

# GREATER TZANEEN MUNICIPALITY



## JULY 2019/2020 FINANCIAL REPORT

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## 1. BUDGET PERFORMANCES

### 1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation (R)	Adjustment Budget (R)	July (R)	YTD Expenditure (R)	%YTD Expenditure	% YTD Target
Operating Expenditure	1,309,239,841	1,309,239,841	47,352,244	47,352,244	3.62%	8.33%
Capital Expenditure	142,484,850	142,484,850	5,554,740	5,554,740	3.90%	8.33%
<b>TOTAL EXPENDITURE</b>	<b>1,451,724,691</b>	<b>1,451,724,691</b>	<b>52,906,984</b>	<b>52,906,984</b>	<b>3.64%</b>	<b>8.33%</b>

### OPERATIONAL EXPENDITURE

The actual operational expenditure represents 3.62% of the budgeted operational expenditure which is also less than the 8.33% 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 R58.3 million which represents bulk electricity purchased for June 2019 payable in July 2019 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 8%.

### CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R 5,554,740 for the month of July 2019 which represents a percentage spending of 3.9%.

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## 1.2 SALARIES

Description	Allocation (R)	Adjustment Budget (R)	July (R)	YTD Expenditure (R)	%YTD Expenditure	% YTD Target
Employee Related Cost	357,715,346	357,715,346	28,147,860	28,147,860	7.87%	8.33%
<b>TOTAL</b>	<b>357,715,346</b>	<b>357,715,346</b>	<b>28,147,860</b>	<b>28,147,860</b>	<b>7.87%</b>	<b>8.33%</b>

## 1.3 OVERTIME

Department	Allocation (R)	Adjustment Budget (R)	July (R)	YTD Expenditure (R)	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	12,765	12,765	0.00%	0.00%
02-Planning & economic	0	0	0	0	0.00%	8.33%
03-Financial services	837,457	837,457	126,513	126,513	15.11%	8.33%
04-Corporate services	563,047	563,047	78,657	78,657	13.97%	8.33%
05-Engineering services	2,341,123	2,341,123	112,806	112,806	4.82%	8.33%
06-Community services	18,261,099	18,261,099	1,343,656	1,343,656	7.36%	8.33%
07-Electrical engineering	19,099,228	19,099,228	656,485	656,485	3.44%	8.33%
<b>Total</b>	<b>41,101,954</b>	<b>41,101,954</b>	<b>2,330,882</b>	<b>2,330,882</b>	<b>5.67%</b>	<b>8.33%</b>

The actual salary expenditure which includes social contributions represents 7.87% of the budgeted salary amount for the period under review. An amount of R2.3 million was paid for overtime which is less than the R3.4 million budgeted for the financial year

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## 1.4 REMUNERATION ON COUNCILLORS

Description	Allocation (R)	Adjustment Budget (R)	July (R)	YTD Expenditure (R)	%YTD Expenditure	% YTD Target
Remunerations of Councilors	28,302,991	28,302,991	2,197,017	2,197,017	7.76%	8.33%
<b>TOTAL</b>	<b>28,302,991</b>	<b>28,302,991</b>	<b>2,197,017</b>	<b>2,197,017</b>	<b>7.76%</b>	<b>8.33%</b>

## 2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation (R)	Adjustment Budget (R)	July Receipt (R)	YTD Receipt (R)	%YTD Receipt
EQUITABLE SHARES	360,693,000	360,693,000	159,872,000	159,872,000	44.32%
FMG	2,145,000	2,145,000	0	0	0.00%
INEP	20,000,000	20,000,000	4,000,000	4,000,000	20.00%
MIG	94,263,000	94,263,000	31,236,000	31,236,000	33.14%
EPWP	5,749,000	5,749,000	0	0	0.00%
<b>TOTAL</b>	<b>482,850,000</b>	<b>482,850,000</b>	<b>195,108,000</b>	<b>195,108,000</b>	<b>40.41%</b>

An amount of R195 million which represents 40.41% of all grants budgeted for has been received during the financial year.

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## 3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget (R)	Adjustment Budget (R)	June spending (R)	YTD receipt (R)	YTD spent (R)	Total unspent/ overspent (R)	% Spent from receipt
EQUITABLE SHARES	360,693,000	360,693,000	159,872,000	159,872,000	159,872,000	0	100.00%
FMG	2,145,000	2,145,000	107,137	0	107,137	-107,137	0.00%
INEP	20,000,000	20,000,000	0	4,000,000	0	4,000,000	0.00%
MIG	94,263,000	94,263,000	4,256,877	31,236,000	4,256,877	26,979,123	13.63%
EPWP	5,749,000	5,749,000	689,061	0	689,061	-689,061	0.00%
<b>TOTAL</b>	<b>482,850,000</b>	<b>482,850,000</b>	<b>164,925,075</b>	<b>195,108,000</b>	<b>164,925,075</b>	<b>30,182,925</b>	<b>84.53%</b>

It is clear from the tables above that R164 million of the R195 million grant money received was spent, 84.53% of grant money received for the financial year was spent.

## 4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	July Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	140,000,000	140,000,000	9,372,453	9,372,453	6.69%	8.33%
Water	25,284,000	25,284,000	529,896	529,896	2.10%	8.33%
Sewer	7,800,100	7,800,100	343,989	343,989	4.41%	8.33%
Solid Waste	35,021,657	35,021,657	2,707,815	2,707,815	7.73%	8.33%
Electricity	577,501,000	577,501,000	46,464,305	46,464,305	8.05%	8.33%
Income foregone	-38,200,000	-38,200,000	-3,297,199	-3,297,199	8.63%	8.33%
<b>TOTALS</b>	<b>747,406,757</b>	<b>747,406,757</b>	<b>56,121,260</b>	<b>56,121,260</b>	<b>7.51%</b>	<b>8.33%</b>

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## 5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	July Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	140,000,000	140,000,000	7,044,633	9,372,453	7,044,633	75.16%	5.03%
Water	25,284,000	25,284,000	1,584,035	529,896	1,584,035	298.93%	6.26%
Sewer	7,800,100	7,800,100	438,582	343,989	438,582	127.50%	5.62%
Solid Waste	35,021,657	35,021,657	3,261,857	2,707,815	3,261,857	120.46%	9.31%
Electricity	577,501,000	577,501,000	41,469,378	46,464,305	41,469,378	89.25%	7.18%
Income foregone	-38,200,000	-38,200,000	-3,297,199	-3,297,199	-3,337,443	101.22%	8.74%
<b>TOTALS</b>	<b>747,406,757</b>	<b>747,406,757</b>	<b>50,501,286</b>	<b>56,121,260</b>	<b>50,461,042</b>	<b>89.91%</b>	<b>6.75%</b>

## 6. BANK BALANCE

Name of institution	Cash in the Bank at 31 July 2019
ABSA	R 87 347 448.33

Council had a positive Bank Balance of R 87 347 448.33 at the end of July 2019.

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## 7. BANK RECONCILIATION

July-19

BALANCE ACCORDING TO BANK STATEMENT	R 55 699 571.87
BALANCE ACCORDING TO BANK STATEMENT	R 354 992.89
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	R 5 248 784.83
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	R 26 044 098.74
	<u>R 87 347 448.33</u>
Less: OUTSTANDING CHEQUES	<u>-R 14 043 436.81</u>
	R 73 304 011.52
Add: R/D CHEQUES	<u>R 121 799.17</u>
	R 73 425 810.69
Less: OUTSTANDING DEPOSITS	<u>-R 5 334 357.75</u>
	R 68 091 452.94
Add: CASH ON HAND	<u>R 738 813.79</u>
	R 68 830 266.73
Add: PAYMENTS IN BANK NOT IN C/B	<u>304.83</u>
BALANCE ACCORDING TO CASHBOOK	<u><b>R 68 830 571.56</b></u>



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## 8. INVESTMENT AS AT 31 July 2019

### 8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 31 July 2019
Liberty life	R15 096 341.18
Standard Bank	R17 388 103.00

An Annual investment of R860 000.00 has been made with Liberty to repay a loan of R15 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R15 096 341. 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 R 16 125 318.

### 8.2 SHORT TERM INVESTMENTS

Institution Name	Type of Account	Rate	Amount
Absa	Call Account	6.15%	R15 000 000.00
Nedbank	Call Account	6.00%	R10 000 000.00
Nedbank	32 Days	7.33%	R20 000 000.00
Investec	Call Account	6.35%	R20 000 000.00
<b>Total</b>			<b>R65 000 000.00</b>

Council had R65 million on short term investments as at 31 July 2019

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## 9. DEBT MANAGEMENT

### 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		Closing Balance
				Capital	Interest	
DBSA	STOCK	1/10/2009	15,000,000	Nil	Nil	15,000,000
ABSA	ANNUITY	2/6/2011	16,848,523	Nil	Nil	16,848,523
DBSA	ANNUITY	1/11/2010	30,466,889	296,527	342,887	30,170,362
STANDARD BANK		3/11/2015	30,000,000	Nil	Nil	30,000,000
DBSA	STOCK		40,000,000	Nil	Nil	40,000,000
<b>TOTAL</b>			<b>132,315,412</b>	<b>296,527</b>	<b>342,887</b>	<b>132,018,885</b>

Long term loan expenditure paid for July 2019 is R 296,527.00.

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## 10. CREDITORS AGE ANALYSIS

Trade creditors not paid within 30 days as at 31 July 2019:

NO	SUPPLIER NAME	CHQ /GRN NUMBER/REF	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	TZANEEN PRECISION MOTOR WORKS	150620	R 46,527.85	-	-	-	-	R 46,527.85	Tax Invoice not signed off by user department, due to work not done to satisfaction
2	RIVISI ELECTRICAL CONTRACTORS	150456/150474	R 225,463.50	-	-	-	-	R 225,463.50	Tax Invoice not signed off by user department, due to work not done to satisfaction
3	SWARELELANG TRADING ENTERPRISE	150682/150686	R 28,200.00	-	-	-	-	R 28,200.00	Tax Invoice not signed off by user department, due to work not done to satisfaction
4	KAMO JOU TRADING AND PROJECTS (PTY) LTD	150255/150675	R 957,284.43	-	-	-	-	R 957,284.43	Tax Invoice not signed off by user department, due to work not done to satisfaction
5	DYNAMIC SAFE AND CLEAN SOLUTIONS (PTY) LTD	15062/150627	R 28,000.00	-	-	-	-	R 28,000.00	Tax Invoice not signed off by user department, due to work not done to satisfaction
6	MMAHLABA KGOMO DEVELOPMENT AGENCY	150577	R 28,500.00					R 28,500.00	Tax Invoice not signed off by user department, due to work not done to satisfaction

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7	TOPHILL HOME PROJECTS AND CONSTRUCTION (PTY) LTD	150710/150732	R 173,745.00					R 173,745.00	Tax Invoice not signed off by user department, due to work not done to satisfaction
		<b>TOTAL</b>	<b>R 1,487,720.78</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 1,487,720.78</b>	

Sundry creditors not paid within 30 days as at 31 July 2019:

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	CHQ /GRN NUMBER	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ESKOM	BULK PURCHASES	9725598889	R 58,317,024	R 30,000,000	-	-	-	R 88,317,024	Current Tax Invoice received, but not yet due (Payable 02 Sept 2019 ) – Payment Arrangement made due to Cash flow challenges
			<b>TOTAL</b>	<b>R 58,317,024</b>	<b>R 30,000,000</b>	<b>R 00.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 88,317,024</b>	

The total outstanding creditors as per the creditors' age analysis amounted to R 88,317,024 at the end of July 2019

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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	9,713,774	54,278,479	3,397,689	658,378	2,912,956	70,961,276	870,085	71,831,361
30 days	5,213,183	9,789,355	1,658,787	375,274	1,366,929	18,403,527	194,309	18,597,836
60 days	4,234,595	3,873,883	1,485,427	299,306	869,784	10,762,995	61,695	10,824,690
90 days	4,012,618	8,489,110	1,371,678	374,595	1,979,174	16,227,175	126,291	16,353,466
120 days	3,845,061	3,411,926	1,387,096	329,399	1,297,212	10,270,695	-910,687	9,360,009
120 days plus	166,171,486	131,915,595	72,848,458	19,957,393	84,410,606	475,303,538	36,290,123	511,593,661
<b>Balance</b>	<b>193,190,717</b>	<b>211,758,348</b>	<b>82,149,136</b>	<b>21,994,345</b>	<b>92,836,661</b>	<b>601,929,207</b>	<b>36,631,816</b>	<b>638,561,023</b>

The outstanding rates and service charges increased by 2.74% from R621 million in June to R638 million in July 2019. These amounts include sundry debtors of R36 million.

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## 11.2 AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current (R)	0 - 30 Days (R)	31 - 60 Days (R)	61 - 90 Days (R)	91 - 120 Days + (R)	Total (R)
GOVERNMENT	2,045,590	857,460	711,030	657,354	16,928,784	21,200,218
BUSINESS	42,294,846	6,266,501	3,304,153	7,808,865	155,986,370	215,660,735
INDIVIDUALS	16,935,355	9,135,829	5,625,447	6,515,777	301,969,809	340,182,217
OTHER	10,555,570	2,338,046	1,184,060	1,371,470	46,068,707	61,517,853
<b>BALANCE</b>	<b>71,831,361</b>	<b>18,597,836</b>	<b>10,824,690</b>	<b>16,353,466</b>	<b>520,953,670</b>	<b>638,561,023</b>

## 11.3 PAYMENT RATES PER TOWN

PAYMENT RATES PER TOWN - RATES AND SERVICE CHARGE			
Towns	Current Account	Payment Received	Payment Rate (%)
Tzaneen - Urban	27,049,018	-27,221,763	101%
Tzaneen - Rural	35,293,776	-23,424,790	66%
Nkowankowa	3,981,000	-1,301,275	33%
Lenyenye	1,005,124	-343,900	34%
Politsi	25,784	-20,676	80%
Letsitele	3,292,082	-2,833,607	86%
Haenertsburg	314,493	-431,538	137%
<b>Aggregate</b>	<b>70,961,276</b>	<b>-55,577,549</b>	<b>78%</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 31 July 2019.

## 11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	10,343,165	-7,044,633	3,298,532
Electricity	46,464,305	-41,469,378	4,994,928
Water	529,896	-1,584,035	-1,054,139
Sewerage	343,989	-438,582	-94,593
Refuse Removal	2,707,815	-3,261,857	-554,042
Stand Sale	7,590	-1,700	5,890
Sundry Charges	850,286	-1,777,365	-927,078
Interest charge on services debts	1,813,529	0	1,813,529
<b>TOTAL</b>	<b>63,060,575</b>	<b>-55,577,549</b>	<b>7,483,026</b>

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## 12. CAPITAL PROJECTS

Project No	Capital Project	Original Budget	July	% Spent
CSD-22	Purchase of Fleet: 1xTLB, 1xexcavator, 2xWaste Trucks, 1xLow Bed	7,500,000		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	912,527	6.35
ESD-12	Paving of Nelson Ramodiike High Access Road phase 1 of 2 and phase 2 of 3	4,402,376		0
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street Phase	3,000,000		0
ESD-19	Mulati Access RoadPaving 1 of 3 and 2 of 3 and 3 of 3	19,134,345		0
ESD-25	Upgrading of Access Road- Mbambamencisi Phase 1	2,968,065	1,218,118	41.04
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3 and 2 of 3	19,554,712	1,316,958	6.73
ESD-28	Paving of moseanoka to Cell C Pharare internal streets in ward 28	2,000,000		0
ESD-31	Relela Access Road 1 of 4 Upgrading from gravel to paving	4,402,376		0
ESD-32	Matapa to Leseka Access Road Phase 1 of 2 and 2 of 2	4,402,376		0
ESD-34	Mawa B12 Low Level Bridge	2,000,000		0
ESD-42	Purchasing of tar cutting machines and small compactors	200,000		0
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		0



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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		0
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		0
ESD-114	Rehabilitation of Haenertsburg Cemenry road	1,500,000		0
ESD-117	Miniature Sub- Urban Distribution Networks	800,000		0
ESD-119	Substation Tripping Batteries	100,000		0
ESD-120	Provision of Electrical Tools-Customer Retail	50,000		0
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		0
ESD-297	Purchase of the Mayoral Car	1,200,000		0
ESD-298	Purchase of the Speaker's Car	700,000		0
EED-20	New generator for Head office	400,000		0
EED-46	Installation Entrance Street Lights R71	500,000		0
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	15,000,000	809,514	5.4

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EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	300,000	332,888	110.96
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
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 Vandergry 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		0
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
PED-30	Purchase of Geographical Information Systems Equipments	1,000,000		0
<b>TOTAL</b>		<b>142,484,850</b>	<b>5,554,740</b>	<b>3.90%</b>

# JULY 2019/20 FINANCIAL REPORT

## MUNICIPAL INFRASTRUCTURE GRANT

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

Moruji to Maswi Tar Road	The road is surfaced and open to chainage 12,05km. The Contractor is busy with construction of drains. (No expenditure for July and Accumulated expenditure is R116 248 425.28)
Upgrading of Lenyenye Taxi Rank	The project will be re-advertised on the 02/07/2019 (No expenditure for July and Accumulated expenditure R1 733 504.05)
Upgrading of Mulati Access Road	The Contractor has construction of the RAL intersection, pre-shaping of the base for up to chainage 5.8kms. (Expenditure for July is R292 134.20 and Accumulated expenditure is R9 191 439.64)
Upgrading of Lenyenye to Khujwana Access Road	The Contractor has primed from chainage 0-1, 7kms, sub base up to chainage 4,4kms and has commenced with construction of the drains. (Expenditure for July is R1 514 501.42 and Accumulated expenditure is R16 235 970.77)
Upgrading of Mbambamencisi Access Road	The Contractor has Completed 100% of the laying of interlocking bricks and is now busy with placing of the kerbs. (Expenditure for July is R1 400 835.14 and Accumulated expenditure is R4 578 806.83)
Construction of Mawa Block 12 Low level bridge	A Contractor has been appointed. Site Handover is scheduled for the 12/08/2019 (No expenditure for July and accumulated expenditure is R623 318.07 )
Upgrading of Relela Access Road	A contractor has been appointed and Site handover was done 31/07/2019. We await the formulation of a PSC, appointment of a CLO and Site Establishment. (No expenditure for July and accumulated expenditure is R1 957 000.01)
Mmatapa to Leseka Access Road	A Contractor has been appointed. We await submission of contractual requirements, handover is scheduled. (No expenditure for July and accumulated is R3 162 875.22)
Upgrading of CODESA to Hani Street Paving	The Contractor has completed the construction of the base and kerbs. They are busy the construction of V-drains. (No expenditure for July and Accumulated expenditure is R8 488 772.96)
Mopye High School Access Road	The Contractor has completed the Construction of the roadbed from 0-1.6km and is busy with preparation of the upper selected. (Expenditure for July is R1 049 406.02 and Accumulated expenditure is R4 399 620.09)
Nelson Ramodike High School Access Road	Site Handover is scheduled for 07/08/2019 (No expenditure for July and accumulated expenditure is R3 213 290.71)

# JULY 2019/20 FINANCIAL REPORT

## 13. EXPENDITURE PER VOTE

Row Labels	Budget (R)	June (R)	% Spent
<b>02-Exp</b>	<b>1,309,239,840</b>	<b>47,352,244</b>	<b>3.62%</b>
<b>01-Municipal manager</b>	<b>75,896,714</b>	<b>7,744,292</b>	<b>10.20%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	17,526,612	1,348,676	7.70%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6,797,693	391,217	5.76%
058REMUNERATIONS OF COUNCILLORS	28,302,991	2,197,017	7.76%
064DEPRECIATION	162,351	0	0.00%
066REPAIRS AND MAINTENANCE	703,469	0	0.00%
074CONTRACTED SERVICES	400,000	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	2,450,000	155,462	6.35%
078GENERAL EXPENSES - OTHER	19,553,598	3,651,920	18.68%
<b>02-Planning &amp; economic development</b>	<b>31,519,454</b>	<b>2,387,483</b>	<b>7.57%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	15,016,418	1,615,676	10.76%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2,430,938	191,090	7.86%
064DEPRECIATION	311,650	0	0.00%
066REPAIRS AND MAINTENANCE	145,912	0	0.00%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420,248	0	0.00%
074CONTRACTED SERVICES	1,389,150	16,381	1.18%

# JULY 2019/20 FINANCIAL REPORT

078GENERAL EXPENSES - OTHER	11,805,138	564,336	4.78%
<b>03-Financial services</b>	<b>111,900,728</b>	<b>4,272,402</b>	<b>3.82%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35,721,383	3,000,274	8.40%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7,817,390	524,385	6.71%
060BAD DEBTS	17,900,000	0	0.00%
062COLLECTION COSTS	1,200,000	0	0.00%
063INVENTORY SURPLUS/LOSS	0	0	0.00%
064DEPRECIATION	700,010	0	0.00%
066REPAIRS AND MAINTENANCE	286,362	1,738	0.61%
074CONTRACTED SERVICES	9,608,383	0	0.00%
076GRANTS & SUBSIDIES PAID	2,145,000	107,137	4.99%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4,000,000	0	0.00%
078GENERAL EXPENSES - OTHER	32,522,200	638,867	1.96%
<b>04-Corporate services</b>	<b>63,782,578</b>	<b>4,147,912</b>	<b>6.50%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	30,303,166	2,494,044	8.23%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7,484,435	480,091	6.41%
064DEPRECIATION	1,715,059	0	0.00%
066REPAIRS AND MAINTENANCE	1,001,517	46,140	4.61%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39,929	6,858	17.17%
074CONTRACTED SERVICES	3,900,000	61,447	1.58%

# JULY 2019/20 FINANCIAL REPORT

078GENERAL EXPENSES - OTHER	19,338,472	1,059,333	5.48%
<b>05-Engineering services</b>	<b>161,128,643</b>	<b>4,499,579</b>	<b>2.79%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35,968,516	2,809,543	7.81%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	8,341,430	507,134	6.08%
055EMPLOYEE COSTS CAPITALIZED	-2,752,451	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-63,847,839	-761,371	1.19%
064DEPRECIATION	79,558,205	0	0.00%
066REPAIRS AND MAINTENANCE	81,745,048	595,092	0.73%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2,796,472	0	0.00%
074CONTRACTED SERVICES	2,231,642	66,897	3.00%
078GENERAL EXPENSES - OTHER	17,087,620	1,282,284	7.50%
<b>06-Community services</b>	<b>280,717,227</b>	<b>15,935,132</b>	<b>5.68%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	99,922,871	8,810,585	8.82%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	21,051,120	1,531,967	7.28%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-18,744,426	0	0.00%
060BAD DEBTS	41,800,000	0	0.00%
064DEPRECIATION	5,526,841	0	0.00%
066REPAIRS AND MAINTENANCE	40,344,936	174,034	0.43%
074CONTRACTED SERVICES	55,962,588	3,405,495	6.09%
076GRANTS & SUBSIDIES PAID	5,749,000	689,061	11.99%

# JULY 2019/20 FINANCIAL REPORT

077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	456,000	0	0.00%
078GENERAL EXPENSES - OTHER	28,648,297	1,323,989	4.62%
<b>07-Electrical engineering</b>	<b>584,294,496</b>	<b>8,365,444</b>	<b>1.43%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	58,552,235	3,723,585	6.36%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	10,781,138	719,594	6.67%
055EMPLOYEE COSTS CAPITALIZED	-11,197,269	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-57,383,638	0	0.00%
060BAD DEBTS	12,900,000	0	0.00%
064DEPRECIATION	46,139,397	0	0.00%
066REPAIRS AND MAINTENANCE	83,584,885	2,904,822	3.48%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	11,401,665	336,029	2.95%
072BULK PURCHASES	403,000,000	0	0.00%
074CONTRACTED SERVICES	200,119	1,295	0.65%
076GRANTS & SUBSIDIES PAID	20,000,000	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1,221,812	0	0.00%
078GENERAL EXPENSES - OTHER	5,094,152	680,119	13.35%
<b>Grand Total</b>	<b>1,309,239,840</b>	<b>47,352,244</b>	<b>3.62%</b>

# JULY 2019/20 FINANCIAL REPORT

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## Reason for variance

### Municipal Manager

General expense: The legal division overspend on legal fees, the vote has an allocation of R12.5 million and spend R2.7 million which is 22% of the budget

### Planning and Economic Development

Employee related cost: The LED division overspend due to payment of annual bonus, which it's a once off payment

### Corporate Services

Interest expense: Interest charged on DBSA loan redemption.

### Electrical Engineering

General Expenses: Overspending due to once off payment to SALGA membership fee



# JULY 2019/20 FINANCIAL REPORT

## 14. EXPENDITURE PER ITEM

Row Labels	Budget (R)	June (R)	% Spent
<b>02-Exp</b>	<b>1,309,239,840</b>	<b>47,352,244</b>	<b>3.62%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	293,011,201	23,802,383	8.12%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	64,704,144	4,345,477	6.72%
055EMPLOYEE COSTS CAPITALIZED	-13,949,720	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-139,975,903	-761,371	0.54%
058REMUNERATIONS OF COUNCILLORS	28,302,991	2,197,017	7.76%
060BAD DEBTS	72,600,000	0	0.00%
062COLLECTION COSTS	1,200,000	0	0.00%
063INVENTORY SURPLUS/LOSS	0	0	0.00%
064DEPRECIATION	134,113,513	0	0.00%
066REPAIRS AND MAINTENANCE	207,812,129	3,721,825	1.79%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14,658,314	342,887	2.34%
072BULK PURCHASES	403,000,000	0	0.00%
074CONTRACTED SERVICES	73,691,882	3,551,516	4.82%
076GRANTS & SUBSIDIES PAID	27,894,000	796,198	2.85%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	8,127,812	155,462	1.91%
078GENERAL EXPENSES - OTHER	134,049,477	9,200,848	6.86%
<b>Grand Total</b>	<b>1,309,239,840</b>	<b>47,352,244</b>	<b>3.62%</b>

The actual operational expenditure represents 3.62% of the budgeted operational expenditure which is less than the 8.33% budget target.

# JULY 2019/20 FINANCIAL REPORT

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## 15. Supply Chain Management

### Performance Statistics

1. Requisitions processed to orders in JULY 2019 (Acquisition Management)		
Description	2019	Year to Date
Requisitions received from demand Management	193	193
Total number of orders processed for the June 2019	193	193
Total number of deviation orders processed for June 2019	12	12
Total number of orders above R30 000 for June 2019	31	31
Difference between requisitions received and orders processed	0	0
Number of canceled orders June 2019	0	0

# JULY 2019/20 FINANCIAL REPORT

2. Approved deviations for July 2019				
Order No	Business Name	Description	Amount	Reason for Deviation
92987	BB MOTORS	SEAT CAP	R2 034.34	EMERGENCY
D4736TZA	DIPLIDANIA TRADING 18	SKIM DRUMS	R3 162.50	EMERGENCY
D4632TZA	LETABA HERALD	ADVERT	R7 245.00	NEWSPAPER
D4641TZA	LETABA HERALD	ADVERT	R7 245.01	NEWSPAPER
77590	LETABA HERALD	ADVERT	R7 245.02	NEWSPAPER
77591	LETABA HERALD	ADVERT	R2 760.00	NEWSPAPER
93011	LETABA HERALD	ADVERT	R7 245.02	NEWSPAPER
D4730TZA	LETABA HERALD	ADVERT	R14 605.00	NEWSPAPER
D4747TZA	SONCO VOERTUIE	CALL OUT	R2 945.15	EMERGENCY
D4749TZA	SONCO VOERTUIE	CALL OUT	R2 842.23	EMERGENCY
93038	SONCO VOERTUIE	CALL OUT	R2 801.06	EMERGENCY
93037	SONCO VOERTUIE	CALL OUT	R3 027.49	EMERGENCY

3. Orders per supplier above R30 000 for the July 2019	
Orders in July 2019	Expenditure in July 2019
D4686TZA	114,634.30
D4751TZA	162,097.10
92990	163,169.84
93003	129,375.00
93004	129,375.00
93006	162,097.10

# JULY 2019/20 FINANCIAL REPORT

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93044	162,097.10
93045	79,466.15
D4687MDC	114,634.65
D4688MDC	114,634.65
92989	113,169.65
D4752TZA	162,097.10
93008	162,097.10
D4707TZA	54,000.00
D4686TZA	114,634.30
92991	113,169.84
93007	62,100.00
D4658MDC	112,000.00
D4652TZA	44,048.45
D4694TZA	114,634.30
D4750TZA	162,097.10
92993	113,169.84
93002	162,097.10
D4753TZA	162,097.10
93005	162,097.10
D4695MDC	255,040.10
92992	252,822.20
93003	304,175.00
D4706MDC	291,318.00
D4711TZA	465,829.27
D4720MDC	273,918.50

# JULY 2019/20 FINANCIAL REPORT

4. Bids closed in July 2019					
Bid No.	Description	User Dept.	Briefing session	Closing date	Status
SCMU 09/2019	supply and delivery of flocculants, lime, soda ash, salt, activated carbon, acid and chlorine	A. Gangashe	11-Jul-19	26-Jul-19	Evaluation stage

5. Bids advertised in July 2019								
Bid No.	Description	Notice board	Municipal Website	I-tender CIDB	Local media	National media	E-Tender	Closing date
SCMUQ 04/2019	review of 2018/2019 annual financial statements and consolidated annual financial statements	Yes	Yes	N/A	Yes	Yes	Yes	31-Jul-19

6. Bids approved/awarded by Chief Financial Officer in the JUNE 2019						
Bid No.	Description	Company name	SCM Date	Date of Award	Contract period	Contract amount
NONE						

# JULY 2019/20 FINANCIAL REPORT

7. Bids under Adjudication in July 2019					
Bid No.	Description	User Dept.	Closing date	BAC Date	Status / Outcome of BAC
SCMU 03/2019	Upgrading of matapa to Leseka access road	M.J. Matlala	12-Apr-19	11-Jul-19	awarded

8. Bids under Specification in July 2019					
Bid No.	Description	User Dept.	Spec date	Date of Approval	Status
SCMU 11/2019	pool of service providers for general building works and other services (1gb to 3gb or 1ce to 3ce) in Greater Tzaneen Municipality to be appointed on an "as and when" required basis for a period of 24 months	L. Mahayi	16-Jul-19	22-Jul-19	To be advertise
SCMU 12/2019	supply of both the hardware and the software for prepaid electricity vending	P.M. Viljoen	15-Jul-19	22-Jul-19	On advert
SCMUQ 04/2019	review of 2018/2019 annual financial statements and consolidated annual financial statements	A. Mathebula	25-Jul-19	31-Jul-19	On advert
SCMU 13/2019	procurement of central interception x advanced	A. Mailula	25-Jul-19	-	Waiting for approval
SCMU 10/2019	leasing of desktop and laptop computer for a period of 36 months	A. Mailula	25-Jul-19	-	Waiting for approval

# JULY 2019/20 FINANCIAL REPORT

9. Bids approved/awarded by Municipal Manager in July 2019						
Bid No.	Description	Company Name	Closing date	Date of Award	Contract period	Contract amount
SCMU 03/2019	Upgrading of Matapa to Leseka access road	Zacks Business Enterprise	12-Apr-19	16-Jul-19	12 Months	R35 572 166.85
SCMU 01/2019	Relela Access road	LEBP Construction	10-Apr-19	5-Jul-19	12 months	R16 252 448.41
SCMU 31/2019	purchase of debt book collection for a period of 36 months	Transaction Capital	12-Apr-19	11-Jul-19	36 Months	Rates

10. Awards contracts/bids reported to I-Tender in JULY 2019 (reporting awards)					
Contract number	Contract Name	Company Name	Date of Award	Report Date	Contract amount
NONE					

11. Awards contracts/bids reported to National Treasury in JULY 2019 (reporting awards)					
Contract number	Name of the contract/bid	Company Name	Date of Award	Report Date	Contract amount
NONE					

# JULY 2019/20 FINANCIAL REPORT

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## 12. Awards contracts/bids reported to Official Website of the Municipality in JUNE 2019 (reporting awards)

Contract number	Contract Name	Company Name	Date of Award	Report Date	Contract amount
NONE					

## 13. Contracts reported to CIDB I-Tender for completion in JUNE 2019 (reporting awards)

Contract number	Name of the contract/bid	Company Name	Date of completion	Report Date	Contract amount
NONE					

## 14. Bids under Evaluation in July 2019

Bid No.	Description	User Dept.	Closing Date	BEC Date	Status
NONE					



# JULY 2019/20 FINANCIAL REPORT

## Major achievements for JULY 2019

Summary of SCM process (Descriptions)	JULY 2019
Number of new accredited suppliers registered with municipal's database	0
Number of orders processed	193
Number of approved deviations from SCM procedures	12
Number of orders above R30,000.00 processed	31
Number of bids approved (considered) by BSC	5
Number of bids approved by MM for advertisement from BSC	3
Number of new bids advertised	3
Number of bids closed	1
Number of bids evaluated by BEC (recommended further for consideration)	0
Number of bids adjudicated by BAC (recommended further for consideration by MM)	0
Number of Bids/contracts approved and appointed by CFO	0
Number of Bids/contracts approved and appointed by MM	0
Number of Contract report to Treasury	0
Number of Contract report to Official Website	0

# JULY 2019/20 FINANCIAL REPORT

Key challenges – coming JULY 2019	
SUPPLY CHAIN MANAGEMENT CHALLENGES	RECOMMENDATIONS:
<ul style="list-style-type: none"> <li>Slow network/internet application affecting CSD verification accessing CSD report</li> </ul>	<ul style="list-style-type: none"> <li>IT should consider procuring fast internet application / license e.g. wi-fi or wireless network</li> </ul>
<ul style="list-style-type: none"> <li>SCM does not have safe storage system to file non-appointed bids</li> </ul>	<ul style="list-style-type: none"> <li>Council should consider budgeting/acquiring a bulk storage system for budget &amp; treasury department/SCM</li> </ul>
<ul style="list-style-type: none"> <li>SCM do not have safe archive system (electronic or Manual)</li> </ul>	<ul style="list-style-type: none"> <li>IT division should consider developing E-filing for Budget &amp; Treasury / SCM as a back-up system for AG</li> </ul>
<ul style="list-style-type: none"> <li>Office space</li> </ul>	<ul style="list-style-type: none"> <li>SCM have five permanent employees utilising three congested offices with files &amp; documents</li> </ul>
<ul style="list-style-type: none"> <li>Cheque requisition compromise SCM reporting (SCM compliance) of deviation &amp; payment process</li> </ul>	<ul style="list-style-type: none"> <li>All cheque requisition should be approve/process by SCM and cheque order be generated (financial system be updated by service provider to allow once-off service providers for cheque orders and cheque order book be developed. All department are requested to use deviation book available from SCM offices</li> </ul>
<ul style="list-style-type: none"> <li>Department did not report any completion of project to SCM</li> </ul>	<ul style="list-style-type: none"> <li>Department(s) should starts submitting the bidder's performance report to SCM. The report should cover all payment, current status of bid/progress reports and estimated time to complete a project(s)</li> </ul>

# JULY 2019/20 FINANCIAL REPORT

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<ul style="list-style-type: none"> <li>• Payment certificate and proof of payment are not submitted to SCMU for project monitoring &amp; reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Payment certificate (copy of approved certificate) should be submitted to SCM</li> </ul>
<ul style="list-style-type: none"> <li>• Project completion certificate not submitted to SCM by user department</li> </ul>	<ul style="list-style-type: none"> <li>• Completion certificate drafted by PMU should be submitted to SCM / Assets for projects reporting/ monitored)</li> </ul>
<ul style="list-style-type: none"> <li>• Procurement plan implemented but most user department/divisions did not submit Spec</li> </ul>	<ul style="list-style-type: none"> <li>• All department must submit spec/request as indicated on procurement plan to comply</li> </ul>
<ul style="list-style-type: none"> <li>• SLA not sign by both Accounting office and appointed services provider before commencement date</li> </ul>	<ul style="list-style-type: none"> <li>• All department should consider having department contract management system / key personnel to update departmental contracts and procurement plan quarterly</li> </ul>
<ul style="list-style-type: none"> <li>• Contract management by departments/legal division are not update</li> </ul>	<ul style="list-style-type: none"> <li>• SLA and bid document should be sign by both parties before the project commencement date</li> </ul>
<ul style="list-style-type: none"> <li>• Finance system supplied by Fujitsi does not allow SCM to use tender/quotation number as order number to assist on prevent overspending/irregular expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• New system on progress for implementation.</li> </ul>
<ul style="list-style-type: none"> <li>• On SLA Commencement date of all bids awarded in 2018 is the handover of the project, but the department does not inform supply chain on the handover date.</li> </ul>	<ul style="list-style-type: none"> <li>• All departments must inform supply chain about the handover date so that they can report commencement date of the project monthly.</li> </ul>

# JULY 2019/20 FINANCIAL REPORT

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## 16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Name of Suppliers	Department	Date	Cheque	Amount
Forest Fig Properties-NYDA Office Rental	Corporate Services	Jul-19	1082316	R242.78
Forest Fig Properties-NYDA Office Rental	Corporate Services	Jul-19	1082457	R318.33

The Fruitless and wasteful expenditure incurred during the month of July 2019 amounts to R561.11

## 17. IRREGULAR EXPENDITURE

Irregular Expenditure to Date		
Department	Year	YTD Expenditure
MM	2018/2019	
Council	2018/2019	
Corporate Services	2018/2019	
Community Services	2018/2019	600,378.24
Finance	2018/2019	61,520.70
PED	2018/2019	
Electrical Services	2018/2019	
Engineering Services	2018/2019	
<b>TOTAL</b>	<b>2018/2019</b>	<b>661,898.94</b>

# JULY 2019/20 FINANCIAL REPORT

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## 18. 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	R1 842 745.74
Transactions Not Exceeding R 1 000		-
<b>TOTAL ASSET TRANSACTION VALUE (Including VAT)</b>		<b>R1 842 745.74</b>

# JULY 2019/20 FINANCIAL REPORT

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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.

<b>THRESHOLD- ASSET PURCHASES</b>	<b>QUANTITY</b>	<b>VALUE</b>
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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## BUDGET AND TREASURY REPORT

# JULY 2019/20 FINANCIAL REPORT

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

# JULY 2019/20 FINANCIAL REPORT

## JOURNALS

Date	Account Name	Account	Debit	Credit
6/30/2019	Work In Progress	363/410/4005	14,712,136.13	
	Pavements, Bridges & Storm water	195/600/5202		6,401,339.31
	Pavements, Bridges & Storm water	063/600/5002		772,732.43
	Electricity Reticulation- Infrastructure	173/600/5005		140,783.20
	R&M Renewal of Assets	173/600/5129		7,397,281.19
<b><i>Capitalisation of WIP for the month</i></b>				
6/30/2019	Furniture & Fittings	415/400/4005	8,500.00	
	Office Equipment	032/608/5023		2,700.00
	Non-Capital Tools & Equipment	195/078/1344		5,800.00
<b><i>Recognition of current year additions- Other Assets</i></b>				
6/30/2019	Motor Vehicle	406/400/4005	1,827,520.00	
	Other Motor Vehicle	036/608/5021		1,827,520.00
<b><i>Recognition of current year additions- Other Assets</i></b>				
6/30/2019	Plant & Machinery	408/400/4005	6725.74	
	R&M Renewal of Assets	173/600/5129		6725.74
<b><i>Recognition of current year additions- Other Assets</i></b>				



# JULY 2019/20 FINANCIAL REPORT

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## 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

## 19. AUDIT FINDINGS

The Municipality got qualified audit opinion from Auditor General during the 2017/2018 financial year. An audit action plan has been developed and maintained on a monthly basis to address findings raised by Auditor General.

## 20. FUEL EXPENDITURE

The total fuel expenditure for the month of July 2019 amounted to R 787 623.97 (debit payment R 785,426.36 and issues R2 197.61)

# JULY 2019/20 FINANCIAL REPORT

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## 21. 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

# JULY 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
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

# JULY 2019/20 FINANCIAL REPORT

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## 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
- **Summary View**

		Load Program Tested	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

# JULY 2019/20 FINANCIAL REPORT

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## 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
- **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

# JULY 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

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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