

GREATER TZANEEN MUNICIPALITY



OCTOBER 2019/2020 FINANCIAL REPORT

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1. BUDGET PERFORMANCES

1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	October	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 313 896 977	1 313 896 977	60 798 701	276 434 875	21.04%	33.33%
Capital Expenditure	195 199 250	195 199 250	4 804 471	39 395 802	20.18%	33.33%
TOTAL EXPENDITURE	1 509 096 227	1 509 096 227	65 603 173	315 830 677	20.93%	33.33%

OPERATIONAL EXPENDITURE

The actual operational expenditure represents 21.04% of the budgeted operational expenditure which is also less than the 33.33% 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 R96.9 million which represents bulk electricity purchased for September 2019 payable in November 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 28.41%.

CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R4, 804, 471 at the end of Oct 2019. The total capital expenditure to date amounts to R 39, 395, 802 and the percentage spending is currently at 28%.

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1.2 SALARIES

Description	Allocation	Adjustment Budget	October	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	343 017 085	343 017 085	26 224 958	106 415 022	31.02%	33.33%
TOTAL	343 017 085	343 017 085	26 224 958	106 415 022	31.02%	33.33%

1.3 OVERTIME

Department	Allocation	Adjustment Budget	October	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	33 565	0.00%	33.33%
02-Planning & economic development	38 520	38 520	0	0	0.00%	33.33%
03-Financial services	1 097 215	1 097 215	81 360	301 411	27.47%	33.33%
04-Corporate services	1 038 171	1 038 171	125 574	572 203	55.12%	33.33%
05-Engineering services	2 746 084	2 746 084	146 599	719 273	26.19%	33.33%
06-Community services	13 807 763	13 807 763	1 289 120	4 881 948	35.36%	33.33%
07-Electrical engineering	8 821 436	8 821 436	768 061	2 476 338	28.07%	33.33%
Total	27 549 189	27 549 189	2 410 714	8 984 737	32.61%	33.33%

The actual salary expenditure which includes social contributions represents 31.02% of the budgeted salary amount for the period under review. An amount of R2.4 million was paid for overtime

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1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	October	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	27 425 152	27 425 152	2 216 941	8 805 170	32.11%	33.33%
TOTAL	27 425 152	27 425 152	2 216 941	8 805 170	32.11%	33.33%

2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	October Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARES	316 544 000	316 544 000	0	140 977 000	44.54%
FMG	2 145 000	2 145 000	0	2 145 000	100.00%
INEP	15 996 000	15 996 000	0	3 000 000	18.75%
MIG	92 315 000	92 315 000	0	55 389 000	60.00%
EPWP	5 510 000	5 510 000	0	1 378 000	25.01%
TOTAL	432 510 000	432 510 000	0	202 889 000	46.91%

An amount of R202 million which represents 46.91% 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	October Spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from receipt
EQUITABLE SHARES	316 544 000	316 544 000	0	140 977 000	140 977 000	0	100.00%
FMG	2 145 000	2 145 000	121 410	2 145 000	424 494	1 720 506	19.79%
INEP	15 996 000	15 996 000	438 000	3 000 000	594 215	2 405 785	19.81%
MIG	92 315 000	92 315 000	3 638 833	55 389 000	31 049 158	24 339 842	56.06%
EPWP	5 510 000	5 510 000	0	1 378 000	2 539 012	-1 161 012	184.25%
TOTAL	432 510 000	432 510 000	4 198 243	202 889 000	175 583 879	27 305 121	86.54%

It is clear from the tables above that R 175 million of the R202 million grant money received was spent, 86.54% of grant money received for the financial year was spent.

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4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	October Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	120 000 000	120 000 000	9 603 377	38 002 047	31.67%	33.33%
Water	25 744 000	25 744 000	1 370 319	6 250 706	24.28%	33.33%
Sewer	7 500 100	7 500 100	530 084	1 932 005	25.76%	33.33%
Solid Waste	32 032 000	32 032 000	2 645 932	11 432 464	35.69%	33.33%
Electricity	501 501 000	501 501 000	44 770 455	199 171 102	39.71%	33.33%
Income foregone	-35 500 000	-35 500 000	3 086 146	12 791 556	-36.03%	33.33%
TOTALS	651 277 100	651 277 100	62 006 313	269 579 880	41.39%	33.33%

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5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	October Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	120 000 000	120 000 000	7 576 367	29 928 315	20 624 872	68.91%	17.19%
Water	25 744 000	25 744 000	1 847 803	6 796 252	4 333 122	63.76%	16.83%
Sewer	7 500 100	7 500 100	431 821	1 799 078	1 364 065	75.82%	18.19%
Solid Waste	32 032 000	32 032 000	2 441 225	10 441 032	7 537 053	72.19%	23.53%
Electricity	501 501 000	501 501 000	61 018 463	203 346 017	125 253 407	61.60%	24.98%
Income foregone	-35 500 000	-35 500 000	3 086 146	12 791 556	12 791 556	100.00%	-36.03%
TOTALS	651 277 100	651 277 100	76 401 826	265 102 249	171 904 075	64.84%	26.39%

6. BANK BALANCE

Name of institution	Cash in the Bank at 30 October 2019
ABSA	R53,843,208.19

Council had a positive Bank Balance of R 53,843,208.19 at the end of October 2019.

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7. BANK RECONCILIATION

	October
BALANCE ACCORDING TO BANK STATEMENT	31 312 986.64
BALANCE ACCORDING TO BANK STATEMENT	67 779.46
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	861 177.61
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	21 501 094.87
	<hr/>
	53 743 038.58
Less: OUTSTANDING CHEQUES	-1 612 635.91
	<hr/>
	52 130 402.67
Add: R/D CHEQUES	398 667.35
	<hr/>
	52 529 070.02
Less: OUTSTANDING DEPOSITS	-8 192 363.82
	<hr/>
	44 336 706.20
Add: CASH ON HAND	453 250.22
	<hr/>
	44 789 956.42
Add: PAYMENTS IN BANK NOT IN C/B	1 851.56
	<hr/>
BALANCE ACCORDING TO CASHBOOK	<u>44 791 807.98</u>

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8. INVESTMENT AS AT 31 October 2019

8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 31 October 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
Total			R15 000 000.00

Council had R15 million on short term investments as at 31 October 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		31-Aug		Closing Balance
				Capital	Interest	Capital	Interest	
DBSA	STOCK	1/10/2009	15'000'000	Nil	Nil	Nil	Nil	15'000'000
ABSA	ANNUITY	2/6/2011	16'848'523	Nil	Nil	Nil	Nil	16'848'523
DBSA	ANNUITY	1/11/2010	30'170'361	296,527	342,887	152'268	167' 384	30'018'094
STANDARD BANK		3/11/2015	30'000'000	Nil	Nil	Nil	Nil	30'000'000
DBSA	STOCK		40'000'000	Nil	Nil	Nil	Nil	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	Nil	Nil	Nil	20'000'000
TOTAL			152' 018'884	296,527	342,887	152' 268	167' 384	152' 866'616

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COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	Sep-19		Closing Balance
				Capital	Interest	
DBSA	STOCK	1/10/2009	15'000'000	15'000'000	376'079	Nil
ABSA	ANNUITY	2/6/2011	16'848'523	Nil	Nil	16'848'523
DBSA	ANNUITY	1/11/2010	30'018'094	147'561	172'090	29'870'533
STANDARD BANK	STOCK	3/11/2015	30'000'000	Nil	Nil	30'000'000
DBSA	ANNUITY	1/10/2018	40'000'000	Nil	1'135'726	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	255'836	20'000'000
TOTAL			151'866'617	15'147'561	1'939'731	136'719'056

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COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	Oct 2019		Closing Balance
				Capital	Interest	
DBSA	STOCK	01/10/2009	15'000'000			Nil
ABSA	ANNUITY	02/06/2011	16'848'523	Nil	Nil	16'848'523
DBSA	ANNUITY	01/11/2010	29'870'533	148'407	171'244	29'722'125
STANDARD BANK	STOCK	03/11/2015	30'000'000	Nil	1'828'405.28	30'000'000
DBSA	ANNUITY	01/10/2018	40'000'000	Nil	Nil	40'000'000
DBSA (New)	ANNUITY	01/10/2018	20'000'000	Nil	Nil	20'000'000
TOTAL			151'719'055	148'407	1'999'650	151'570'648

Long term loan expenditure paid for October 2019 is R 148'407

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10. CREDITORS AGE ANALYSIS

Trade creditors not paid within 30 days as at 31 October 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	VOLTEX TZANEEN	ELECTRICAL EQUIPMENT	151148	R 6,165.84	-	-	-	-	R 6, 165.84	Tax Invoice received but not yet due for payment
2	KM BOLT	STEEL SUPPLY		R 589.01					R 589.01	Tax Invoice received but not yet due for payment
3	MAGIC BUILDERS CENTRE (PTY) LTD	BUILDING MATERIAL	151146	R 1,978.00	-	-	-	-	R 1, 978.00	Tax Invoice received but not yet due for payment
4	WALTONS	STATIONARY		R 26, 984.75	-	-	-	-	R 26, 984.75	Tax Invoice not signed off by user department, due to work not done to satisfaction

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5	LETABA LOCKSMITH	SUPPLIES LOCKS		R 1, 897.50	-	-	-	R 1, 897.50	Tax Invoice received but not yet due for payment
6	BMK ELECTRONICS	SUPPLY METERS		R 370,760.00	-	-	-	R 370,760.00	Discrepancy with Tax Invoice
7	ROCKSMITH	BUILDING MATERIAL		R 8,850.00				R 8,850.00	Tax Invoice received but not yet due for payment
8	BEKMAR IRRIGATION (PTY) LTD	ELECTRICAL EQUIPMENT	151151/151149/ 151150	R 2,218.61				R 2,218.61	Tax Invoice yet submitted for payment
9	RIVISI ELECTRICAL CONTRACTORS	ELECTRICAL MAINTENANCE	150456 - 150474	R 0.00			R 19,533.90	R 19,533.90	Tax Invoice not signed off by user department, due to work not done to satisfaction
10	KAMO JOU TRADING AND PROJECTS (PTY) LTD	MACHINE HIRE	150255- 57/150673-75	R 0.00	R 162, 097.10		R 957,284.43	R 1,119,381.53	VAT discrepancy
				R 419, 443.71	R 162, 097.10	R 0.00	R 976, 818.33	R 0.00	R 1,558, 359.14

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

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	CHQ /GRN NUMBER/REF	Current	31-60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ESKOM	BULK PURCHASES	9725598889	R36,298,970.22	R74,440,686.09	-	-	-	R110,739,656.31	Current Tax Invoice received not yet due (payable 05 Dec 2019) – Payment Arrangement made to address arrears due to Cash flow challenges
				R36,298,970.22	R71,440,686.09	R 00.00	R 0.00	R 0.00	R110,739,656.31	

The total outstanding creditors as per the creditors' age analysis amounted to R 5,862,187.80 at the end of October 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	10 021 672	53 260 714	3 759 988	733 729	3 220 737	70 996 840	1 230 674	72 227 514
30 days	5 379 802	13 817 720	2 649 318	451 300	1 676 421	23 974 561	-515 543	23 459 018
60 days	4 354 284	8 002 347	1 557 873	380 311	1 516 817	15 811 631	-1 070 286	14 741 345
90 days	4 043 247	7 292 572	1 478 041	342 170	1 275 111	14 431 141	462 000	14 893 141
120 days	4 086 572	4 276 306	1 344 539	288 228	972 217	10 967 861	527 456	11 495 317
120 days plus	174 066 971	137 633 739	75 319 310	20 626 294	86 687 145	494 333 459	36 613 650	530 947 109
Balance	201 952 548	224 283 398	86 109 068	22 822 031	95 348 448	630 515 493	37 247 951	667 763 444

The outstanding rates and service charges decreased by 0.44% from R670 million in September to R667 million in October 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	R -921 929.08	R 666 297.29	R 252 634.50	R 677 871.29	R 17 270 934.58	17 945 808.58
BUSINESS	R 46 641 554.66	R 9 420 531.05	R 5 096 332.59	R 5 258 983.27	R 164 403 125.35	230 820 526.92
INDIVIDUALS	R 19 189 286.56	R 10 044 385.16	R 7 660 420.18	R 7 656 817.44	R 312 774 216.05	357 325 125.39
OTHER	R 7 318 601.73	R 3 327 804.84	R 1 731 957.79	R 1 299 468.70	R 47 994 149.91	61 671 982.97
BALANCE	72 227 513.87	23 459 018.34	14 741 345.06	14 893 140.70	542 442 425.89	667 763 443.86

11.3 PAYMENT RATES PER TOWN

Towns	Current Account	Payment Received	Payment Rate (%)
Tzaneen - Urban	27 099 627	(30 597 970)	113%
Tzaneen - Rural	34 812 466	(37 988 747)	109%
Nkowankowa	4 443 860	(1 474 171)	33%
Lenyenye	1 026 508	(209 190)	20%
Politsi	25 848	(23 800)	92%
Letsitele	3 144 107	(11 130 187)	354%
Haenertsburg	444 424	(786 906)	177%
Aggregate	70 996 840.00	(82 210 970.03)	116%

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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 October 2019.

11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	10 622 817.40	-7 576 366.94	3 046 450.46
Electricity	44 770 455.43	-61 018 463.26	(16 248 007.83)
Water	1 370 318.64	-1 847 803.43	(477 484.79)
Sewerage	530 083.55	-431 820.91	98 262.64
Refuse Removal	2 645 932.19	-2 441 225.35	204 706.84
Stand Sale	-	-270 600.00	(270 600.00)
Sundry Charges	8 531 257.00	-8 624 446.13	(93 189.13)
Interest charge on services debts	2 048 277.04		2 048 277.04

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12. CAPITAL PROJECTS

Project No	Capital Project	Vote No	Original Budget 2019/2020	2019 OCT	YTD Actual Exp OCT 2019	% Spent
CSD-22	Purchase of Fleet: 1xTLB, 1xexcavator, 2xWaste Trucks, 1xLow Bed	063/608/5022	7,500,000	-	-	0.00
CSD-23	Purchase of Grass cutting Machines	105/608/5022	800,000	-	-	0.00
CSD-37	Purchase of mobile Air Qaulity monitoring station and calibrate annually	112/608/5022	85,000	-	-	0.00
ESD-11	Mopye High School Access Road: Phase 1 of 2 and 2 of 2	195/600/5202	14,365,700	792, 911	2,190,704	15.25
ESD-12	Paving of Nelson Ramodike High Access Road phase 1 of 2 and phase 2 of 3 and 3 of 3	195/600/5202	4,402,376	348, 419	348, 419	7.91
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street Phase	195/600/5202	3,000,000	-	-	0.00
ESD-19	Mulati Access RoadPaving 1 of 3 and 2 of 3 and 3 of 3	195/600/5202	19,134,345	252, 288	13,132,746	68.63
ESD-25	Upgrading of Access Road- Mbambamencisi Phase 1	195/600/5202	2,968,065	-	1,338,463	45.10
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3 and 2 of 3 and 3 of 3	195/600/5202	19,554,712	1,149,016	9,521,691	48.69
ESD-28	Paving of moseanoka to Cell C Pharare internal streets in ward 28	195/600/5202	2,000,000	-	-	0.00
ESD-31	Relela Access Road 1 of 4 Upgrading from gravel to paving	195/600/5202	4,402,376	969, 667	2,129,895	48.38

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ESD-32	Matapa to Leseka Access Road Phase 1 of 2 and 2 of 2	195/600/5202	4,402,376	-	1,712,892	38.91
ESD-34	Mawa B12 Low Level Bridge	195/600/5202	2,000,000	126, 533	126,533	6.33
ESD-42	Purchasing of tar cutting machines and small compactors	063/608/5022	200,000	-	-	0.00
ESD-44	New generator for georges valley	063/608/5022	300,000	-	-	0.00
ESD-59	Area Lighting at R36 Kujwana turn off	183/600/5105	300,000	-	-	0.00
ESD-60	Upgrading of old fire station building and civic centre	103/600/5001	2,500,000	-	-	0.00
ESD-81	Fencing of cemetery Lesedi Regional Cemetry (Lenyenye)	105/600/5001	350,000	-	-	0.00
ESD-82	Ablution block with change room at Lesedi Regional Cemetery (Lenyenye)	105/600/5001	150,000	-	-	0.00
ESD-86	Fence Nkowankowa cemetery extension	105/600/5001	350,000	-	-	0.00
ESD-87	Construct ablution with change room at Nkowankowa cemetery	105/600/5001	150,000	-	-	0.00
ESD-100	Additions to existing Tzaneen stores including fencing	103/608/5025	750,000	-	-	0.00
ESD-101	New Lenyenye Taxi RankPhase 1 of 2 and 2 of 2	195/600/5202	8,119,900	-	547,816	6.75
ESD-110	Paving of Risaba, Mnisi, shando, to Driving school internal streets in ward 5	195/600/5202	2,000,000	-	-	0.00
ESD-110	Paving of main road from Ndhuna mandlakazi, Efrika, Zangoma, Mpenyisi to Jamba Cross internal streets(in ward 13, Mandlakazi)	195/600/5202	2,000,000	-	-	0.00

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ESD-114	Rehabilitation of Haenertsburg Cementry road	063/600/5029	1,500,000	-	-	0.00
ESD-117	Miniature Sub- Urban Distribution Networks	183/600/5105	800,000	-	-	0.00
ESD-119	Substation Tripping Batteries	183/600/5105	100,000	-	-	0.00
ESD-120	Provision of Electrical Tools-Customer Retail	183/600/5105	50,000	-	6,934	13.87
ESD-121	Provision of Electrical Tools-Operation and Maintenance	183/600/5105	50,000	-	-	0.00
ESD-122	Replacement of Existing Air Conditioners in Municipal Buildings in phases	183/600/5105	150,000	-	15,426	10.28
ESD-297	Purchase of the Mayoral Car	057/608/5021	1,200,000	-	-	0.00
ESD-298	Purchase of the Speaker's Car	057/608/5021	700,000	-	-	0.00
EED-20	New generator for Head office	063/608/5022	400,000	-	-	0.00
EED-46	Installation Entrance Street Lights R71	183/600/5105	500,000	-	-	0.00
EED-47	R71 Deerpark Traffic Circle Lights SANRAL	183/600/5105	1,600,000	-	-	0.00
EED-48	High Mast Lights at Dan Village	195/600/5202	1,200,000	-	-	0.00
EED-115	New Electricity Connection -Consumer Contribution	183/600/5005	7,500,000	33,790	1,142,810	15.24
EED-115	New Electricity Connection -Consumer Contribution	173/600/5005	7,500,000	300,061	1,504,081	20.05

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EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	183/600/5105	300,000	-	332,888	110.96
EED-123	Rebuilding of Lines- Green frog-Haenertsburg in phases	183/600/5105	1,050,000	-	-	0.00
EED-124	Rebuilding of Lines-Gravelotte- De Neck	183/600/5105	1,000,000	-	-	0.00
EED-125	Rebuilding of Lines 33 KV-Lalapanzi/Waterbok	183/600/5105	600,000	-	69,722	11.62
EED-126	Rebuilding of Mashuti 11KV Line (2 km)	183/600/5105	400,000	-	-	0.00
EED-128	Rebuilding of Yamorna & Shivulari 11KV Line (4 km)	183/600/5105	600,000	-	-	0.00
EED-127	Rebuilding of Deeside 11KV Line (2,5 km)	183/600/5105	600,000	-	183,551	30.59
EED-129	Rebuilding of Ledzee 11KV Line from LZ44 to Vandergruy Farm(2,5 km)	183/600/5105	1,400,000	-	-	0.00
EED-130	Rebuilding of Lines- Letsitele Valley Substation- Bosbou & all T offs (2,5 km)	183/600/5105	500,000	-	-	0.00
EED-132	Rebuilding of Rooikoppies 11KV lines (5 km)	183/600/5105	500,000	-	711,462	142.29
EED-139	Rebuilding of Mieliekloof & Deerpark 11KV lines (2,5 km)	183/600/5105	500,000	-	-	0.00
EED-140	Rebuilding of Letaba Feeder 33KV lines (2,5 km)	183/600/5105	1,000,000	-	-	0.00
EED-143	Substation Fencing at major substations in phases	183/600/5105	500,000	-	-	0.00
EED-144	Replace 2 x 15 MVA 66/11 Kv Transformers with 2 x 20 MVA at Tzaneen Mainsub Phase 1 and 2	183/600/5105	5,000,000	-	-	0.00

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EED-146	Replace 11KV & 33KV Auto Reclosers p.a (x5) (Item B53 6/14)	183/600/5105	1,000,000	-	-	0.00
EED-148	Refurbishment of Ebenezer 33KV Feeder (2,5 km)	183/600/5105	1,000,000	-	-	0.00
EED-153	Rebuilding of Valencia 11KV Lines	183/600/5105	500,000	-	-	0.00
PED-30	Purchase of Geographical Information Systems Equipments	012/608/5023	1,000,000	-	-	0.00
	Rebuilding of Lines Thabina Valley			-	578,789	0.00
	Rebuilding of Lines Blacknoll			291,691	995,626	0.00
	Rebuilding of Lines Mabiet 11KV			-	779,852	0.00
	Khwekhwe Low Level Bridge (Retention Correction)			-	(75,654)	0.00
	Rebuilding of Lines Waterbok			299,350	969,816	0.00
	Rebuilding of Lines Mieliekloof			-	395,257	0.00
	Auto Recloser			240,746	240,746	0.00
TOTAL			142,484,850	4,804,472	39,395,802	27.65%

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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 road is surfaced and open to chainage 12,05km. The Contractor is busy with construction of drains, guardrails and wing walls. The anticipated date for completion inspection is 18/10/2019 (No expenditure for October and Accumulated expenditure is R116 248 425.28)
Upgrading of Lenyenye Taxi Rank	A site Handover was sheduled for the 30/10/2019. Due to community protests it had to be postponed. (No expenditure for October and Accumulated expenditure R2 363 492.75)
Upgrading of Mulati Access Road	Contractor has been terminated. (Expenditure for October is R290 130.91and Accumulated expenditure is R 24 001 963.02)
Upgrading of Lenyenye to Khujwana Access Road	The Contractor has surfaced to chainage 3.6km, sub base up to chainage 4.8km and the road is marked till chainage 3.1km. They are busy with construction of the RAL intersection. (Expenditure for October is R1 321 368.30 and Accumulated expenditure is R25 620 373.87)
Upgrading of Mbambamencisi Access Road	The Contractor has Completed the laying of interlocking bricks. There were however defects and the Contractor has been instructed to correct them. (No expenditure for October and Accumulated expenditure is R 6 118 038.72)
Construction of Mawa Block 12 Low level bridge	Contractor has completed excavations and is now busy with pavement layer compaction. (Expenditure for October is R145 513.33 and accumulated expenditure is R768 831.40)
Upgrading of Relela Access Road	The Contractor is busy with box cut excavations, and completed construction of the roadbed for road one. (Expenditure for October is R1 115 116.62 and accumulated expenditure is R4 406 378.86)
Mmatapa to Leseka Access Road	The Contractor is busy with box cut excavations, construction of the roadbed and upper selected. (Expenditure for October is R1 969 825.29 and accumulated is R5 132 700.51)
Upgrading of CODESA to Hani Street Paving	Contractor has been terminated. (No expenditure for October and Accumulated expenditure is R8 488 772.96)
Mopye High School Access Road	The Contractor has completed the Construction of the roadbed and is busy with construction of the base. (Expenditure for October is R911 847.17 and Accumulated expenditure is R5 660 475.01)
Nelson Ramodike High School Access Road	The Contractor has established the site and is now busy with clearing of the bypass (Expenditure for October is R400 682.01 and accumulated expenditure is R3 613 972.72)

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13. EXPENDITURE PER VOTE

Row Labels	Sum of Budget	Sum of October	Sum of July to October	% spent
02-Expense	1 313 896 977	60 798 701	276 434 875	21.04%
01-Municipal manager	75 195 251	6 882 550	27 866 421	37.06%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	17 526 612	1 377 132	5 368 198	30.63%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 797 693	399 669	1 579 059	23.23%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 216 941	8 805 170	31.11%
064DEPRECIATION	162 351	0	0	0.00%
066REPAIRS AND MAINTENANCE	2 006	0	0	0.00%
074CONTRACTED SERVICES	400 000	0	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	2 300 000	107 738	466 255	20.27%
078GENERAL EXPENSES - OTHER	19 703 598	2 781 071	11 647 738	59.11%
02-Planning & economic development	31 408 863	2 945 199	10 031 166	31.94%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	15 016 418	1 275 921	5 248 657	34.95%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2 430 938	187 639	752 102	30.94%
064DEPRECIATION	311 650	0	0	0.00%
066REPAIRS AND MAINTENANCE	35 321	0	0	0.00%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420 248	210 267	210 267	50.03%
074CONTRACTED SERVICES	1 389 150	498	53 143	3.83%
078GENERAL EXPENSES - OTHER	11 805 138	1 270 874	3 766 998	31.91%
03-Corporate services	63 300 011	4 604 103	18 558 901	29.32%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	30 303 166	2 242 135	9 617 675	31.74%

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053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 484 435	464 643	1 891 714	25.28%
064DEPRECIATION	1 715 059	0	0	0.00%
066REPAIRS AND MAINTENANCE	358 950	81 564	244 990	68.25%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39 929	3 425	17 072	42.76%
074CONTRACTED SERVICES	3 900 000	162 928	382 904	9.82%
078GENERAL EXPENSES - OTHER	19 498 472	1 649 408	6 404 545	32.85%
03-Financial services	111 690 531	7 304 214	24 359 812	21.81%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 721 383	2 790 588	11 269 401	31.55%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 817 390	505 149	2 054 110	26.28%
060BAD DEBTS	17 900 000	0	0	0.00%
062COLLECTION COSTS	1 200 000	-841	103 989	8.67%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	700 010	0	0	0.00%
066REPAIRS AND MAINTENANCE	76 165	0	7 855	10.31%
074CONTRACTED SERVICES	9 608 383	626 964	1 545 394	16.08%
076GRANTS & SUBSIDIES PAID	2 145 000	121 410	424 494	19.79%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4 000 000	280 903	1 158 568	28.96%
078GENERAL EXPENSES - OTHER	32 522 200	2 980 040	7 796 000	23.97%
05-Engineering services	181 486 372	7 164 234	23 779 650	13.10%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 968 516	2 650 658	11 147 100	30.99%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	8 341 430	518 518	2 045 393	24.52%
064DEPRECIATION	79 558 205	0	0	0.00%
066REPAIRS AND MAINTENANCE	35 502 487	1 533 397	4 624 605	13.03%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2 796 472	1 343 878	1 469 238	52.54%

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074CONTRACTED SERVICES	2 226 642	68 036	274 744	12.34%
078GENERAL EXPENSES - OTHER	17 092 620	1 049 747	4 218 571	24.68%
06-Community services	259 801 370	18 635 871	74 372 264	28.63%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	99 922 871	7 767 489	32 052 087	32.08%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	21 051 120	1 527 261	6 113 738	29.04%
060BAD DEBTS	41 800 000	0	0	0.00%
064DEPRECIATION	5 526 841	0	0	0.00%
066REPAIRS AND MAINTENANCE	714 653	89 366	136 285	19.07%
074CONTRACTED SERVICES	55 962 588	5 113 753	17 494 571	31.26%
076GRANTS & SUBSIDIES PAID	5 749 000	0	2 080 943	36.20%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	456 000	0	39 000	8.55%
078GENERAL EXPENSES - OTHER	28 618 297	4 138 003	16 455 640	57.50%
07-Electrical engineering	591 014 579	13 262 530	97 466 660	16.49%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	58 552 235	3 802 578	14 420 450	24.63%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	10 781 138	715 578	2 855 336	26.48%
060BAD DEBTS	12 900 000	0	0	0.00%
064DEPRECIATION	46 139 397	0	0	0.00%
066REPAIRS AND MAINTENANCE	21 724 061	1 247 302	4 585 060	21.11%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	11 401 665	442 080	2 753 074	24.15%
072BULK PURCHASES	403 000 000	6 521 739	70 479 501	17.49%
074CONTRACTED SERVICES	200 119	1 466	4 143	2.07%
076GRANTS & SUBSIDIES PAID	20 000 000	438 000	594 215	2.97%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1 221 812	0	0	0.00%
078GENERAL EXPENSES - OTHER	5 094 152	93 787	1 774 881	34.84%
Grand Total	1 313 896 977	60 798 701	276 434 875	21.04%

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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 R 9.4 million which is 75.2 % of the budget

Planning and Economic Development

General expense: LED overspend due to GTEDA 1st tranche payment

Corporate Services

Repairs and Maintenance: Due to payment to service provider (Least Cost Communication) for VoIP phone call

Communication Services

General expenses: Overspending due to once off payment to SALGA for membership fees

Electricity Services

General expenses: The division overspending due to payments of electricity to ESKOM

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14. EXPENDITURE PER ITEM

Row Labels	Sum of Budget	Sum of October	Sum of July to October	% Spent
02-Expense	1 313 896 977	60 798 701	276 434 875	21.04%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	293 011 201	21 906 501	89 123 569	30.42%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	64 704 144	4 318 456	17 291 452	26.72%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 216 941	8 805 170	31.11%
060BAD DEBTS	72 600 000	0	0	0.00%
062COLLECTION COSTS	1 200 000	-841	103 989	8.67%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	134 113 513	0	0	0.00%
066REPAIRS AND MAINTENANCE	58 413 643	2 951 629	9 598 795	16.43%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14 658 314	1 999 650	4 449 650	30.36%
072BULK PURCHASES	403 000 000	6 521 739	70 479 501	17.49%
074CONTRACTED SERVICES	73 686 882	5 973 645	19 754 899	26.81%
076GRANTS & SUBSIDIES PAID	27 894 000	559 410	3 099 652	11.11%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	7 977 812	388 641	1 663 823	20.86%
078GENERAL EXPENSES - OTHER	134 334 477	13 962 930	52 064 373	38.76%
Grand Total	1 313 896 977	60 798 701	276 434 875	21.04%

The actual operational expenditure represents 21% of the budgeted operational expenditure which is less than the 33.33% budget target.

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15. Supply Chain Management

Performance Statistics

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

Description	2019	Year to Date
Requisitions received from demand Management	205	441
Total number of orders processed for the October 2019	205	441
Total number of deviation orders processed for October 2019	20	20
Total number of orders above R30 000 for October 2019	11	11
Difference between requisitions received and orders processed	0	0
Number of canceled orders October 2019	0	0

2. Approved deviations for October 2019

Order No	Business Name	Description	Amount	Reason for Deviation
D5411TZA	BDM DIESEL CENTRE	STRIPE AND QUOTE	R 9 639.98	CIVIL ENGINEERING
D5360TZA	BB UD TZANEEN	HANGER	R 15 111.08	CIVIL ENGINEERING
D5378TZA	BB UD TZANEEN	CLEVIS PIN	R 12 996.74	CIVIL ENGINEERING
D5445TZA	BB MOTORS	JACK COMPL	R 2 498.70	CIVIL ENGINEERING

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D5442TZA	BB MOTORS	BEARING	R	8 378.03	CIVIL ENGINEERING
D5204TZA	B.E.C KONSTRUKSIE	MAKING TRACTOR CANOPY	R	3 162.50	CIVIL ENGINEERING
D5452TZA	JV HIDROLIES	STRIPE AND QUOTE	R	7 446.25	CIVIL ENGINEERING
D5455TZA	JV HIDROLIES	PL2 SIGHT GLASS	R	7 469.71	CIVIL ENGINEERING
D5331TZA	LETABA HERALD	ADVERT	R	9 275.00	FINANCE
D5401TZA	LETABA HERALD	ADVERT	R	7 245.00	MUNICIPAL MANAGER
D5348TZA	LETABA HERALD	ADVERT	R	7 245.00	P.E.D
D5394TZA	LETABA HERALD	ADVERT	R	7 769.40	CIVIL ENGINEERING
DEVIATION	GRANDSELECT	CABLE INSTALLATION CIVIL	R	4 592.09	EMERGENCY/CORPORATE SERVICES
DEVIATION	TZANEEN TRAINING CENTRE	FACILITING COMPETENCY CERTIFICATES LICENSES	R	34 650.00	SOLE SUPPLIER / CORPORATE SERVICES
DEVIATION	LIMPOPO NETWORK CABLING CC	RE-CABLING NETWORKS	R	12 166.01	EMERGENCY/CORPORATE SERVICES
DEVIATION	VODACOM	CONTRACT PACKAGES ON TABLET	R PER MONTH	27 600.00	ALLIGN WITH THE GOVERNMENT GAZZETE/CORPORATE SERVICES
DEVIATION	MUSTEK LIMITED	REPAIR RADIO NETWORK FOR TZANEEN TESTING GROUND AND RUNNYMEDE THUSONG CENTRE	R	17 664.00	EMERGENCY/CORPORATE SERVICES
DEVIATION	PLATESPIN FORGE SOFTWARE	SOFTWARE SYSTEM RENEWAL	R	79 842.10	EMERGENCY /CORPORATE SERVICES

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3. Orders per supplier above R30 000 for the OCTOBER 2019		
Orders in October 2019	Expenditure in OCTOBER 2019	
D5298MDC	R	233 044.28
D5297MDC	R	255 040.10
D5482MDC	R	116 522.14
D5358MDC	R	50 376.90
D5483TZA	R	184 624.16
D5277MDC	R	116 522.14
D5299MDC	R	31 500.00
D5449TZA	R	162 097.10
D5276MDC	R	116 522.14
D5388TZA	R	162 097.10
D5422MDC	R	191 455.45
D5298MDC	R	233 044.28
D5297MDC	R	255 040.10
D5482MDC	R	116 522.14
D5358MDC	R	50 376.90
D5483TZA	R	184 624.16
D5277MDC	R	116 522.14
D5299MDC	R	31 500.00
D5449TZA	R	162 097.10

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D5276MDC	R	116 522.14
D5388TZA	R	162 097.10
D5422MDC	R	191 455.45
D5298MDC	R	233 044.28
D5297MDC	R	255 040.10
D5482MDC	R	116 522.14

4. Bids closed in OCTOBER 2019

Bid No.	Description	User Dept.	Briefing session	Closing date	Status
SCMU 15/2019	Supply and delivery of grass cutting machine	Ms X.Gala	3-Oct	11-Oct-19	Evaluation stage
SCMU 17/219	Supply and installation of new concrete poll side fencing at lenyenye cemetery	Mr.M.L.Mahayi	10-Oct	18-Oct-19	Evaluation stage
SCMU 16/2019	Supply and installation of new concrete palisade fencing at nkowankowa cemetery	Mr.M.L.Mahayi	10-Oct	18-Oct-19	Evaluation stage
SCMU 12/2019	Supply and delivery of mobile air quality monitoring station	Ms. TM.Machumele	18-Oct-19	23-Oct-19	Evaluation stage
SCMUQ11/2019	Upgrading of existing ablution block and change room at nkowankowa cemetery	Mr.M.L.Mahayi	18-Oct-19	23-Oct-19	Evaluation stage

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SCMUQ 10/2019	New two male and female public toilet and change room at lenyenye cemetery	Mr.M.L.Mahayi	18-Oct-19	23-Oct-19	Evaluation stage
SCMU 18/2019	Supply and delivery of speaker's car	Mr.M.L.Mahayi	17-Oct-19	25-Oct-19	Evaluation stage
SCMUQ 14/2019	Conference :Greater Tzaneen municipality	Ms M.Mabetwa	N/A	29-Oct-19	Awarded

5. Bids under Specification in OCTOBER 2019

Bid No.	Description	User Dept.	Spec date	Date of Approval	Status
SCMU 22/2019	Service provider to develop tourism development strategy	Mr F. Rammalo	22-Oct-19	25-Oct-19	To be advertised
SCMUQ14/2019	Conference :Greater Tzaneen municipality	Ms M. Mabetwa	16-Oct-19	22-Oct-19	Awarded
SCMUQ13/2019	Request for proposal on establishment of GIS system	Mr M. Mathye	4-Oct-19	22-Oct-19	On advert
SCMU 21/2019	Provision of an electronic performance management system	Ms M. Mabetwa	15-Oct-19	22-Oct-19	On Advert
SCMU 18/2019	Supply and delivery of speaker's car	Mr ML. Mahayi	3-Oct-19	7-Oct-19	closed

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6. Awards contracts/bids reported to Official Website of the Municipality in OCTOBER 2019 (reporting awards)

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

7. Bids under Adjudication in OCTOBER 2019

Bid No.	Description	User Dept.	Closing date	BAC Date	Status / Outcome of BAC
SCMU 13/2019	Procurement of 36 months central interception x advanced licence	Ms. A Mailula	6-Sep-19	2-Oct-19	Waiting for appointment
SCMU 05/2019	Panel of professional service providers for financial ,internal audit and governance for the period of 3 years	M.P Makhubela	16-Aug-19	23-Oct-19	Waiting for appointment
SCMU 09/2019	supply and delivery of flocculants ,lime, soda ash; salt, activated carbon	Ms A. Gangashe	26-Jul-19	23-Oct-19	Referred back to re-advert
SCMU 36/2019	Supply and delivery of storm water pipes	Ms O.H Tshisevhe	30-Jun-19		Referred back to re-advert

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8. Bids under Evaluation in OCTOBER 2019					
Bid No.	Description	User Dept.	Closing Date	BEC Date	Status
SCMUQ 09/2019	Supply and delivery of prepayment plc meter	Mr T. Mushiana	11-Sep-19	4-Oct-19	awarded
SCMU 13/2019	Procurement of 36 months central interception x advanced licence	Ms. A Mailula	6-Sep-19	19-Sep-19	awarded

9. Bids advertised in October 2019								
Bid No.	Description	Notice board	Municipal Website	I-tender CIDB	Local media	National media	E-Tender	Closing date
SCMU 15 /2019	Supply and delivery of grass cutting machine	Yes	Yes	N/A	Yes	Yes	Yes	11-Oct-19
SCMU 22/2019	Service provider to develop tourism development strategy	Yes	Yes	N/A	Yes	Yes	Yes	22-Nov-19
SCMUQ14/2019	Conference :Greater Tzaneen municipality	Yes	Yes	N/A	no	no	Yes	29-Oct-19
SCMUQ13/2019	Request for proposal on establishment of GIS system	Yes	Yes	N/A	Yes	Yes	Yes	15-Nov-19
SCMU 21/2019	Provision of an electronic performance management system	Yes	Yes	N/A	Yes	Yes	Yes	14-Nov-19

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10. Bids approved/awarded by Municipal Manager in OCTOBER 2019

Bid No.	Description	Company Name	Closing date	Date of Award	Contract period	Contract amount
SCMU 13/2019	Procurement of 36 months central interception x advanced licence	Ms. A Mailula	06 September 2019	17 October 2019	Once off	R229 881.41

11. Bids approved/awarded by Chief Financial Officer in OCTOBER 2019

Bid No.	Description	Company name	SCM Date	Date of Award	Contract period	Contract amount
SCMUQ 09/2019	Supply and delivery of pay payment plc meter	Maboneng electrical distributors	4-Oct-19	4-Oct-19	Once off	R143 750.00

12. Contracts reported to CIDB I-Tender for completion in OCTOBER 2019 (reporting awards)

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

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Major achievements for OCTOBER 2019

Summary of SCM process (Descriptions)	Oct-19
Number of new accredited suppliers registered with municipal's database	0
Number of orders processed	205
Number of approved deviations from SCM procedures	20
Number of orders above R30,000.00 processed	11
Number of bids approved (considered) by BSC	5
Number of bids approved by MM for advertisement from BSC	5
Number of new bids advertised	5
Number of bids closed	7
Number of bids evaluated by BEC (recommended further for consideration)	2
Number of bids adjudicated by BAC (recommended further for consideration by MM)	2
Number of Bids/contracts approved and appointed by CFO	1
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

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Key challenges – coming OCTOBER 2019

SUPPLY CHAIN MANAGEMENT CHALLENGES	RECOMMENDATIONS:
<ul style="list-style-type: none"> Slow network/internet application affecting CSD verification accessing CSD report 	<ul style="list-style-type: none"> IT should consider procuring fast internet application / license e.g. wi-fi or wireless network
<ul style="list-style-type: none"> SCM does not have safe storage system to file non-appointed bids 	<ul style="list-style-type: none"> Council should consider budgeting/acquiring a bulk storage system for budget & treasury department/SCM
<ul style="list-style-type: none"> SCM do not have safe archive system (electronic or Manual) 	<ul style="list-style-type: none"> IT division should consider developing E-filing for Budget & Treasury / SCM as a back-up system for AG
<ul style="list-style-type: none"> Office space 	<ul style="list-style-type: none"> SCM have five permanent employees utilising three congested offices with files & documents
<ul style="list-style-type: none"> Cheque requisition compromise SCM reporting (SCM compliance) of deviation & payment process 	<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Department did not report any completion of project to SCM 	<ul style="list-style-type: none"> 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)

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

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5. 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
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
Total				R444,458.53

No Fruitless and wasteful expenditure was incurred during the month of October 2019.

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6. IRREGULAR EXPENDITURE

Irregular Expenditure to Date		
Department	Year	YTD Exp
MM	2019/2020	
Council	2019/2020	
Corporate Services	2019/2020	
Community Services	2019/2020	2 446 550.77
Finance	2019/2020	114 341.33
PED	2019/2020	
Electrical Services	2019/2020	
Engineering Services	2019/2020	
TOTAL		2 560 892.10

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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		-
TOTAL ASSET TRANSACTION VALUE (Including VAT)		R51 625.77

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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

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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
TOTAL TRANSACTION VALUE (Including VAT)	-	R nil

INTANGIBLE ASSETS	QTY	VALUE
Transfers in		-
TOTAL		-

PROPERTIES

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

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JOURNALS

Date	Account Name	Account	Debit	Credit
1 2019/08/31	Work In Progress Pavements, Bridges & Storm water	363/410/4005 195/600/5202	23,357,947.98	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
<i>Capitalisation of WIP for the month</i>				
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
<i>Recognition of current year additions- Other Assets</i>				

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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

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 October 2019 amounted to R 826,994.49

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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

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- Summary View

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

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

Data Conversion Status

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

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- **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 3rd party sign-off

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- Summary View

		Tested	3 rd 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

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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

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