

# GREATER TZANEEN MUNICIPALITY



## DECEMBER 2019/2020 FINANCIAL REPORT

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## 1. BUDGET PERFORMANCES

### 1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 309 239 841	1 223 888 495	148 888 027	504 176 952	41.19%	50.00%
Capital Expenditure	142 484 850	142 332 525	25 314 667	74 625 500	52.43%	50.00%
<b>TOTAL EXPENDITURE</b>	<b>1 451 724 691</b>	<b>1 366 221 020</b>	<b>174 202 694</b>	<b>578 802 452</b>	<b>42.37%</b>	<b>50.00%</b>

### OPERATIONAL EXPENDITURE

The actual operational expenditure represents 41.19% of the budgeted operational expenditure which is also less than the 50% 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 R46.2 million which represents bulk electricity purchased for December 2019 payable in January 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 44.97%.

### CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R25 314 667 at the end of Dec 2019. The total capital expenditure to date amounts to R 74 625 500 and the percentage spending is currently at 52%.

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## 1.2 SALARIES

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	357 715 346	331 256 903	26 361 777	158 872 381	47.96%	50.00%
<b>TOTAL</b>	<b>357 715 346</b>	<b>331 256 903</b>	<b>26 361 777</b>	<b>158 872 381</b>	<b>47.96%</b>	<b>50.00%</b>

## 1.3 OVERTIME

Department	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	33 565	0.00%	50.00%
02-Planning & economic development	0	0	0	0	0.00%	50.00%
03-Financial services	837 457	418 728	117 572	790 246	188.73%	50.00%
04-Corporate services	563 047	281 523	83 968	436 663	155.11%	50.00%
05-Engineering services	2 341 123	1 170 561	252 162	1 204 958	102.94%	50.00%
06-Community services	18 261 099	9 130 549	935 477	6 799 290	74.47%	50.00%
07-Electrical engineering	19 099 228	9 549 614	894 975	4 418 719	46.27%	50.00%
<b>Total</b>	<b>41 101 954</b>	<b>20 550 975</b>	<b>2 284 154</b>	<b>13 683 441</b>	<b>66.58%</b>	<b>50.00%</b>

The actual salary expenditure which includes social contributions represents 47.96% of the budgeted salary amount for the period under review. An amount of R2.2 million was paid for overtime for the month of December

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## 1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28 302 991	28 302 991	2 205 321	13 216 697	46.70%	50.00%
<b>TOTAL</b>	<b>28 302 991</b>	<b>28 302 991</b>	<b>2 205 321</b>	<b>13 216 697</b>	<b>46.70%</b>	<b>50.00%</b>

## 2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	December Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARES	360 693 000	360 693 000	127 772 000	287 644 000	79.75%
FMG	2 145 000	2 145 000	0	2 145 000	100.00%
INEP	20 000 000	20 000 000	0	12 000 000	60.00%
MIG	94 263 000	94 263 000	0	63 718 000	67.60%
EPWP	5 749 000	5 749 000	0	4 026 000	70.03%
<b>TOTAL</b>	<b>482 850 000</b>	<b>482 850 000</b>	<b>127 772 000</b>	<b>369 533 000</b>	<b>76.53%</b>

An amount of R369 million which represents 76.53% 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	December 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	195 193	2 145 000	822 581	1 322 419	38.35%
INEP	20 000 000	20 000 000	1 602 240	12 000 000	4 270 593	7 729 407	35.59%
MIG	94 263 000	94 263 000	8 520 425	63 718 000	48 056 384	15 661 616	75.42%
EPWP	5 749 000	5 749 000	0	4 026 000	2 080 943	1 945 057	51.69%
<b>TOTAL</b>	<b>482 850 000</b>	<b>482 850 000</b>	<b>10 317 858</b>	<b>369 533 000</b>	<b>215 102 501</b>	<b>154 430 499</b>	<b>58.21%</b>

It is clear from the tables above that R215 million of the R369 million grant money received was spent, 58.21% of grant money received for the financial year was spent.

## 4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	November Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	140 000 000	140 000 000	9 499 932	57 069 841	40.76%	50.00%
Water	25 284 000	25 284 000	1 939 002	10 837 851	42.86%	50.00%
Sewer	7 800 100	7 800 100	571 923	3 036 616	38.93%	50.00%
Solid Waste	35 021 657	35 021 657	2 800 570	17 235 274	49.21%	50.00%
Electricity	577 501 000	577 501 000	36 589 403	274 783 352	47.58%	50.00%
Income foregone	-38 200 000	-38 200 000	3 136 686	19 039 255	-49.84%	50.00%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>54 537 515</b>	<b>382 002 189</b>	<b>51.11%</b>	<b>50.00%</b>

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## 5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	November Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	140 000 000	140 000 000	7 784 941	57 069 841	44 759 024	78.43%	31.97%
Water	25 284 000	25 284 000	1 833 492	10 837 851	10 927 910	100.83%	43.22%
Sewer	7 800 100	7 800 100	495 670	3 036 616	2 735 239	90.08%	35.07%
Solid Waste	35 021 657	35 021 657	3 423 133	17 235 274	15 975 523	92.69%	45.62%
Electricity	577 501 000	577 501 000	40 801 315	274 783 352	288 980 316	105.17%	50.04%
Income foregone	-38 200 000	-38 200 000	3 136 686	19 039 255	19 039 255	100.00%	-49.84%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>57 475 236</b>	<b>382 002 189</b>	<b>382 417 268</b>	<b>100.11%</b>	<b>51.17%</b>

## 6. BANK BALANCE

Name of institution	Cash in the Bank at 31 December 2019
ABSA	R 53 798 323.47

Council had a positive Bank Balance of R 53 798 323.47 at the end of December 2019.

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## 7. BANK RECONCILIATION

	Dec-19
BALANCE ACCORDING TO BANK STATEMENT	16 678 159.44
BALANCE ACCORDING TO BANK STATEMENT	8 882 639.63
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	1 030 808.39
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	27 206 716.01
	<u>53 798 323.47</u>
Less: OUTSTANDING CHEQUES	<u>-7 370 479.13</u>
	46 427 844.34
Add: R/D CHEQUES	<u>477 520.27</u>
	46 905 364.61
Less: OUTSTANDING DEPOSITS	<u>-19 096 953.25</u>
	27 808 411.36
Add: CASH ON HAND	<u>3 589 366.87</u>
	31 397 778.23
Add: PAYMENTS IN BANK NOT IN C/B	<u>2 935.23</u>
BALANCE ACCORDING TO CASHBOOK	<u><u><b>31 400 713.46</b></u></u>



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## 8. INVESTMENT AS AT 31 December 2019

### 8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 31 December 2019
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 31 December 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-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>

Long term loan expenditure paid for December 2019 is R 954 137

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## 10. CREDITORS AGE ANALYSIS

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

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	CHQ /GRN NUMBER/REF	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ROCKSHAW TRADERS	BUILDING MATERIAL SUPPLIER	153848-153851	R1,608	-	-	-	-	R1,608	Tax Invoice under investigation (Clarity on CPA required)
2	KAMO JOU TRADING AND PROJECTS (PTY) LTD	MACHINE HIRE	150255-57/150673-75	R0	-	-	R162,097	R957,284	R1,119,382	Engagements in progress with supplier re. SARS query /VAT issues (Supplier not VAT Registered but claimed VAT)
3	WANGA POWER PROJECT	WATER SUPPLIER	153054	-	R369, 695	-	-	-	R369,695	Tax Invoice not signed off by user department (Work not done satisfactorily)
			<b>TOTAL</b>	<b>R1,608</b>	<b>R369, 695</b>	<b>R0</b>	<b>R162,097</b>	<b>R957,284</b>	<b>R1,490,685</b>	

The total outstanding creditors as per the creditors' age analysis amounted to R 2,650,630.51 at the end of December 2019, which includes the current amount of R 1,159,945.68

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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	10 035 884	44 901 140	3 541 853	784 891	3 725 892	62 989 660	17 594	63 007 255
30 days	5 447 365	12 518 247	2 236 130	433 614	1 476 618	22 111 973	-67 671	22 044 303
60 days	4 529 984	14 760 206	1 949 015	397 118	1 488 924	23 125 247	305 188	23 430 436
90 days	4 316 870	6 922 520	1 534 844	343 785	1 095 007	14 213 026	-328 216	13 884 810
120 days	3 975 736	5 568 655	1 404 543	347 488	1 364 305	12 660 727	-633 843	12 026 883
120 days plus	179 972 349	141 019 729	77 502 504	21 099 589	88 086 121	507 680 293	37 887 436	545 567 728
<b>Balance</b>	<b>208 278 189</b>	<b>225 690 497</b>	<b>88 168 889</b>	<b>23 406 485</b>	<b>97 236 866</b>	<b>642 780 927</b>	<b>37 180 488</b>	<b>679 961 415</b>

The outstanding rates and service charges increased by 0.74% from R674 million in November to R679 million in December 2019. These amounts include sundry debtors of R37 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	2 189 597.37	936 248.21	682 402.38	426 081.15	17 092 527.00	21 326 856.11
BUSINESS	35 415 092.21	8 735 280.69	13 492 896.46	5 020 944.03	168 924 698.26	231 588 911.65
INDIVIDUALS	20 044 458.43	10 086 291.81	7 343 897.98	6 555 073.10	322 615 359.50	366 645 080.82
OTHER	5 358 106.57	2 286 481.87	1 911 238.99	1 882 711.93	48 962 026.89	60 400 566.25
<b>BALANCE</b>	<b>63 007 254.58</b>	<b>22 044 302.58</b>	<b>23 430 435.81</b>	<b>13 884 810.21</b>	<b>557 594 611.65</b>	<b>679 961 414.83</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	28 726 004	-27 497 128	96%
Tzaneen - Rural	25 770 491	-24 739 104	96%
Nkowankowa	4 728 255	-1 229 866	26%
Lenyenye	1 044 098	-330 262	32%
Politsi	25 904	-22 566	87%
Letsitele	2 062 520	-1 961 039	95%
Haenertsburg	632 388	-484 403	77%
<b>Aggregate</b>	<b>62 989 660</b>	<b>-56 264 367</b>	<b>89%</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 December 2019.

## 11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BUDGET	BILLING	VARIANCES
Property Rates	8 666 667	9 499 932	(833 264.84)
Interest charged on rates debts	700 000	1 052 367	(352 366.73)
Electricity	46 208 333	36 589 403	9 618 930.30
Water	2 083 333	1 939 002	144 330.97
Sewerage	633 333	571 923	61 410.31
Refuse Removal	2 810 138	2 800 570	9 568.19
Stand Sale		-	-
Sundry Charges	500 000	885 987	(385 986.92)
Interest charge on services debts	2 083 333	2 072 294	11 039.06
<b>TOTAL</b>	<b>63 685 138</b>	<b>55 411 478</b>	<b>8 273 660.35</b>

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## 12. CAPITAL PROJECTS

Project No	Capital Project	Original Budget	December	July to December	% 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	134,839	3,793,749	26.41
ESD-12	Paving of Nelson Ramodike High Access Road phase 1 of 2	4,402,376	-	2,054,604	46.67
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street	3,000,000	211,823	211,823	7.06
ESD-19	Mulati Access RoadPaving 1 of 3 and 2 of 3 and 3 of 3	19,134,345	-	13,132,746	68.63
ESD-25	Upgrading of Access Road- Mbambamencisi Phase 1	2,968,065	-	2,147,933	72.37
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3	19,554,712	3,974,923	13,496,615	69.02
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	-	2,966,347	67.38
ESD-32	Matapa to Leseke Access Road Phase 1 of 2 and 2 of 2	4,402,376	2,004,464	7,232,331	164.28
ESD-34	Mawa B12 Low Level Bridge	2,000,000	-	278,046	13.9
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	1,880,267	2,005,940	80.24
ESD-81	Fencing of cemetary Lesedi Regional Cemetry ( Lenyenye)	350,000	-	-	0
ESD-82	Ablution block with change room at Lesedi Regional Cemetery	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



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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	2,194,375	2,742,191	33.77
ESD-110	Paving of Risaba, Mnisi, shando, to Driving school internal streets	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 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
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	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	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	3,015	1,272,832	31.82
EED-115	New Electricity Connection -Consumer Contribution	4,000,000	581,622	2,914,445	72.86
EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	300,000	538,039	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
EED-125	Rebuilding of Lines 33 KV-Lalapanzi/Waterbok	600,000	-	69,722	11.62

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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	1,400,000	-	-	0
EED-130	Rebuilding of Lines- Letsitele Valley Substation- Bosbou & all T offs	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	1,201,373	1,363,800	27.28
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	800,000	-	-	0
	Rebuilding of Lines Thabina Valley	12,847,675	12,266,487	12,845,276	0
	Rebuilding of Lines Blacknoll		66,923	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		44,995	1,014,811	0
	Rebuilding of Lines Mieliekloof		-	395,257	0
	Replacement of Aircons		55,000	55,000	0
	Auto Recloser		-	240,746	0
<b>TOTAL</b>		<b>142,332,525</b>	<b>25,314,667</b>	<b>74,625,500</b>	<b>52.43%</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 Contractor is busy attending to defects on the surfacing before a completion inspection can be sheduled. (No expenditure for December and Accumulated expenditure is R116 248 425.28)
Upgrading of Lenyenye Taxi Rank	The Contractor has established the site. They are busy with construction of civil services (Expenditure for December is R 2 523 531.25 and Accumulated expenditure R4 887 024.00 )
Upgrading of Mulati Access Road	Contract has been terminated and the matter awaits court outcome. (No expenditure for December and Accumulated expenditure is R 24 001 963.02 )
Upgrading of Lenyenye to Khujwana Access Road	The Contractor has surfaced to chainage 5.1km, processing the sub-base up to chainage 5.1km and the road is marked until chainage 3.1km. They are busy with construction of the RAL intersection (Expenditure for December is R4 152 490.24 and Accumulated expenditure is R29 785 872.73 )
Upgrading of Mbambamencisi Access Road	Practical inspection was conducted on the 18/11/2019. The Contractor has attended to the snag list and final inspection is scheduled for 08/01/20 (No expenditure for December and Accumulated expenditure is R8 628 069.73)
Construction of Mawa Block 12 Low level bridge	Contractor has completed excavations and is now busy with pavement layer compaction. (No expenditure for December and accumulated expenditure is R943 070.82 )
Upgrading of Relela Access Road	Contractor has completed excavations and is now busy with the base layer works construction. (No expenditure for December and accumulated expenditure is R5 290 796.65 )
Mmatapa to Leseka Access Road	The Contractor is busy with box cut excavations, construction of the roadbed and upper selected. (Expenditure for December is R3 735 378.86 and accumulated expenditure is R12 637 069.38 )
Upgrading of CODESA to Hani Street Paving	Contract has been terminated and the matter awaits court outcome. (No expenditure for December 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 December and Accumulated expenditure is R7 464 308.82 )
Nelson Ramodike High School Access Road	The Contractor has established the site and is now busy with clearing of the bypass and box cutting excavations. (No expenditure for December and accumulated expenditure is R5 576 085.47 )

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## 13. EXPENDITURE PER VOTE

Row Labels	Sum of Budget	Sum of December	Sum of July to December	% Spent
<b>02-Expense</b>	<b>1 228 545 641</b>	<b>148 863 527</b>	<b>504 242 527</b>	<b>41.04%</b>
<b>01-Municipal manager</b>	<b>71 183 861</b>	<b>8 075 345</b>	<b>42 431 800</b>	<b>59.61%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	16 431 483	1 405 572	8 177 868	49.77%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 185 388	384 234	2 277 206	36.82%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 205 321	13 216 697	46.70%
064DEPRECIATION	157 371	0	0	0.00%
066REPAIRS AND MAINTENANCE	49 118	2 748	11 911	24.25%
074CONTRACTED SERVICES	300 000	0	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1 250 000	0	466 255	37.30%
078GENERAL EXPENSES - OTHER	18 507 510	4 077 469	18 281 862	98.78%
<b>02-Planning &amp; economic development</b>	<b>29 106 702</b>	<b>2 811 006</b>	<b>15 233 676</b>	<b>52.34%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	14 887 099	1 262 258	7 657 575	51.44%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2 169 630	165 094	1 032 589	47.59%
064DEPRECIATION	302 091	0	0	0.00%
066REPAIRS AND MAINTENANCE	46 913	0	5 394	11.50%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420 248	0	210 267	50.03%
074CONTRACTED SERVICES	889 150	125 709	194 056	21.82%
078GENERAL EXPENSES - OTHER	10 391 571	1 257 945	6 133 795	59.03%
<b>03-Financial service</b>	<b>100 502 249</b>	<b>12 975 532</b>	<b>43 159 209</b>	<b>42.94%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 153 937	2 768 510	16 689 290	47.47%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 123 750	485 552	2 908 347	40.83%
060BAD DEBTS	13 082 640	0	0	0.00%

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062COLLECTION COSTS	900 000	0	141 666	15.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	678 539	0	0	0.00%
066REPAIRS AND MAINTENANCE	90 704	948	17 543	19.34%
074CONTRACTED SERVICES	8 300 000	711 728	2 724 976	32.83%
076GRANTS & SUBSIDIES PAID	2 145 000	195 193	822 581	38.35%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4 000 000	334 055	1 811 550	45.29%
078GENERAL EXPENSES - OTHER	29 027 679	8 479 546	18 043 255	62.16%
<b>04-Corporate services</b>	<b>59 983 697</b>	<b>4 252 106</b>	<b>28 100 042</b>	<b>46.85%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	29 144 360	2 279 499	14 304 601	49.08%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 438 602	436 762	2 647 946	41.13%
064DEPRECIATION	1 662 455	0	0	0.00%
066REPAIRS AND MAINTENANCE	272 484	89 466	513 076	188.30%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39 929	3 499	23 759	59.50%
074CONTRACTED SERVICES	3 000 000	123 833	872 534	29.08%
076GRANTS & SUBSIDIES PAID	939 106	0	0	0.00%
078GENERAL EXPENSES - OTHER	18 486 761	1 319 047	9 738 127	52.68%
<b>05-Engineering services</b>	<b>163 933 171</b>	<b>6 551 018</b>	<b>36 355 839</b>	<b>22.18%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	34 227 267	2 815 137	16 735 578	48.90%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 463 286	500 931	2 928 421	39.24%
064DEPRECIATION	77 118 006	0	0	0.00%
066REPAIRS AND MAINTENANCE	35 833 953	3 009 444	13 306 584	37.13%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2 796 472	0	1 469 238	52.54%
074CONTRACTED SERVICES	1 521 642	67 528	405 520	26.65%
078GENERAL EXPENSES - OTHER	4 972 545	157 977	1 510 499	30.38%
<b>06-Community services</b>	<b>234 736 937</b>	<b>18 153 708</b>	<b>113 025 435</b>	<b>48.15%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	89 982 406	7 606 621	47 140 560	52.39%

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053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	18 889 800	1 470 937	8 733 992	46.24%
060BAD DEBTS	30 547 440	0	0	0.00%
064DEPRECIATION	5 357 322	0	0	0.00%
066REPAIRS AND MAINTENANCE	1 501 188	52 906	660 539	44.00%
074CONTRACTED SERVICES	53 719 609	5 181 466	28 300 884	52.68%
076GRANTS & SUBSIDIES PAID	5 749 000	0	2 080 943	36.20%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	335 000	17 958	138 250	41.27%
078GENERAL EXPENSES - OTHER	28 655 172	3 823 820	25 970 269	90.63%
<b>07-Electrical engineering</b>	<b>569 099 024</b>	<b>96 044 812</b>	<b>225 936 526</b>	<b>39.70%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	47 991 484	3 884 623	22 240 336	46.34%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	9 394 934	674 969	4 062 923	43.25%
060BAD DEBTS	9 427 320	0	0	0.00%
064DEPRECIATION	44 724 216	0	0	0.00%
066REPAIRS AND MAINTENANCE	17 050 202	652 563	8 300 622	48.68%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	11 401 665	2 779 636	5 688 922	49.90%
072BULK PURCHASES	403 000 000	86 149 889	178 810 505	44.37%
074CONTRACTED SERVICES	80 118	652	8 701	10.86%
076GRANTS & SUBSIDIES PAID	20 098 000	1 602 241	4 270 593	21.25%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	0	0	0	0.00%
078GENERAL EXPENSES - OTHER	5 931 085	300 239	2 553 925	43.06%
<b>Grand Total</b>	<b>1 228 545 641</b>	<b>148 863 527</b>	<b>504 242 527</b>	<b>41.04%</b>

# DECEMBER 2019/20 FINANCIAL REPORT

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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 spend R15.3 million which is 122% of the budget

### Planning and Economic development

General expense: LED overspend due to GTEDA 3<sup>rd</sup> tranche payment

### Finance Services

General expense: overspending on consultant and professional fees due payments for service provider in the department (Sebata, ARMS, T-Crescent 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 December	Sum of July to December	% Spent
<b>02-Expense</b>	<b>1 228 545 641</b>	<b>148 863 527</b>	<b>504 242 527</b>	<b>41.04%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	267 818 036	22 022 220	132 945 807	49.64%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	57 665 390	4 118 480	24 591 423	42.65%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 205 321	13 216 697	46.70%
060BAD DEBTS	53 057 400	0	0	0.00%
062COLLECTION COSTS	900 000	0	141 666	15.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	130 000 000	0	0	0.00%
066REPAIRS AND MAINTENANCE	54 844 562	3 808 076	22 815 669	41.60%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14 658 314	2 783 134	7 392 185	50.43%
072BULK PURCHASES	403 000 000	86 149 889	178 810 505	44.37%
074CONTRACTED SERVICES	67 810 519	6 210 917	32 506 670	47.94%
076GRANTS & SUBSIDIES PAID	28 931 106	1 797 433	7 174 117	24.80%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	5 585 000	352 013	2 416 055	43.26%
078GENERAL EXPENSES - OTHER	115 972 323	19 416 044	82 231 732	70.91%
<b>Grand Total</b>	<b>1 228 545 641</b>	<b>148 863 527</b>	<b>504 242 527</b>	<b>41.04%</b>

The actual operational expenditure represents 41% of the budgeted operational expenditure which is less than the 50% budget target.



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## 15. Supply Chain Management

### Performance Statistics

#### 1. Requisitions processed to orders in December 2019 (Acquisition Management)

Description	2019	Year to Date
Requisitions received from demand Management	139	139
Total number of orders processed for the December 2019	139	139
Total number of deviation orders processed for December 2019	14	14
Total number of orders above R30 000 for December 2019	16	16
Difference between requisitions received and orders processed	0	0
Number of canceled orders December 2019	0	0

#### 2. Approved deviations for December 2019

Order No	Business Name	Description	Amount	Reason for Deviation
D5745MDC	ARCHIPAIN	CAP PRO	59 588.40	CIVIL ENGINEERING
D5734TZA	BB UD TZANEEN	OIL FILTER	5 207.53	CIVIL ENGINEERING
D5778TZA	B.E.C KONSTRUKSIE	REPAIR	7 897.05	CIVIL ENGINEERING
D5769TZA	B.E.C KONSTRUKSIE	FIXING STEERING	5 694.80	CIVIL ENGINEERING
D5823TZA	B.E.C KONSTRUKSIE	REPAIR	8 855.00	CIVIL ENGINEERING
D5743TZA	DIPLIDANIA TRADING 18	STRIPE AND QUOTE	14 906.30	CIVIL ENGINEERING

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D5797TZA	DIPLIDANIA TRADING 18	PATCHES	4 025.00	CIVIL ENGINEERING
D5768TZA	JV HIDROLIES	PIPE	39 672.05	CIVIL ENGINEERING
D5801TZA	LETABA HERALD	ADVERT	7 245.00	MUNICIPAL MANAGER
D5780TZA	SONCO VOERTUIE	CALL OUT	3 871.48	CIVIL ENGINEERING
D5765TZA	SONCO VOERTUIE	CALL OUT	2 018.83	CIVIL ENGINEERING
D5764TZA	SONCO VOERTUIE	CALL OUT	3 356.85	CIVIL ENGINEERING
D5763TZA	SONCO VOERTUIE	CALL OUT	3 468.40	CIVIL ENGINEERING
D5824TZA	SONCO VOERTUIE	CALL OUT	3 169.40	CIVIL ENGINEERING
D5764TZA	SONCO VOERTUIE	CALL OUT	3 356.85	CIVIL ENGINEERING

### 3. Orders per supplier above R30 000 for the December 2019

Company Name	Orders in December 2019	Expenditure in December 2019
D5745MDC	ARCHIPAINT	CAP PRO
D5745MDC	BMK ELECTRONICS	INSTALL PUMP
D5759TZA	BUKUTA	BULLDOZER
D5768TZA	JV HIDROLIES	PIPE
D5821TZA	KAMO JOU TRADING	HIRE TLB
D5798TZA	MBH SERVICE	GEARBOX BEE
D5747MDC	MANCO ENTERPRISE	REPAIR
D5836TZA	RHINO CONSULTING	CONNECTOR BLOCKS
D5832TZA	RIVISI ELECTRICAL	EMERGENCY WORK
D5748TZA	RIVISI ELECTRICAL	EMERGENCY WORK
D5749TZA	RIVISI ELECTRICAL	EMERGENCY WORK

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D5750TZA	RIVISI ELECTRICAL	EMERGENCY WORK
D5751TZA	RIVISI ELECTRICAL	EMERGENCY WORK
D5822TZA	SELEMA PLANT HIRE	GRADER
D5744MDC	WANGA POWER PROJECTS	BOLTS
D5817TZA	WHITE WALL TRADING	SUPPLY OF BOOTS

#### 4. Bids closed in December 2019

Bid No.	Description	User Dept.	Briefing session	Closing date	Status
SCMUQ 03/2019	Supply and delivery of hans and lay mash at egg laying project situated at dan village	Mr .D.F Rammalo	n/a	06 December 2019	Evaluation stage
SCMUQ 15/219	Supply and delivery of boots for epwp beneficiaries	Ms M.M Shandlale	n/a	06 December20 19	Evaluation stage
SCMUQ 16/2019	Supply and delivery of plc meter	Mr M.Mathye	n/a	06 December20 19	Evaluation stage
SCMU 09/2019	Panel of service providers for supply and delivery of water treatment chemicals	Ms M.S Shivambu	28 November 2019	17 December 2019	Evaluation stage
SCMU 21/2019	Provision an electronic performance management	Ms M.A Mabetwa	14 November 2019	06 December 2019	Evaluation stage

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5. Bids under Specification in December 2019					
Bid No.	Description	User Dept.	Spec date	Date of Approval	Status
SCMU 23/2019	Supply delivery ,connecting and commissioning of diesel generator	Mr M.L Mahayi	4-Dec-19	10-Jan-20	On advert

6. Awards contracts/bids reported to Official Website of the Municipality in December (reporting awards)					
Contract number	Contract Name	Company Name	Date of Award	Report Date	Contract amount
None					

7. Bids advertised in December 2019								
Bid No.	Description	Notice board	Municipal Website	I-tender CIDB	Local media	National media	E-Tender	Closing date
None								

8. Bids under Evaluation in December 2019					
Bid No.	Description	User Dept.	Closing Date	BEC Date	Status
SCMUQ 15/2019	Supply and delivery of boots for EPWP beneficiaries	Ms M.M Shandlale	6-Dec-19	12-Dec-19	awarded
SCMUQ 10/2019	Two new male and female public toilet and change room at lenyenye cemetery	Mr M.L Mahayi	23-Oct-19	2-Dec-19	awarded

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9. Bids under Adjudication in December 2019					
Bid No.	Description	User Dept.	Closing date	BAC Date	Status / Outcome of BAC
None					

10. Bids approved/awarded by Municipal Manager in December 2019						
Bid No.	Description	Company Name	Closing date	Date of Award	Contract period	Contract amount
None						

11. Bids approved/awarded by Chief Financial Officer in the December 2019						
Bid No.	Description	Company Name	SCM Date	Date of Award	Contract period	Contract amount
SCMUQ 15/2019	Supply and delivery of boots for epwp beneficiaries	White hall trading and project	12 December 2019	12 December 2019	Once off	R194 5800
SCMUQ 11/2019	Two new male and female public toilet and change room at lenyenye cemetery	Khubiso enterprise	02 December 2019	3 December 2019	Once off	R128 048.00

12. Contracts reported to CIDB I-Tender for completion in December 2019 (reporting awards)					
Contract number	Name of the contract/bid	Company Name	Date of completion	Report Date	Contract amount
None					

# DECEMBER 2019/20 FINANCIAL REPORT

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## Major achievements for December 2019

Summary of SCM process (Descriptions)	December 2019
Number of new accredited suppliers registered with municipal's database	0
Number of orders processed	139
Number of approved deviations from SCM procedures	14
Number of orders above R30,000.00 processed	16
Number of bids approved (considered) by BSC	1
Number of bids approved by MM for advertisement from BSC	1
Number of new bids advertised	0
Number of bids closed	5
Number of bids evaluated by BEC (recommended further for consideration)	2
Number of bids adjudicated by BAC (recommended further for consideration by MM)	0
Number of Bids/contracts approved and appointed by CFO	2
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

# DECEMBER 2019/20 FINANCIAL REPORT

## Key challenges – coming December 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>

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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>



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## 5. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Name of Suppliers	Department	Date	Payment voucher	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
Compensation Commission	Finance	Aug-19	1082804	R70,751.90
Forest Fig Properties-NYDA Office Rental	Corporate Services	Aug-19	1082855	R1,701.69
Eskom	Electrical	Sep-19	1083434	R371,443.83
Eskom	Electrical	Dec-19	1084433	R1,780,292.45
Total				<b>R2,224,750.98</b>

The Fruitless and wasteful expenditure incurred during the month of December 2019 amounts to R 1,780,292.45.

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## 6. IRREGULAR EXPENDITURE

Irregular Expenditure to Date		
Department	Year	YTD Expenditure
MM	2019/2020	
Council	2019/2020	
Corporate Services	2019/2020	
Community Services	2019/2020	3 198 310.39
Finance	2019/2020	217 999.14
PED	2019/2020	
Electrical Services	2019/2020	
Engineering Services	2019/2020	
<b>TOTAL</b>	<b>2019/2020</b>	<b>3 416 309.53</b>

# DECEMBER 2019/20 FINANCIAL REPORT

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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>

# DECEMBER 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

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>

# DECEMBER 2019/20 FINANCIAL REPORT

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>	

## 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***

# DECEMBER 2019/20 FINANCIAL REPORT

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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

# DECEMBER 2019/20 FINANCIAL REPORT

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## 8. 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.

## 9. FUEL EXPENDITURE

The total fuel expenditure for the month of December 2019 amounted to R 1,032,683.69

## 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

# DECEMBER 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



# DECEMBER 2019/20 FINANCIAL REPORT

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

# DECEMBER 2019/20 FINANCIAL REPORT

- **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

**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

# DECEMBER 2019/20 FINANCIAL REPORT

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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

# DECEMBER 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

# DECEMBER 2019/20 FINANCIAL REPORT

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SP	Service Provider
MM/AC	Municipal Manager/Accounting Officer
BCM	Bid Committee Member
TCC	Tax Clearance Certificate