excavation on Road 2, construction of the upper selected on Road 1 and stockpiling of material from the borrow pit. (Expenditure for February is R334 746.94 and accumulated expenditure is R12 971 816.32)
Upgrading of CODESA to Hani Street Paving	Contract has been terminated and the matter awaits court outcome. (No expenditure for February and Accumulated expenditure is R8 732 369.10 )
Mopye High School Access Road	Contractor has completed excavations and is now busy with the base layer works construction. (No expenditure for February and Accumulated expenditure is R7 464 308.82 )
Nelson Ramodike High School Access Road	The Contractor has established the site and they are currently busy box cutting excavations and construction of the roadbed. (Expenditure for February is R1 297 455.87 and accumulated expenditure is R8 058 749.74)



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## 13. EXPENDITURE PER VOTE

Low Labels	Sum of Budget	Sum of February	Sum of July to February	% Spent
<b>02-Expense</b>	<b>1 230 545 641</b>	<b>63 502 674</b>	<b>627 721 866</b>	<b>51.01%</b>
<b>01-Municipal manager</b>	<b>71 183 861</b>	<b>6 266 146</b>	<b>54 598 623</b>	<b>76.70%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	16 431 483	1 508 843	11 033 974	67.15%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 185 388	398 594	3 084 054	49.86%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 185 418	17 606 423	62.21%
064DEPRECIATION	157 371	0	0	0.00%
066REPAIRS AND MAINTENANCE	49 118	0	12 240	24.92%
074CONTRACTED SERVICES	300 000	0	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1 250 000	201 495	667 750	53.42%
078GENERAL EXPENSES - OTHER	18 507 510	1 971 795	22 194 182	119.92%
<b>02-Planning &amp; economic development</b>	<b>29 106 702</b>	<b>1 934 669</b>	<b>19 323 746</b>	<b>66.39%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	14 887 099	1 580 105	10 432 210	70.08%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2 169 630	170 350	1 370 246	63.16%
064DEPRECIATION	302 091	0	0	0.00%
066REPAIRS AND MAINTENANCE	46 913	558	5 952	12.69%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420 248	0	210 267	50.03%
074CONTRACTED SERVICES	889 150	13 910	208 917	23.50%
078GENERAL EXPENSES - OTHER	10 391 571	169 747	7 096 156	68.29%
<b>03-Financial services</b>	<b>102 502 249</b>	<b>6 508 935</b>	<b>55 835 406</b>	<b>54.47%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 153 937	2 597 210	22 027 715	62.66%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 123 750	501 844	3 912 126	54.92%

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060BAD DEBTS	13 082 640	0	0	0.00%
062COLLECTION COSTS	900 000	0	139 329	15.48%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	678 539	0	0	0.00%
066REPAIRS AND MAINTENANCE	86 704	5 789	29 777	34.34%
074CONTRACTED SERVICES	8 300 000	201 476	3 282 204	39.54%
076GRANTS & SUBSIDIES PAID	2 145 000	254 645	1 236 603	57.65%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4 000 000	309 617	2 409 702	60.24%
078GENERAL EXPENSES - OTHER	31 031 679	2 638 355	22 797 950	73.47%
<b>04-Corporate services</b>	<b>59 983 697</b>	<b>5 124 428</b>	<b>38 816 209</b>	<b>64.71%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	29 144 360	2 734 082	19 171 004	65.78%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 438 602	462 705	3 570 297	55.45%
064DEPRECIATION	1 662 455	0	0	0.00%
066REPAIRS AND MAINTENANCE	272 484	77 109	669 847	245.83%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39 929	3 031	30 163	75.54%
074CONTRACTED SERVICES	2 000 000	119 004	1 200 706	60.04%
076GRANTS & SUBSIDIES PAID	939 106	456 000	456 000	48.56%
078GENERAL EXPENSES - OTHER	19 486 761	1 272 497	13 718 192	70.40%
<b>05-Engineering services</b>	<b>163 933 171</b>	<b>7 108 358</b>	<b>48 509 661</b>	<b>29.59%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	34 227 267	2 767 162	22 131 226	64.66%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 463 286	517 395	3 961 575	53.08%
064DEPRECIATION	77 118 006	0	0	0.00%
066REPAIRS AND MAINTENANCE	35 828 953	2 905 945	17 858 343	49.84%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2 796 472	0	1 469 238	52.54%
074CONTRACTED SERVICES	1 521 642	65 633	534 717	35.14%
078GENERAL EXPENSES - OTHER	4 977 545	852 224	2 554 563	51.32%

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<b>06-Community services</b>	<b>234 736 937</b>	<b>18 994 826</b>	<b>150 291 810</b>	<b>64.03%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	89 982 406	7 692 267	62 865 152	69.86%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	18 889 800	1 506 200	11 749 341	62.20%
060BAD DEBTS	30 547 440	0	0	0.00%
064DEPRECIATION	5 357 322	0	0	0.00%
066REPAIRS AND MAINTENANCE	1 555 188	123 460	996 424	64.07%
074CONTRACTED SERVICES	53 683 609	1 363 315	35 948 970	66.96%
076GRANTS & SUBSIDIES PAID	5 749 000	3 136 609	3 610 894	62.81%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	335 000	25 291	163 541	48.82%
078GENERAL EXPENSES - OTHER	28 637 172	5 147 684	34 957 488	122.07%
<b>07-Electrical engineering</b>	<b>569 099 024</b>	<b>17 565 311</b>	<b>260 346 411</b>	<b>45.75%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	47 991 484	3 925 643	30 010 288	62.53%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	9 394 934	684 639	5 438 183	57.88%
060BAD DEBTS	9 427 320	0	0	0.00%
064DEPRECIATION	44 724 216	0	0	0.00%
066REPAIRS AND MAINTENANCE	16 890 702	2 475 679	12 382 368	73.31%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	11 401 665	148 512	6 002 705	52.65%
072BULK PURCHASES	403 000 000	6 141 095	195 176 812	48.43%
074CONTRACTED SERVICES	80 118	6 804	38 782	48.41%
076GRANTS & SUBSIDIES PAID	20 098 000	2 932 969	7 398 746	36.81%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	0	0	0	0.00%
078GENERAL EXPENSES - OTHER	6 090 585	1 249 970	3 898 526	64.01%
<b>Grand Total</b>	<b>1 230 545 641</b>	<b>63 502 674</b>	<b>627 721 866</b>	<b>51.01%</b>

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## Reason for variance

### Municipal Manager

General expense: The legal division overspend on legal fees, the vote had an allocation of R12.5 million and an additional adjustment of R5 million currently it spend R19.3 million which is 105% of the budget

### Finance Services

General expense: overspending on consultant and professional fees due payments for service provider in the department (Sebata, ARMS, T-Cresent and Vat recovery)

### Corporate Services

Repairs and Maintenance: Due to payments made to service provide for maintenance of computer equipment & software at IT division

### Community Services

General expenses: Overspending due provisional share for vehicle license fees

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## 14. EXPENDITURE PER ITEM

Row Labels	Sum of Budget	Sum of February	Sum of July to February	% Spent
<b>02-Expense</b>	<b>1 230 545 641</b>	<b>63 502 674</b>	<b>627 721 866</b>	<b>51.01%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	267 818 036	22 805 312	177 671 568	66.34%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	57 665 390	4 241 728	33 085 822	57.38%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 185 418	17 606 423	62.21%
060BAD DEBTS	53 057 400	0	0	0.00%
062COLLECTION COSTS	900 000	0	139 329	15.48%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	130 000 000	0	0	0.00%
066REPAIRS AND MAINTENANCE	54 730 062	5 588 539	31 954 952	58.39%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14 658 314	151 543	7 712 372	52.61%
072BULK PURCHASES	403 000 000	6 141 095	195 176 812	48.43%
074CONTRACTED SERVICES	66 774 519	1 770 141	41 214 297	61.72%
076GRANTS & SUBSIDIES PAID	28 931 106	6 780 223	12 702 243	43.91%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	5 585 000	536 403	3 240 993	58.03%
078GENERAL EXPENSES - OTHER	119 122 823	13 302 272	107 217 055	90.01%
<b>Grand Total</b>	<b>1 230 545 641</b>	<b>63 502 674</b>	<b>627 721 866</b>	<b>51.01%</b>

The actual operational expenditure represents 51% of the budgeted operational expenditure which is less than the 66.66% budget target.

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## 15. Supply Chain Management

### 1. ACQUISITION MANAGEMENT

#### Requisitions and orders processed

NO	DESCRIPTION	2019/20	YEAR TO DATE
1.	Requisitions received from demand Management	204	1466
2.	Total number of orders processed for the January 2020	204	1446
3.	Total number of deviation orders processed for January 2020	21	94
4.	Total number of orders above R30 000 for 31 January 2020	13	151
5.	Difference between requisitions received and orders processed	0	0
6.	Number of cancelled orders January 2020	0	0

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## 2.Approved Deviations: February 2020

No	Order No	Service Provider	Description of goods & services	Amount	Department	Reason for Deviation
1.	D6259TZA	BB Motor	Taillight	R 4 044.44	Civil Engineering	Emergency
2.	D6204TZA	BB Motor	Lamp assy	R 3 410.04	Civil Engineering	Emergency
3.	D6219TZA	BB Motor	Nuts	R 7 147.40	Civil Engineering	Emergency
4.	D6056TZA	BB Motor	Nut hex	R 6 995.99	Civil Engineering	Emergency
5.	D6129TZA	BB UD Tzaneen	Wheel stud	R 6 519.30	Civil Engineering	Emergency
6.	D6103TZA	BB UD Tzaneen	Glass run	R 2 608.52	Civil Engineering	Emergency
7.	D6152TZA	BB UD Tzaneen	Tan reserve	R 2 090.79	Civil Engineering	Emergency
8.	D6041TZA	BDM Diesel Centre	Recon turbo	R 9 145.00	Civil Engineering	Emergency
9.	D5918TZA	B.E.C Konstruskie	Safety screen	R 19 006.05	Civil Engineering	Emergency
10.	D6120TZA	Diplidania Trading 18	Repair	R 3 047.50	Civil Engineering	Emergency
11.	D6203TZA	Diplidania Trading 18	Skim fly	R 9 753.61	Civil Engineering	Emergency
12.	D6210TZA	Diplidania Trading 18	Brake drum	R 9 315.00	Civil Engineering	Emergency
13.	D6127TZA	Electrilabs	Travel rate	R 15 247.07	Electrical Engineering	Emergency
14.	D6122TZA	Imperial Group	Repairs	R 106 282.40	Civil Engineering	Emergency

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15.	D6040TZA	Imperial Group	Disk brake	R 18 280.60	Civil Engineering	Emergency
16.	D6130TZA	Jv Hidrolies	Steel pin	R 4 786.61	Civil Engineering	Emergency
17.	D6250TZA	Limpopo Network Cabling	Local travel	R 3 208.50	Electrical Engineering	Emergency
18.	D6100TZA	Mandlakazi Electrical Tech	5 MKV 33KV/11KV transformer	R 979 800.00	Electrical Engineering	Emergency
19.	D6104TZA	Mayivuthe Contractors Cc	5 MVA 33/11KV transformer	R 1 207 500.00	Electrical Engineering	Emergency
20.	D6105TZA	Sonco Voertuie	Call out	R 3 049.80	Civil Engineering	Emergency
21.	D6222TZA	Sonco Voertuie	Call out	R 3 049.80	Civil Engineering	Emergency

### 3. Orders above R30 000.00 for February 2020

No	Order No	Service Provider	Description	Expenditure Jan'20
1.	D6245TZA	Bukuta	Hire grader	R 162 097.10
2.	D6086MDC	Bukuta	Water tanker	R 103 479.76
3.	D6069MDC	Bukuta	Hire TLB	R 57 589.70
4.	D6122TZA	Imperial Group	Repairs	R 106 282.40
5.	D6040TZA	Imperial Group	Disk brake	R 18 280.60
6.	D6227TZA	Kamo Jou Trading	Hire grader	R 162 097.10



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7.	D6140TZA	Letaba Asphaltech	Asphalt bags	R 54 000.00
8.	D6243TZA	Maloka Machaba Surfacing	Asphalt bags	R 62 100.00
9.	D6186TZA	Ntivombango Consulting	Bush clearing	R 36 400.00
10.	D6230TZA	Rivisi Electrical Contractors	Emergency work	R 79 374.15
11.	D6223TZA	Rivisi Electrical Contractors	Emergency work	R 79 374.15
12.	D6195TZA	Rivisi Electrical Contractors	Emergency work	R 30 061.00
13.	D6244TZA	Selema Plant Hire	Grader	R 162 097.10

#### 4. Closed Bids: None

No	Bid no	Description	Project Manager	Briefing session	Closing date	Status
1	SCMU 23/2019	Supply, delivery, connecting and commissioning of diesel generator	M.L Mahayi		14-Feb-20	Under BEC

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## 5. Advertised Bids

NO	Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Closing date
1.	SCMU 05/2020	Supply, delivery, connecting and commissioning of diesel generator	Yes	Yes	None	Yes	None	Yes	13 March 2020
2.	SCMU 04/2020	Cash -in- transit in banking services	yes	yes	None	yes	yes	yes	31 March 2020
3.	SCMU 14/2019	Supply and delivery of electrical material	Yes	Yes	None	Yes	Yes	Yes	01 April 2020
4.	SCMU 02/2020	Appointment of pool of electrical engineering services department	Yes	Yes	None	Yes	Yes	Yes	02 April 2020
5.	SCMU 03/2020	Appointment of a pool of service providers for training	Yes	Yes	None	Yes	Yes	Yes	03 April 2020

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## 6. Bids at BSC

NO	Bid No	Description of goods & services	Specification Date	Status	Project Manager	Date Approval
1.	SCMUQ 01/2020	MPAC public hearing on the 2018/2019 draft annual report, on 13 <sup>th</sup> March 2020	17 February 2020	Under BEC	W. Baloyi	25 February 2020
2.	SCMU 07/2020	Panel of eight (8) attorneys	28 February 2020	Waiting approval	T. Mampane	–
3.	SCMU 15/2019	Supply and delivery of grass cutting machine	28 February 2020	Waiting for approval	X. Gala	–

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## 7. Bids at BEC

NO	Bid No	Description of goods & services	Closing Date	BEC Date	Status	Project Manager
1.	SCMU 08/2019	Pool of 4 (four) service providers for personal protective equipment	02 August 2019	18 February 2020	Recommended for BAC	T. Mushiana
2.	SCMU 21/2019	Provision of an electronic performance management system	06 December 2019	24 February 2020	Recommended for BAC	M. Mabetwa
3.	SCMU 23/2019	Supply, delivery, connecting and commissioning of diesel generator	22 November 2019	14 February 2020	Recommended for BAC	M.L Mahayi
4.	SCMU 19/2019	Pool of service providers with 1GB CIDB grading (for general building	08 November 2020	–	Under BEC	M.L Mahayi

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NO	Bid No	Description of goods & services	Closing Date	BEC Date	Status	Project Manager
		Works) at Greater Tzaneen Municipality for a period of 36 Months.				
5.	SCMU 20/2019	Pool of Service Providers With 1CE Grading (For Civil Engineering Works) In the Greater Tzaneen Municipality for a period of 36 Months.	08 November 2020	–	Under BEC	M.L Mahayi

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## 8. Bids at BAC

No	Bid number	Description	Project Manager	Closing date	BAC date	status
1.	SCMU 18/2019	Supply and delivery of speaker's car	M.L Mahayi	25 October 2019	05 February 2020	Awaiting appointment by Accounting Officer
2.	SCMU 22/2020	Request for proposal to develop tourism strategy	F. Rammalo	22 November 2019	05 February 2020	Referred to BEC
3.	SCMU 04/2019	Supply and delivery of low voltage distribution and meter boxes	B. Tshawe	06 September 2019	05 February 2020	Awaiting appointment by Accounting officer

9. Bids awarded by CFO: None

10. Bids awarded by Accounting Officer: None

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## 11. Summary of key SCM processes done in February 2020

No	Description of SCM process/descriptions	Feburuary2020
1.	Number of new accredited suppliers registered with municipal's database	0
2.	Number of orders processed	204
3.	Number of approved deviations from SCM procedures	21
4.	Number of orders above R30,000.00 processed	13
5.	Number of bids approved (considered) by BSC	3
6.	Number of bids approved by MM for advertisement from BSC	1
7.	Number of new bids advertised	5
8.	Number of bids closed	1

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No	Description of SCM process/descriptions	February2020
9.	Number of bids evaluated by BEC (recommended for BAC or further consideration)	6
10.	Number of bids adjudicated by BAC (recommended further for consideration by MM)	3
11.	Number of Bids/contracts approved and appointed by CFO	0
12.	Number of Bids/contracts approved and appointed by MM	0
13.	Number of Contract report to Treasury	0
14.	Number of Contract report to Official Website	0
15.	Number of Contract report to Official Website	0



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## 12. Key challenges and recommendations

No	Challenges	Recommendations
1.	Office space for SCM documents	Staff complement in SCM is 5 permanent employees, excluding 3 students, with only 3 offices for both officials SCM bid files & documents. The municipality to identify storage for SCM bid files for proper storage.
2.	Completion of projects not reported back to SCMU by user departments in order to update the contract register.	Department(s) to submit report which covers current status of bid/progress reports and the completion date.
3.	Procurement plan not properly followed by user departments. Specifications are not aligned to the procurement plan.	Requests from user department must be in line with procurement plan.
4.	Commencement date of the projects is not in line with signed SLA.	The user departments to notify Supply Chain Management of any changes in order to update contract register.

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## 5. FRUITLESS AND WASTEFUL EXPENDITURE

	Fruitless and wasteful expenditure			
Name of Suppliers	Department	Date	Cheque Number	Amount
Forest Fig Properties-NYDA Office Rental	Corporate Services	July 2019	1082316	R242.78
Forest Fig Properties-NYDA Office Rental	Corporate Services	July 2019	1082457	R318.33
Compensation Commission	Finance	Aug 2019	1082804	R70,751.90
Forest Fig Properties-NYDA Office Rental	Corporate Services	Aug 2019	1082855	R1,701.69
Eskom	Electrical	Sep 2019	1083434	R371,443.83
Eskom	Electrical	Dec 2019	1084433	R1'780,292.45
Total				<b>R2,224,750.98</b>

There is no Fruitless and wasteful expenditure incurred during the month of February 2020.

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## 6. IRREGULAR EXPENDITURE

<b>Irregular Expenditure to Date</b>		
<b>Department</b>	<b>Year</b>	<b>YTD Expenditure</b>
MM	2019/2020	121 949.66
Council	2019/2020	
Corporate Services	2019/2020	
Community Services	2019/2020	4 487 836.73
Finance	2019/2020	121 949.66
PED	2019/2020	
Electrical Services	2019/2020	71 651.65
Engineering Services	2019/2020	7 467 016.48
<b>TOTAL</b>	<b>2019/2020</b>	<b>12 270 404.18</b>

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## 7. ASSET MANAGEMENT

### 1. PURPOSE:

The Asset Management Division of the Municipality is required to submit the following information to the Accounting Authority on a quarterly basis, in respect of each material Asset Management transactions, as well as on the overall implementation of the Asset Management Policy in the entity as a whole. In addition the GTM must report to the Finance Committee in respect of the following as it relates to Asset Management:

- A. Monthly Analysis Reports,
- B. Achievements,

### 2. REPORTING REQUIREMENTS:

#### A. QUATERLY PERFORMANCE ANALYSIS REPORTS:

##### ASSET PROCUREMENT ANALYSIS REPORT:

This section of the report relates to the asset spend analysis (quantum and rand value) during the past quarter for all asset transactions.

THRESHOLD- ASSET PURCHASES	QUANTITY	VALUE
Transactions Exceeding R 1 000	1	R51 625.77
Transactions Not Exceeding R 1 000		-
<b>TOTAL ASSET TRANSACTION VALUE (Including VAT)</b>		<b>R51 625.77</b>

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The various threshold values in the table above, determines the nature of the asset as well as the appropriate accounting treatment as follows:

**a. TRANSACTIONS NOT EXCEEDING R 1 000:**

- Accounting Treatment - Fixed Asset *Not* Capitalised
  - Asset recorded in the Fixed Asset (Inventory) Lists.
  - Asset recorded in the Fixed Asset Register - Minor Asset.

**b. TRANSACTIONS EXCEEDING R 1 000:**

- Accounting Treatment - Fixed Asset *is* Capitalised
  - Asset recorded in the Fixed Asset (Inventory) Lists.
  - Asset recorded in the Fixed Asset Register - Major Asset.

**ASSET DISPOSAL ANALYSIS REPORT:**

This section of the report relates to the asset disposals (quantum and rand value) that occurred during the past quarter for all disposal transactions by means of a transfer, donation, and tender or competitive sale process

THRESHOLD- ASSET PURCHASES	QUANTITY	VALUE
Asset Disposals through Transfers	-	R nil
Asset Disposals through Donations	-	R nil
Asset Disposals through Tender or Sale Process	-	R nil
<b>TOTAL TRANSACTION VALUE (Including VAT)</b>	<b>-</b>	<b>R nil</b>

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INTANGIBLE ASSETS	QTY	VALUE
Transfers in		-
<b>TOTAL</b>		<b>-</b>

## PROPERTIES

THRESHOLD- ASSET PURCHASES	QTY	VALUE	EXTENSION/ERF
Properties Transfers in	0	R 0.00	
Properties Transfers out	0	R 0.00	
		<b>R 0.00</b>	

## JOURNALS

Date	Account Name	Account	Debit	Credit
1 2019/08/31	Work In Progress	363/410/4005	23,357,947.98	
	Pavements, Bridges & Storm water	195/600/5202		22,129,486.01
	Electricity Reticulation	173/600/5005		631215.58
	Electricity Reticulation	183/600/5005		134596.57
	Electricity Reticulation	183/600/5105		462,649.82

***Capitalisation of WIP for the month***

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2	2019/08/31	Plant and Machinery	408/400/4005	20,854.47	
		Office Equipment	410/400/4005	31,640.87	
		Electricity Reticulation	183/600/5105		20,854.47
		Public Relations	003/078/1353		31,640.87
		<b><i>Recognition of current year additions- Other Assets</i></b>			

## A. ACHIEVEMENTS:

The GTM Asset Register was updated and maintained during the Month as assets are received.  
The process of tagging and recording of assets was also done.  
Movement of assets was done.  
Preparation of AFS is in place

## B. CHALLENGES:

The Asset Management faces the following challenges:

1. Shortage of staff
2. Issuing of electrical infrastructure without the completing the forms for identifications and locations

## 8. AUDIT FINDINGS

The Municipality got qualified audit opinion from Auditor General during the 2018/2019 financial year. An audit action plan has been developed and maintained on a monthly basis to address findings raised by Auditor General.

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## 9. FUEL EXPENDITURE

The total fuel expenditure for the month of February 2020 amounted to R 846,813.18

## 10. MSCOA PROGRESS

### Status of MSCOA SebataEMS Implementation:

#### Solution Functionality Readiness:

- Status

- Adjustment Budget and 2019/20 Budget captured and submitted to NT
- 19/20 Draft IDP and Budget tabled in MSCOA 6.3
- KPI's Linking to IDP in progress
- Configuration set up in Test Site
- Business process alignment: mSCOA SebataEMS business processes were aligned to Greater Tzaneen processes ready to be used at 1 July 2019.
- Water and Sewerage management – Solution Documented
- Costing Solution – Demonstrated, and well accepted, Fleet Management Solution to be build, manual work around to be find
- Assets solution to be demonstrated, defect on depreciation calculation to be fixed



# FEBRUARY 2019/20 FINANCIAL REPORT

- Summary View

		Config Test	Process Demo	Users Mapped	Users Trained	Status
Budget	Adjustment Budget	Y	Y	Y	Y	On Track
Budget	Budget 2019/20	Y	Y	Y	Y	On Track
Inventory	Inventory	Y	Y	Y		On Track
SCM	Vendor Management	Y	Y	Y		On Track
SCM	Requisition	Y	Y	No		Behind
SCM	Quotation	Y	Y	Y		On Track
SCM	Contracts	Y	Y	Y		On Track
SCM	Purchase Order	Y	Y	Y		On Track
SCM	Goods Receipt Note	Y	Y	Y		On Track
AP	Invoice	Y	Y	Y		On Track
AP	Payment Run	Y	Y	Y		On Track
FIN	Cash Book	Y	Y	Y		On Track

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FIN	Loans	Y	Y	Y		On Track
FIN	Investment	Y	Y	Y		On Track
INV	Inventory	Y	Y	Y		On Track
Assets	Assets	Y	No	No		Behind
Costing	Costing	Y	Y	Y		On Track
HR	Payroll	N/a	N/a	N/a	N/a	N/a
Billing	Billing	Y	Y	Y		On Track

## Data Conversion Status

- **Status**
  - All data sets and load programs tested
- **Next Steps**
  - Extract All data files, do final test on load files and conduct reconciliations
  - Load All Billing data, conduct billing run and compare results to ensure all billing settings are correct

# FEBRUARY 2019/20 FINANCIAL REPORT

- Summary View

		Load Tested	Program	Data Tested	Data Reconciled
GL	GL Opening Balances	Y		Y	Y
Inventory	Inventory Opening Balances	Y		Y	Y
SCM	Open Invoices	Y		No	No
Assets	Opening Balances	Y		Y	No
HR	Employees and Org Structure	Y		Y	Y
Finance	Loans Captured	Y		Y	No
Finance	Investments Captured	Y		Y	No
Finance	Cash Book Captured	Y		y	No
Billing	Billing /Revenue	Y		y	No

**Interface Readiness:**

- **Status**
  - Interface files tested with test data
- **Next Steps**
  - Test interfaces with real data end to end with 3<sup>rd</sup> party sign-off

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- Summary View

		Tested	3 <sup>rd</sup> Party
CSD	Central Supplier Data Base	Yes	Yes
Payroll File	Payroll information from Payday	Yes	No
Bank File	Bank files from ABSA	Yes	No
Bank File	Payment File	No	No
Meter Reading File	Meter Readings	Yes	No

Ms M.P MAKHUBELA

CHIEF FINANCIAL OFFICER

# FEBRUARY 2019/20 FINANCIAL REPORT

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## GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
UD	User Department
CS	Corporate Services
CFO	Chief Financial Officer
SCMU	Supply Chain Management Unit
BSC	Bid Specification Committee
CK	Company Registration
MFMA	Municipal Finance Management Act
SCMP	Supply Chain Management Policy
G.T.M	Greater Tzaneen Municipality
NT	National Treasury
BO	Buy Order
RF	Requisition Form
BF	Bid File
CIDB	Construction Industry Development Board
SP	Service Provider
MM/AC	Municipal Manager/Accounting Officer
BCM	Bid Committee Member
TCC	Tax Clearance Certificate