

GREATER TZANEEN MUNICIPALITY



NOVEMBER 2019/2020 FINANCIAL REPORT

NOVEMBER 2019/20 FINANCIAL REPORT

TABLE OF CONTENTS

1. Budget Performance
2. Grants and Subsidies Received
3. Performance on Conditional Grants
4. Revenue Billed from Service Charges
5. Revenue Collected from Service Charges
6. Bank Balance
7. Bank Reconciliation
8. Investments
9. Debt Management
10. Creditors Age Analysis
11. Revenue Management
12. Capital Projects
13. Expenditure per Vote and Item
14. Supply Chain Management Report
15. Fruitless & Wasteful Expenditure
16. Irregular Expenditure
17. Asset Management
18. Audit Findings
19. Fuel Expenditure

NOVEMBER 2019/20 FINANCIAL REPORT

1. BUDGET PERFORMANCES

1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	November	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1,309,239,841	1,223,888,495	78,972,778	355,288,925	29.03%	41.66%
Capital Expenditure	142,484,850	142,332,525	9,915,031	49,310,833	34.64%	41.66%
TOTAL EXPENDITURE	1,451,724,691	1,366,221,020	88,887,809	404,599,758	29.61%	41.66%

OPERATIONAL EXPENDITURE

The actual operational expenditure represents 29.03% of the budgeted operational expenditure which is also less than the 41.66% that could have been spent. The Operational expenditure does not include water and sewer expenses. A provision for bad debt and depreciation has not been allocated. It must be mentioned that an amount of R32.1 million which represents bulk electricity purchased for November 2019 payable in December 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 31.65%.

CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R9 915 031 for the month of November 2019. The total capital expenditure to date amounts to R 49 310 833 and the percentage spending is currently at 34.64%.

NOVEMBER 2019/20 FINANCIAL REPORT

1.2 SALARIES

Description	Allocation	Adjustment Budget	November	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	357,715,346	331,256,903	26,095,582	132,510,604	40.00%	41.66%
TOTAL	357,715,346	331,256,903	26,095,582	132,510,604	40.00%	41.66%

1.3 OVERTIME

Department	Allocation	Adjustment Budget	November	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	33,565	0.00%	41.66%
02-Planning & economic development	0	0	0	0	0.00%	41.66%
03-Financial services	837,457	418,728	100,472	672,675	160.65%	41.66%
04-Corporate services	563,047	281,523	51,285	352,695	125.28%	41.66%
05-Engineering services	2,341,123	1,170,561	233,523	952,796	81.40%	41.66%
06-Community services	18,261,099	9,130,549	981,865	5,863,813	64.22%	41.66%
07-Electrical engineering	19,099,228	9,549,614	1,047,406	3,523,744	36.90%	41.66%
Total	41,101,954	20,550,975	2,414,550	11,399,287	55.47%	41.66%

The actual salary expenditure which includes social contributions represents 40% of the budgeted salary amount for the period under review. An amount of R2.4 million was paid for overtime

NOVEMBER 2019/20 FINANCIAL REPORT

1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	November	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28,302,991	28,302,991	2,206,206	11,011,376	38.91%	41.66%
TOTAL	28,302,991	28,302,991	2,206,206	11,011,376	38.91%	41.66%

2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	November Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARES	360,693,000	360,693,000	0	159,872,000	44.32%
FMG	2,145,000	2,145,000	0	2,145,000	100.00%
INEP	20,000,000	20,000,000	8,000,000	12,000,000	60.00%
MIG	94,263,000	94,263,000	32,482,000	63,718,000	67.60%
EPWP	5,749,000	5,749,000	2,588,000	4,026,000	70.03%
TOTAL	482,850,000	482,850,000	43,070,000	241,761,000	50.07%

An amount of R241 million which represents 50% of all grants budgeted for has been received during the financial year.

NOVEMBER 2019/20 FINANCIAL REPORT

3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	November Spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from receipt
EQUITABLE SHARES	360,693,000	360,693,000	0	159,872,000	159,872,000	0	100.00%
FMG	2,145,000	2,145,000	202,894	2,145,000	627,388	1,517,612	29.25%
INEP	20,000,000	20,000,000	2,074,138	12,000,000	2,668,353	9,331,647	22.24%
MIG	94,263,000	94,263,000	8,486,801	63,718,000	39,535,959	24,182,041	62.05%
EPWP	5,749,000	5,749,000	0	4,026,000	2,080,943	1,945,057	51.69%
TOTAL	482,850,000	482,850,000	10,763,833	241,761,000	204,784,643	36,976,357	84.71%

It is clear from the tables above that R204 million of the R241 million grant money received was spent, 84.71% of grant money received for the financial year was spent.

NOVEMBER 2019/20 FINANCIAL REPORT

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	9,567,863	47,569,910	33.98%	41.66%
Water	25,284,000	25,284,000	2,648,143	8,898,849	35.20%	41.66%
Sewer	7,800,100	7,800,100	532,688	2,464,693	31.60%	41.66%
Solid Waste	35,021,657	35,021,657	3,002,240	14,434,704	41.22%	41.66%
Electricity	577,501,000	577,501,000	39,022,847	238,193,949	41.25%	41.66%
Income foregone	-38,200,000	-38,200,000	-3,111,014	-15,902,570	41.63%	41.66%
TOTALS	747,406,757	747,406,757	51,662,767	295,659,535	39.56%	41.66%

NOVEMBER 2019/20 FINANCIAL REPORT

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	7,045,768	47,569,910	36,974,083	77.73%	26.41%
Water	25,284,000	25,284,000	2,298,166	8,898,849	9,094,418	102.20%	35.97%
Sewer	7,800,100	7,800,100	440,491	2,464,693	2,239,569	90.87%	28.71%
Solid Waste	35,021,657	35,021,657	2,111,358	14,434,704	12,552,390	86.96%	35.84%
Electricity	577,501,000	577,501,000	44,832,985	238,193,949	248,179,001	104.19%	42.97%
Income foregone	-38,200,000	-38,200,000	-3,111,014	-15,902,570	-15,902,570	100.00%	41.63%
TOTALS	747,406,757	747,406,757	53,617,755	295,659,535	293,136,892	99.15%	39.22%

6. BANK BALANCE

Name of institution	Cash in the Bank at 30 November 2019
ABSA	R 62 312 730.96

Council had a positive Bank Balance of R 62 312 730.96 at the end of November 2019.

NOVEMBER 2019/20 FINANCIAL REPORT

7. BANK RECONCILIATION

	Nov-19
BANK RECONCILIATION -	
BALANCE ACCORDING TO BANK STATEMENT	40 196 678.91
BALANCE ACCORDING TO BANK STATEMENT	68 113.34
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	947 008.11
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	21 100 930.60
	<hr/> 62 312 730.96
Less: OUTSTANDING CHEQUES	7 105 899.45
	<hr/> 69 418 630.41
Add: R/D CHEQUES	396 645.70
	<hr/> 69 815 276.11
Less: OUTSTANDING DEPOSITS	-5 813 669.60
	<hr/> 64 001 606.51
Add: CASH ON HAND	238 825.79
	<hr/> 64 240 432.30
Add: PAYMENTS IN BANK NOT IN C/B	2 348.32
BALANCE ACCORDING TO CASHBOOK	<hr/> 64 242 780.62 <hr/>

NOVEMBER 2019/20 FINANCIAL REPORT

8. INVESTMENT AS AT 30 November 2019

8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 30 November 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 30 November 2019

NOVEMBER 2019/20 FINANCIAL REPORT

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

NOVEMBER 2019/20 FINANCIAL REPORT

COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	Sep-19		Oct-19		Nov-19		Closing Balance
				Capital	Interest	Capital	Interest	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	148'407	171'244	160'251	159'400	29'561'874
STANDARD BANK	STOCK	3/11/2015	30'000'000	Nil	Nil		1'828'405			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	148'407	1'999'650	160'251	159'400	136'410'397

Long term loan expenditure paid for November 2019 is R 160 251

NOVEMBER 2019/20 FINANCIAL REPORT

10. CREDITORS AGE ANALYSIS

Trade creditors not paid within 30 days as at 30 November 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	ACTOM	SUPPLIES TRANSFORMERS	152643/152645	R 1, 855,410.00	-	-	-	-	R 370,760.00	Tax Invoice under investigation (Clarity on CPA required) Engagements in progress with supplier re. SARS query /VAT issues (Supplier not VAT Registered but claimed VAT)
2	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	
			TOTAL	R 1,855, 410.00	R 162, 097.10	R 0.00	R 957,2 84.43	R 0.00	R 2,974, 791.53	

The total outstanding creditors as per the creditors' age analysis amounted to R2 974 791.53 at the end of November 2019

NOVEMBER 2019/20 FINANCIAL REPORT

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	10 024 500	45 389 361	3 844 446	720 655	2 771 437	62 750 400	-282 586	62 467 814
30 days	5 416 349	19 361 543	2 194 311	468 019	2 120 220	29 560 442	1 100 253	30 660 695
60 days	4 538 380	8 396 185	2 419 534	377 817	1 297 070	17 028 987	-383 946	16 645 041
90 days	4 132 090	6 279 553	1 507 887	359 711	1 424 779	13 704 019	-813 409	12 890 610
120 days	3 920 334	6 645 919	1 452 447	330 288	1 234 927	13 583 914	683 107	14 267 021
120 days plus	177 479 179	138 550 227	76 490 891	20 861 916	87 229 227	500 611 442	37 369 434	537 980 876
Balance	205 510 832	224 622 788	87 909 517	23 118 406	96 077 661	637 239 204	37 672 854	674 912 058

The outstanding rates and service charges increased by 1.04% from R667 million in October to R674 million in November 2019. These amounts include sundry debtors of R37 million.

NOVEMBER 2019/20 FINANCIAL REPORT

11.2 AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days +	Total
GOVERNMENT	R 1 809 952.12	R 1 033 352.97	R 648 889.43	R 354 857.03	R 17 937 531.25	21 784 582.80
BUSINESS	R 37 093 875.38	R 14 559 631.36	R 5 983 274.31	R 3 902 804.35	R 168 043 943.78	229 583 529.18
INDIVIDUALS	R 19 203 851.57	R 10 239 249.12	R 7 277 519.98	R 6 939 932.98	R 318 101 322.91	361 761 876.56
OTHER	R 4 360 135.10	R 4 828 461.91	R 2 735 357.17	R 1 693 016.02	R 48 165 099.21	61 782 069.41
BALANCE	62 467 814.17	30 660 695.36	16 645 040.89	12 890 610.38	552 247 897.15	674 912 057.95

11.3 PAYMENT RATES PER TOWN

Towns	Current Account	Payment Received	Payment Rate (%)
Tzaneen - Urban	28 735 481	-27 656 995	96%
Tzaneen - Rural	26 457 763	-25 781 758	97%
Nkowankowa	4 053 748	-1 016 632	25%
Lenyenye	1 057 782	-142 413	13%
Politsi	25 863	-21 230	82%
Letsitele	1 913 719	-2 967 223	155%
Haenertsburg	506 043	-529 089	105%
Aggregate	62 750 400	-58 115 340	93%

NOVEMBER 2019/20 FINANCIAL REPORT

11.4 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

The number of indigents registered and verified, amounts to 25 693 for the month ended 30 November 2019.

11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BUDGET	BILLING	VARIANCES
Property Rates	8 666 667	9 567 863	(901 196.29)
Interest charged on rates debts	700 000	1 039 245	(339 245.20)
Electricity	46 208 333	39 022 847	7 185 486.41
Water	2 083 333	2 648 143	(564 809.55)
Sewerage	633 333	532 688	100 645.55
Refuse Removal	2 810 138	3 002 240	(192 101.71)
Stand Sale		-	-
Sundry Charges	500 000	1 085 041	(585 041.05)
Interest charge on services debts	2 083 333	1 891 513	191 820.33
TOTAL	63 685 138	58 789 580	4 895 558.50

NOVEMBER 2019/20 FINANCIAL REPORT

12. CAPITAL PROJECTS

Project No	Capital Project	Original Budget	November	July to November	% Spent
CSD-22	Purchase of Fleet: 1xTLB, 1xexcavator, 2xWaste Trucks, 1xLow Bed	2,900,000			
CSD-23	Purchase of Grass cutting Machines	800,000			
CSD-37	Purchase of mobile Air Qaulity monitoring station and calibrate annually	85,000			
ESD-11	Mopye High School Access Road: Phase 1 of 2 and 2 of 2	14,365,700	1, 468,206	3,658,910	25.47
ESD-12	Paving of Nelson Ramodike High Access Road phase 1 of 2 and phase 2	4,402,376	1,706, 185	2,054, 604	46.67
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street Phase	3,000,000			
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	809,470	2,147,933	72.37
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3 and 2 of 3 and 3 of 3	19,554,712	-	9,521,691	48.69
ESD-28	Paving of moseanoka to Cell C Pharare internal streets in ward 28	2,000,000			
ESD-31	Relela Access Road 1 of 4 Upgrading from gravel to paving	4,402,376	836,452	2,966,347	67.38
ESD-32	Matapa to Leseka Access Road Phase 1 of 2 and 2 of 2	4,402,376	3,514,976	5,227,867	118.75
ESD-34	Mawa B12 Low Level Bridge	2,000,000	151,513	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

NOVEMBER 2019/20 FINANCIAL REPORT

ESD-60	Upgrading of old fire station building and civic centre	2,500,000	125,673	125,673	5.03
ESD-81	Fencing of cemetery Lesedi Regional Cemetery (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
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		547,816	6.75
ESD-110	Paving of Risaba, Mnisi, shando, to Driving school internal streets in ward 5	2,000,000			0
ESD-110	Paving of main road from Ndhuna mandlakazi, Efrika, Zangoma, Mpenyisi to Jamba Cross internal streets(in ward 13, Mandlakazi)	2,000,000			0
ESD-114	Rehabilitation of Haenertsburg Cementry road	1,000,000	149,077	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 in phases	150,000	-	15,426	10.28
ESD-297	Purchase of the Mayoral Car	1,000,000	-	-	0
ESD-298	Purchase of the Speaker's Car	400,000	-	-	0

NOVEMBER 2019/20 FINANCIAL REPORT

EED-20	New generator for Head office	400,000	-	-	0
EED-46	Installation Entrance Street Lights R71	500,000	-	-	0
EED-47	R71 Deerpark Traffic Circle Lights SANRAL	1,600,000	-	-	0
EED-48	High Mast Lights at Dan Village	1,200,000	-	-	0
EED-115	New Electricity Connection -Consumer Contribution	4,000,000	127,007	1,269,817	16.93
EED-115	New Electricity Connection -Consumer Contribution	4,000,000	828,742	2,332,823	31.1
EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	300,000	197,731	863,527	287.84
EED-123	Rebuilding of Lines- Green frog-Haenertsburg in phases	1,050,000	-	-	0
EED-124	Rebuilding of Lines-Gravelotte- De Neck	1,000,000	-	-	0
EED-125	Rebuilding of Lines 33 KV-Lalapanzi/Waterbok	600,000	-	69,722	11.62
EED-126	Rebuilding of Mashuti 11KV Line (2 km)	400,000	-	-	0
EED-128	Rebuilding of Yamorna & Shivulari 11KV Line (4 km)	600,000	-	-	0
EED-127	Rebuilding of Deeside 11KV Line (2,5 km)	600,000	-	183,551	30.59
EED-129	Rebuilding of Ledzee 11KV Line from LZ44 to Vandergry Farm(2,5 km)	1,400,000			

NOVEMBER 2019/20 FINANCIAL REPORT

EED-130	Rebuilding of Lines- Letsitele Valley Substation- Bosbou & all T offs (2,5 km)	500,000			0
EED-132	Rebuilding of Rooikoppies 11KV lines (5 km)	500,000	-	711,462	142.29
EED-139	Rebuilding of Mieliekloof & Deerpark 11KV lines (2,5 km)	500,000			0
EED-140	Rebuilding of Letaba Feeder 33KV lines (2,5 km)	1,000,000			0
EED-143	Substation Fencing at major substations in phases	500,000			0
EED-144	Replace 2 x 15 MVA 66/11 Kv Transformers with 2 x 20 MVA at Tzaneen Mainsub Phase 1 and 2	5,000,000		162,427	3.25
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	-	578,789	0
	Rebuilding of Lines Blacknoll		-	995,626	0
	Rebuilding of Lines Mabiet 11KV		-	779,852	0
	Khwekhwe Low Level Bridge (Retention Correction)		-	(75,654)	0.00
	Rebuilding of Lines Waterbok		-	969,816	0
	Rebuilding of Lines Mieliekloof		-	395,257	0
	Auto Recloser		-	240,746	0
TOTAL		142,132,525	9,915,031	49,310,833	34.64%

NOVEMBER 2019/20 FINANCIAL REPORT

MUNICIPAL INFRASTRUCTURE GRANT

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

Moruji to Maswi Tar Road	The Contractor is busy attending to defects on the surfacing before a completion inspection can be sheduled. (No expenditure for November and Accumulated expenditure is R116 248 425.28)
Upgrading of Lenyenye Taxi Rank	(No expenditure for November and Accumulated expenditure R2 363 492.75)
Upgrading of Mulati Access Road	Contract has been terminated and the matter awaits court outcome. (No expenditure for November Accumulated expenditure is R 24 001 963.02)
Upgrading of Lenyenye to Khujwana Access Road	Completion inspection was conducted on the 18/11/2019. The Contractor has 14 working days to attend to the snag list. (Expenditure for November is R418 671.02 and Accumulated expenditure is R25 633 382.49)
Upgrading of Mbambamencisi Access Road	Completion inspection was conducted on the 18/11/2019. The Contractor is attending to the snag list. (Expenditure for November is R930 890.50 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. (Expenditure for November is R319 752.75 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. (Expenditure for November is R961 920.12 and accumulated expenditure is R5 290 796.65)
Mmatapa to Leseke Access Road	The Contractor is busy with box cut excavations, construction of the roadbed and upper selected. (Expenditure for November is R2 338 745.10 and accumulated expenditure is R8 901 690.52)
Upgrading of CODESA to Hani Street Paving	Contract has been terminated and the matter awaits court outcome. (Expenditure for November is R243 596.14 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. (Expenditure for November is R1 688 436.79 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. (Expenditure for November is R1 962 112.75 and accumulated expenditure is R5 576 085.47)

NOVEMBER 2019/20 FINANCIAL REPORT

13. EXPENDITURE PER VOTE

Row Labels	Sum of Budget	Sum of November	Sum of July to November	% Spent
02-Expense	1 288 280 336	84 140 063	381 054 560	29.58%
01-Municipal manager	71 885 324	6 490 033	34 356 455	47.79%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	16 431 483	1 404 098	6 772 296	41.22%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 508 198	376 908	1 955 968	30.05%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 206 206	11 011 376	38.91%
064DEPRECIATION	157 371	0	0	0.00%
066REPAIRS AND MAINTENANCE	703 469	0	0	0.00%
074CONTRACTED SERVICES	300 000	0	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1 250 000	0	466 255	37.30%
078GENERAL EXPENSES - OTHER	18 231 812	2 502 822	14 150 560	77.61%
02-Planning & economic development	29 212 293	2 391 504	12 422 670	42.53%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	14 887 099	1 146 661	6 395 317	42.96%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2 430 938	175 800	927 901	38.17%
064DEPRECIATION	302 091	0	0	0.00%
066REPAIRS AND MAINTENANCE	129 925	0	0	0.00%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420 248	0	210 267	50.03%
074CONTRACTED SERVICES	889 150	15 204	68 347	7.69%
078GENERAL EXPENSES - OTHER	10 152 842	1 053 840	4 820 838	47.48%

NOVEMBER 2019/20 FINANCIAL REPORT

03-Financial services	100 712 446	5 823 865	30 183 677	29.97%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 153 937	2 651 379	13 920 780	39.60%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 817 390	504 132	2 558 242	32.73%
060BAD DEBTS	13 082 640	0	0	0.00%
062COLLECTION COSTS	900 000	37 676	141 666	15.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	678 539	0	0	0.00%
066REPAIRS AND MAINTENANCE	266 230	3 204	11 059	4.15%
074CONTRACTED SERVICES	8 300 000	467 854	2 013 249	24.26%
076GRANTS & SUBSIDIES PAID	2 145 000	202 894	627 388	29.25%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4 000 000	318 928	1 477 495	36.94%
078GENERAL EXPENSES - OTHER	28 368 710	1 637 799	9 433 799	33.25%
04-Corporate services	60 371 675	5 289 035	23 884 348	39.56%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	29 144 360	2 407 426	12 025 102	41.26%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 132 386	461 680	2 353 394	33.00%
064DEPRECIATION	1 662 455	0	0	0.00%
066REPAIRS AND MAINTENANCE	601 517	86 436	367 839	61.15%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39 929	3 188	20 260	50.74%
074CONTRACTED SERVICES	3 000 000	365 797	748 701	24.96%
076GRANTS & SUBSIDIES PAID	939 106	0	0	0.00%
078GENERAL EXPENSES - OTHER	17 851 922	1 964 508	8 369 053	46.88%
05-Engineering services	208 110 863	11 192 456	55 026 640	26.44%

NOVEMBER 2019/20 FINANCIAL REPORT

051EMPLOYEE RELATED COSTS - WAGES & SALARIES	64 234 607	5 184 677	27 062 718	42.13%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	15 015 583	992 099	4 951 832	32.98%
055EMPLOYEE COSTS CAPITALIZED	-2 752 451	0	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-108 412 498	0	-761 371	0.70%
060BAD DEBTS	6 942 600	0	0	0.00%
064DEPRECIATION	77 118 006	0	0	0.00%
066REPAIRS AND MAINTENANCE	122 401 141	2 880 089	11 430 450	9.34%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2 796 472	0	1 469 238	52.54%
072BULK PURCHASES	4 300 000	509 141	2 118 969	49.28%
074CONTRACTED SERVICES	8 638 302	505 697	2 763 550	31.99%
078GENERAL EXPENSES - OTHER	17 829 101	1 120 752	5 991 254	33.60%
06-Community services	255 608 794	20 528 116	95 046 220	37.18%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	89 982 406	7 481 852	39 533 939	43.94%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	20 806 719	1 542 130	7 655 867	36.80%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-18 744 426	0	0	0.00%
060BAD DEBTS	30 547 440	0	0	0.00%
064DEPRECIATION	5 357 322	0	0	0.00%
066REPAIRS AND MAINTENANCE	40 123 469	35 422	317 547	0.79%
074CONTRACTED SERVICES	53 719 609	5 624 846	23 119 418	43.04%
076GRANTS & SUBSIDIES PAID	5 749 000	0	2 080 943	36.20%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	291 000	81 292	120 292	41.34%
078GENERAL EXPENSES - OTHER	27 776 255	5 762 575	22 218 215	79.99%

NOVEMBER 2019/20 FINANCIAL REPORT

07-Electrical engineering	562 378 941	32 425 054	130 134 551	23.14%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	47 991 484	3 935 263	18 355 713	38.25%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	10 501 489	717 512	3 572 849	34.02%
055EMPLOYEE COSTS CAPITALIZED	-11 197 269	0	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-57 383 638	0	0	0.00%
060BAD DEBTS	9 427 320	0	0	0.00%
064DEPRECIATION	44 724 216	0	0	0.00%
066REPAIRS AND MAINTENANCE	78 819 885	2 987 033	7 814 930	9.91%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	11 401 665	156 212	2 909 286	25.52%
072BULK PURCHASES	403 000 000	22 181 115	92 660 616	22.99%
074CONTRACTED SERVICES	80 118	3 905	8 048	10.05%
076GRANTS & SUBSIDIES PAID	20 098 000	2 074 138	2 668 353	13.28%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	0	0	0	0.00%
078GENERAL EXPENSES - OTHER	4 915 671	369 875	2 144 756	43.63%
Grand Total	1 288 280 336	84 140 063	381 054 560	29.58%

NOVEMBER 2019/20 FINANCIAL REPORT

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

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

NOVEMBER 2019/20 FINANCIAL REPORT

14. EXPENDITURE PER ITEM

Row Labels	Sum of Budget	Sum of November	Sum of July to November	% Spent
02-Expense	1 223 664 915	78 972 778	355 288 925	29.03%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	267 818 036	21 800 018	110 923 587	41.42%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	63 344 284	4 295 565	21 587 017	34.08%
055EMPLOYEE COSTS CAPITALIZED	-13 949 720	0	0	0.00%
056EMPLOYEE COSTS ALLOCATED TO OTHER OPERATING ITEMS	-139 975 903	0	-761 371	0.54%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 206 206	11 011 376	38.91%
060BAD DEBTS	53 057 400	0	0	0.00%
062COLLECTION COSTS	900 000	37 676	141 666	15.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	130 000 000	0	0	0.00%
066REPAIRS AND MAINTENANCE	191 606 533	4 744 586	14 986 024	7.82%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14 658 314	159 400	4 609 050	31.44%
072BULK PURCHASES	403 000 000	22 181 115	92 660 616	22.99%
074CONTRACTED SERVICES	67 810 519	6 540 855	26 295 754	38.78%
076GRANTS & SUBSIDIES PAID	28 931 106	2 277 032	5 376 684	18.58%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	5 541 000	400 219	2 064 042	37.25%
078GENERAL EXPENSES - OTHER	122 620 355	14 330 107	66 394 479	54.15%
Grand Total	1 223 664 915	78 972 778	355 288 925	29.03%

The actual operational expenditure represents 29% of the budgeted operational expenditure which is less than the 41.66% budget target.

NOVEMBER 2019/20 FINANCIAL REPORT

15. Supply Chain Management

Performance Statistics

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

Description	2019	Year to Date
Requisitions received from demand Management	208	472
Total number of orders processed for the November 2019	208	472
Total number of deviation orders processed for November 2019	35	35
Total number of orders above R30 000 for November 2019	18	18
Difference between requisitions received and orders processed	0	0
Number of canceled orders November 2019	0	0

2. Approved deviations for November 2019

Order No	Business Name	Description	Amount	Reason for Deviation
D5521TZA	BB UD TZANEEN	WHEEL STUD	R 8 702.19	EMERGENCY
D5717TZA	BB UD TZANEEN	WASHER	R 2 361.20	EMERGENCY
D5718TZA	BB UD TZANEEN	WASHER	R 2 361.20	EMERGENCY
D5714TZA	BB UD TZANEEN	BELT	R 2 026.42	EMERGENCY
D5715TZA	BB UD TZANEEN	WASHER	R 2 361.20	EMERGENCY
D5716TZA	BB UD TZANEEN	WASHER	R 2 361.20	EMERGENCY
D5707TZA	BB UD TZANEEN	WASHER	R 2 361.27	EMERGENCY

NOVEMBER 2019/20 FINANCIAL REPORT

D5596TZA	BB UD TZANEEN	BEARING BALL	R	8 378.03	EMERGENCY
D5535TZA	BB UD TZANEEN	SEALANT	R	19 762.43	EMERGENCY
D5574TZA	BB UD TZANEEN	CYLINDER	R	28 723.92	EMERGENCY
D5629TZA	BB UD TZANEEN	SEAL	R	18 651.42	EMERGENCY
D5516TZA	BELL EQUIPMENT	TOOTH, FEMALE, PIN TYRE & TLB	R	3 839.16	EMERGENCY
D5719TZA	B.E.C CONSTRUCTION	STRIPE AND QUOTE	R	3 277.50	EMERGENCY
D5660TZA	DIPLIDANIA TRADING	REPAIR / WELD ON TRUCK	R	2 875.00	EMERGENCY
D5682TZA	DIPLIDANIA TRADING	SKIM DISC	R	2 691.00	EMERGENCY
D5515TZA	DIPLIDANIA TRADING	BATTERY 638	R	2 185.00	EMERGENCY
D5533TZA	DIPLIDANIA TRADING	REPAIR BRACKETS ON BRAKE	R	2 875.00	EMERGENCY
D5621TZA	DIPLIDANIA TRADING	WHEEL BEARING INNER / OUTER	R	13 259.50	EMERGENCY
D5614TZA	DIPLIDANIA TRADING	WHEEL CYLINDER	R	23 000.00	EMERGENCY
D5528TZA	JV HIDROLIES	HYDR HOSE	R	2 025.40	EMERGENCY
D5532TZA	JV HIDROLIES	HYDR HOSE	R	2 325.11	EMERGENCY
D5534TZA	JV HIDROLIES	TEFLON HOSE	R	2 639.80	EMERGENCY
D5567TZA	JV HIDROLIES	REPAIR JACK	R	3 593.75	EMERGENCY
D5520TZA	JV HIDROLIES	STRIPE AND QUOTE	R	3 967.50	EMERGENCY
D5722TZA	LETABA HERALD	ADVERT	R	7 245.00	ADVERTISING
D5564TZA	LETABA HERALD	ADVERT	R	4 600.00	ADVERTISING
D5558TZA	LETABA HERALD	ADVERT	R	5 750.00	ADVERTISING
D5565TZA	LETABA HERALD	ADVERT	R	6 900.00	ADVERTISING
D5624TZA	LETABA HERALD	ADVERT	R	7 245.00	ADVERTISING
D5602TZA	NTT GM TZANEEN	BEARING CLUTCH	R	3 784.43	EMERGENCY
D5600TZA	SONCO	CALL OUT	R	2 875.00	EMERGENCY
D5517TZA	SONCO	CALL OUT	R	2 451.11	EMERGENCY
D5598TZA	SONCO	CALL OUT	R	3 233.34	EMERGENCY

NOVEMBER 2019/20 FINANCIAL REPORT

D5526TZA	SONCO	CALL OUT	R	3 645.04	EMERGENCY
D5703TZA	SYNTELL	MOVALS 2ND LINE	R	31 676.00	EMERGENCY
DEVIATION	GRANDSELECT	PAYMENT FOR THE RECABLING	R	4 592.09	EMERGENCY

3. Orders per supplier above R30 000 for the November 2019

Orders in November 2019	Expenditure in November 2019
D5539TZA	R 51 738.53
D5672TZA	R 97 031.25
D5726TZA	R 162 097.10
D5724MDC	R 89 493.00
D5622TZA	R 34 434.72
D5727TZA	R 140 954.00
D5549TZA	R 107 405.38
D5696MDC	R 183 369.06
D5671TZA	R 63 756.00
D5577MDC	R 160 568.46
D5695MDC	R 58 257.50
D5662TZA	R 43 945.99
D5652TZA	R 72 162.46
D5661TZA	R 59 584.20
D5703TZA	R 31 676.00
D5700TZA	R 117 185.00
D5513MDC	R 128 995.50
D5673MDC	R 182 778.70

NOVEMBER 2019/20 FINANCIAL REPORT

4. Bids closed in November 2019					
Bid No.	Description	User Dept.	Briefing session	Closing date	Status
SCMU 20/2019	Pool of service providers with 1CE Grading (for Civil Engineering Works) in the Greater Tzaneen municipality for a period of 36 months.	Mr M.L.Mahayi	24-Oct	8-Nov-19	Evaluation stage
SCMU 19/219	Pool of service providers with 1GB Grading (for General Building works) in the Greater Tzaneen municipality for a period of 36 months.	Mr M.L.Mahayi	24-Oct	8-Nov-19	Evaluation stage
SCMUQ 13/2019	Request for proposal on establishment of GIS	Mr M.Mathye	7-Nov	15-Nov-19	Evaluation stage
SCMU22/2019	Service provider to develop tourism development strategy	Mr .D.F Rammalo	15-Nov-19	23-Oct	Evaluation stage

5. Bids under Specification in November 2019					
Bid No.	Description	User Dept.	Spec date	Date of Approval	Status
SCMUQ 15/2019	Supply and delivery of boots for EPWP beneficiaries	Mr M.M Shandlale	25-Nov-19	28-Nov-19	On advert
SCMUQ 09/2019	Supply and delivery of plc meter	Mr T. Mushiana	11-Nov-19	25-Nov-19	On advert

NOVEMBER 2019/20 FINANCIAL REPORT

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

6. Bids advertised in November 2019								
Bid No.	Description	Notice board	Municipal Website	I-tender CIDB	Local media	National media	E-Tender	Closing date
SCMUQ 15/2019	Supply and delivery of boots for EPWP beneficiaries	Yes	Yes	N/A	no	no	Yes	6-Dec-19
SCMUQ 09/2019	Supply and delivery of plc meter	Yes	Yes	N/A	no	no	Yes	6-Dec-19
SCMUQ 03/2019	Supply and delivery of hans and lay mash at egg laying project situated at dan village	Yes	Yes	N/A	no	no	Yes	29-Oct-19
SCMUQ 13/2019	Panel of service providers for supply and delivery of water treatment chemicals	Yes	Yes	N/A	Yes	Yes	Yes	17-Dec-19

NOVEMBER 2019/20 FINANCIAL REPORT

7. Bids under Evaluation in November 2019					
Bid No.	Description	User Dept.	Closing Date	BEC Date	Status
SCMU10/1/2019	Leasing of ICT equipment	Ms M.A Mailula	13-Sep-19	4-Nov-19	awarded

8. Bids under Adjudication in November 2019					
Bid No.	Description	User Dept.	Closing date	BAC Date	Status / Outcome of BAC
SCMU 10/2019	Leasing of ICT equipment	Ms. A Mailula	13-Sep-19	14-Nov-19	awarded
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	14-Nov-19	awarded

NOVEMBER 2019/20 FINANCIAL REPORT

9. Bids approved/awarded by Municipal Manager in November 2019						
Bid No.	Description	Company Name	Closing date	Date of Award	Contract period	Contract amount
SCMU 10/2019	Leasing of ICT equipment	Ms A Mailula	06 September 2019	14 November 2019	Once off	
SCMU 05/2019	Panel of professional service providers for financial, internal audit and governance for the period of 3 years	M.P Makhubela	16 August 2019	14 November 2019	36 months	Rates

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

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

NOVEMBER 2019/20 FINANCIAL REPORT

Major achievements for November 2019

Summary of SCM process (Descriptions)	Nov-19
Number of new accredited suppliers registered with municipal's database	0
Number of orders processed	208
Number of approved deviations from SCM procedures	35
Number of orders above R30,000.00 processed	18
Number of bids approved (considered) by BSC	2
Number of bids approved by MM for advertisement from BSC	2
Number of new bids advertised	4
Number of bids closed	4
Number of bids evaluated by BEC (recommended further for consideration)	1
Number of bids adjudicated by BAC (recommended further for consideration by MM)	2
Number of Bids/contracts approved and appointed by CFO	0
Number of Bids/contracts approved and appointed by MM	0
Number of Contract report to Treasury	0
Number of Contract report to Official Website	0

NOVEMBER 2019/20 FINANCIAL REPORT

Key challenges – coming November 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)

NOVEMBER 2019/20 FINANCIAL REPORT

<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.

NOVEMBER 2019/20 FINANCIAL REPORT

5. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Name of Suppliers	Department	Date	Cheque No	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 November 2019.

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	3 106 966.82
Finance	2019/2020	155 997.64
PED	2019/2020	
Electrical Services	2019/2020	
Engineering Services	2019/2020	
TOTAL	2019/2020	3 262 964.46

NOVEMBER 2019/20 FINANCIAL REPORT

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

NOVEMBER 2019/20 FINANCIAL REPORT

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
TOTAL TRANSACTION VALUE (Including VAT)	-	R nil

NOVEMBER 2019/20 FINANCIAL REPORT

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	

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

NOVEMBER 2019/20 FINANCIAL REPORT

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>			

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

NOVEMBER 2019/20 FINANCIAL REPORT

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 November 2019 amounted to R 806,994.61

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

NOVEMBER 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

NOVEMBER 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

NOVEMBER 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 3rd party sign-off

NOVEMBER 2019/20 FINANCIAL REPORT

- 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

NOVEMBER 2019/20 FINANCIAL REPORT

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

NOVEMBER 2019/20 FINANCIAL REPORT

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