

GREATER TZANEEN MUNICIPALITY



FEBRUARY 2022/2023

FINANCIAL REPORT

FEBRUARY FINANCIAL REPORT

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1. BUDGET PERFORMANCES

1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 350 645 688	1 350 645 688	92 856 086	813 471 699	60.23%	66.66%
Capital Expenditure	164 368 840	182 440 898	5 003 640	71 120 030	38.98%	66.66%
TOTAL EXPENDITURE	1 515 014 528	1 533 086 586	97 859 727	884 591 730	57.70%	66.66%

OPERATIONAL EXPENDITURE

The actual operational expenditure represents 60.23% of the budgeted operational expenditure, which is less than the 58.33% target budget. The Operational expenditure does not include water and sewer expenses. Provision for bad debt and depreciation was unallocated.

CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R 5 003 640 for the month of February 2023. The total capital expenditure to date amounts to R 71 120 030 and the percentage spending is currently at 38.98%.

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1.2 SALARIES

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	366 855 167	366 855 167	30 987 733	253 698 950	69.16%	66.66%
TOTAL	366 855 167	366 855 167	30 987 733	253 698 950	69.16%	66.66%

1.3 OVERTIME

Department	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	32 672	0.00%	66.66%
02-Planning & economic development	0	0	0	0	0.00%	66.66%
03-Financial services	587 882	587 882	147 364	1 700 323	289.23%	66.66%
04-Corporate services	57 578	57 578	24 724	341 491	593.09%	66.66%
05-Engineering services	1 427 325	1 427 325	130 486	767 725	53.79%	66.66%
06-Community services	9 714 002	9 714 002	903 107	7 662 413	78.88%	66.66%
07-Electrical engineering	4 635 892	4 635 892	1 224 892	8 441 026	182.08%	66.66%
Total	16 422 679	16 422 679	2 430 573	18 945 651	115.36%	66.66%

The salary expenditure that includes social contributions represents 69.16% of the budgeted salary amount for the period under review. An amount of R 2.4 million was paid for overtime for the month of February, which is more than the 66.66% budget target.

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1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	February	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28 445 008	28 445 008	2 344 582	19 556 626	68.75%	66.66%
TOTAL	28 445 008	28 445 008	2 344 582	19 556 626	68.75%	66.66%

2. GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	February Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARES	481 161 000	481 161 000	0	346 435 000	72.00%
FMG	2 000 000	2 000 000	0	2 000 000	100.00%
INEP	14 000 000	14 000 000	4 000 000	14 000 000	100.00%
MIG	119 004 000	119 004 000	0	103 000 000	86.55%
EPWP	8 065 000	8 065 000	2 418 000	8 065 000	100.00%
ENERGY EFFICIENCY	5 000 000	5 000 000	0	0	0.00%
SETA	800 000	800 000	0	0	0.00%
TOTAL	630 030 000	630 030 000	6 418 000	473 500 000	75.16%

An amount of R473 million that represents 75.16% of grants was received up to the month of February.

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3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	February spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from receipt
EQUITABLE SHARES	481 161 000	481 161 000	35 472 585	346 435 000	346 435 000	0	100.00%
FMG	2 000 000	2 000 000	269 954	2 000 000	556 071	1 443 929	27.80%
INEP	14 000 000	14 000 000	1 737 694	14 000 000	5 352 714	8 647 286	38.23%
MIG	119 004 000	119 004 000	2 445 015	103 000 000	70 372 721	32 627 279	68.32%
EPWP	8 065 000	8 065 000	963 345	8 065 000	7 146 786	918 214	88.61%
ENERGY EFFICIENCY	5 000 000	5 000 000	0	0	0	0	0.00%
SETA	800 000	800 000	5100	0	10200	-10 200	0.00%
TOTAL	630 030 000	630 030 000	40 893 693	473 500 000	429 873 492	43 636 708	90.79%

It is clear from the tables above that R429 million of the R473 millions of grant money received was spent, 90.79% of grant money received for the financial year was spent.

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4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	February Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	150 886 839	150 886 839	10 815 047	78 724 015	52.17%	66.66%
Electricity	700 000 000	700 000 000	50 893 791	465 905 792	66.56%	66.66%
Solid Waste	37 893 774	37 893 774	2 422 128	19 013 319	50.18%	66.66%
Sewer	7 800 100	7 800 100	678 138	4 757 002	60.99%	66.66%
Water	73 533 529	73 533 529	3 552 552	27 389 904	37.25%	66.66%
TOTALS	970 114 242	970 114 242	68 361 655	595 790 032	61.41%	66.66%

5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	February Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	150 886 839	150 886 839	7 282 985	78 724 015	54 819 695	69.64%	36.33%
Electricity	700 000 000	700 000 000	45 574 512	465 905 792	389 049 682	83.50%	55.58%
Solid Waste	37 893 774	37 893 774	1 525 852	19 013 319	11 568 948	60.85%	30.53%
Sewer	7 800 100	7 800 100	455 907	4 757 002	3 493 801	73.45%	44.79%
Water	73 533 529	73 533 529	1 837 345	27 389 904	15 485 619	56.54%	21.06%
TOTALS	970 114 242	970 114 242	56 676 601	595 790 032	474 417 746	79.63%	48.90%

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6. BANK BALANCE

Name of institution	Cash in the Bank on 28 February 2023
ABSA	R159,366,950.86

Council had a positive Bank Balance of R 159,366,950.86 at the end of February 2023.

7. BANK RECONCILIATION

In progress

8. INVESTMENTS

8.1 LONG TERM INVESTMENTS

Name of institution	Maturity Date	Balance as of 28 February 2023
ABSA	20-Dec-31	R 18 427 974.76
Standard Bank	16-Oct-25	R 23 370 918.23
TOTAL		R 41 798 892.99

- An investment of R 11 350 000 has been made with Standard Bank to repay a loan of R 30 million on maturity date. The loan bears interest at a rate of 12.09% and the value of the investment amounts to R 23 370 918.23
- An investment of R 16 594 314 has been made with ABSA as a cession to repay a loan of R 90 million on maturity date.

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8.2 SHORT TERM INVESTMENTS

Institution Name	Type of Account	Rate	Amount
Absa	Call Account	5.5%	R10 000 000.00
Nedbank	Call Account	5.25%	R15 000 000.00
Investec	Call Account	5.35%	R15 000 000.00
Total			R40 000 000.00

Council had R 40 million short-term investments at the end of February 2023

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9. DEBT MANAGEMENT

Greater Tzaneen Municipality has 6 loans with 3 different institutions.

COMPANY NAME	TYPE OF LOAN	LOAN AMOUNT	DATE OF LOAN TAKEN	LOAN TERMINATION DATE	OPENING BALANCE 01 FEB 2023	FEB 2023		CLOSING BALANCE
						CAPITAL	INTEREST	
DBSA	ANNUITY	41 000 000.00	01/11/2010	31/10/2030	23 101 346.70	200 030.52	119 620.67	22 901 316.18
ABSA	ANNUITY	25 140 000.00	02/06/2011	31/07/2025	10 076 588.52	-	-	10 076 588.52
STD BANK	10 yrs STOCK	30 000 000.00	31/11/2015	16/10/2025	30 000 000.00	-	-	30 000 000.00
DBSA	R 40 Mil	40 000 000.00	01/10/2018	30/06/2020	30 833 033.86	-	-	30 833 033.86
DBSA	R 20 Mil	20 000 000.00	01/10/2018	30/06/2028	15 278 335.72	-	-	15 278 335.72
DBSA	R 30 Mil	30 000 000.00	21/12/2020	20/12/2031	24 894 614.81	-	-	24 894 614.81
TOTAL					134 183 919.61	200 030.52	119 620.67	133 983 889.09

Long-term loan expenditure paid for February 2023 is R 119 620.67

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10. CREDITORS AGE ANALYSIS

There were no creditors not paid within 30 days at the end of February 2023

10.1 Sundry creditors not paid within 30 days as of 31 February 2023

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	CHQ /GRN NUMBER/REF	Current	16-30 DAYS	31-60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ESKOM	BULK PURCHASES	9725598889	-	R 38,148,689.11		-	-	-	R 38,148,689.11	Due 03/02/2023 (Current month Invoice not yet due)
			TOTAL	R0.00	R 38,148,689.11	R0.00	R 0.00	R 0.00	R 0.00	R 38,148,689.11	

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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	14 004 220	64 317 465	3 723 947	1 116 770	6 968 501	90 130 903	-14 250 586	75 880 317
30 days	7 689 855	23 030 443	2 598 213	818 231	5 871 383	40 008 125	1 739 652	41 747 778
60 days	6 547 536	15 549 349	2 336 919	676 072	3 724 366	28 834 242	469 658	29 303 900
90 days	6 119 012	14 587 378	2 257 414	633 630	3 376 330	26 973 765	752 715	27 726 480
120 days	5 995 899	13 258 694	2 200 992	634 785	3 463 694	25 554 064	585 843	26 139 907
120 days plus	290 761 216	224 863 432	114 124 535	30 057 651	126 568 257	786 375 091	44 138 545	830 513 637
Balance	331 117 738	355 606 762	127 242 020	33 937 140	149 972 530	997 876 190	33 435 829	1 031 312 019

The outstanding rates and service charges increased from R 1 011 billion in January to R 1 031 billion in February 2023. These amounts include sundry debtors of R33 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	3 835 652.00	1 140 766.00	859 751.00	810 477.00	30 088 212.00	36 734 858.00
BUSINESS	66 631 701.00	9 271 916.00	8 694 493.00	8 985 714.00	241 107 711.00	334 691 535.00
INDIVIDUALS	67 460 309.00	19 030 259.00	18 224 398.00	16 351 487.00	559 675 562.00	680 742 015.00
OTHER						-
BALANCE	137 927 662	29 442 941	27 778 642	26 147 678	830 871 485	1 052 168 408

11.3 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

The number of indigents registered and verified, amounts to 26 141 for the month of February 2023.

11.4 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	12 590 684	7 282 985	19 873 669
Electricity	50 893 791	45 574 512	96 468 303
Water	3 552 552	1 837 345	1 715 207
Sewerage	678 138	455 907	222 231
Refuse Removal	2 422 128	1 525 852	896 276
Sundry Charges	4 916 878	3 466 617	1 450 261
TOTAL	75 054 170	60 143 218	120 625 946

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11.5 PAYMENT RATES PER TOWN

PAYMENT RATES PER TOWN - RATES AND SERVICE CHARGE DEBTORS			
Towns	Current Account	Payment Received	Payment Rate (%)
Tzaneen - Urban	27 558 370	26 974 568	97.88%
Tzaneen - Rural	36 158 053	29 772 115	82.34%
Nkowankowa	8 183 545	991 258	12.11%
Lenyenye	1 470 851	189 347	12.87%
Politsi	79 124	78 773	99.56%
Letsitele	1 916 812	1 614 934	84.25%
Haenertsburg	513 563	522 224	101.69%
Aggregate	75 880 317	60 143 218	79.26%

Payment rate year to date = 79.26%

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12. CAPITAL PROJECTS

Project Name	Original Budget	Adjustment Budget	Actual	% Spent
CFO-111_Purchase of critical office furniture	400 000.00	400 000.00	283 936.61	70.98%
Upgrading of Nkokwakowa A CODESA and Hani Streets from gravel to paving	-	1 017 538.00	434 373.01	42.69%
11 kV and 33 kV Auto reclosers per annum X4 (La_Cotte x 2, California x 1,	1 500 000.00	1 500 000.00	193 740.00	12.92%
Replacing 11kv cables due to required increase in capacity	5 000 000.00	5 000 000.00	-	0.00%
Bulamahlo Community Hall	3 100 000.00	3 100 000.00	-	0.00%
Connections (Consumer Contribution)	10 000 000.00	10 000 000.00	-	0.00%
Dan Access road from R36 (Scrapyard) to D5011 (TEBA)	7 000 000.00	7 000 000.00	-	0.00%
Diagnostic machine for the workshop and replacement of hydraulic jack and toolbox	100 000.00	100 000.00	96 000.00	96.00%
Fleet Management System	1 000 000.00	2 060 000.00	2 057 703.77	99.89%
Install Bulk current transformers & meter panel Gravelotte	500 000.00	500 000.00	-	0.00%
Installation for smoke detectors in municipal buildings	500 000.00	500 000.00	-	0.00%
Installation of High Mast Lights at Mandlakazi	700 000.00	700 000.00	-	0.00%
Installation of High Mast Lights at Xihoko	700 000.00	700 000.00	145 225.00	20.75%
Leretjeni Sports Complex	11 000 000.00	11 000 000.00	-	0.00%
New Guardroom at Civic Centre	40 000.00	40 000.00	-	0.00%
Paving of Main road from Ndhuna Mandlakazi, Efrika, Zangoma,Mpenyisi to Jamba Cross				
Internal Street (in Ward 13, Mandlakazi)	13 400 000.00	13 400 000.00	10 136 515.47	75.65%
Paving of Marirone to Motupa Street	7 000 000.00	7 000 000.00	1 476 531.58	21.09%
Paving of Moseanoka to Cell C Pharare Internal Streets	31 200 000.00	30 700 472.00	19 887 697.30	64.78%
Paving of Mulati Access road	6 500 000.00	9 100 000.00	7 918 487.91	87.02%

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Paving of N'wamitwa Bridge via Nhlengeleti School to Taxi Rank,Clinic via Lwandlamuni School to N'wamitwa/Mandlakazi Road from gravel to paving	7 200 000.00	10 882 000.00	8 044 917.08	44.20%
Paving of Risaba, Mnisi, Shando, to Driving school Internal Street	16 100 000.00	18 199 990.00	13 063 213.57	71.78%
Paving of Risaba, Mnisi, Shando, to Driving school Internal Street	20 000 000.00	1.00	-	0.00%
Paving of Zangoma to Mariveni Road	7 000 000.00	7 000 000.00	2 943 792.44	42.05%
Purchase of 4xTLB, 2x graders G140.	3 000 000.00	1 350 000.00	-	0.00%
Rebuild 66 kV wooden line from Tarentaalrand to Tzaneen (20km) in Phases	3 000 000.00	3 000 000.00	-	0.00%
Rebuilding of Duiwelskloof 33 kV line (5 km)	3 000 000.00	3 000 000.00	-	0.00%
Rebuilding of Henley 11 kV line (2 km)	1 000 000.00	1 000 000.00	-	0.00%
Rebuilding of New Orleans 11 kV line (2 km)	1 000 000.00	1 000 000.00	193 954.55	19.40%
Renewal Repairs and maintenance of Bulk meters and Replace current transformers & meter panel Tarentaalrand,	1 500 000.00	1 500 000.00	-	0.00%
Purchasing of tar cutting machines and small compactors	60 000.00	60 000.00	34 000.00	56.67%
TID rollover Pre-paid	500 000.00	500 000.00	-	0.00%
Replacement of old halogen traffic lights heads, replacement of vissors and pole painting	500 000.00	500 000.00	58 156.00	11.63%
Walk-behind Roller X 2	500 000.00	500 000.00	-	0.00%
Purchase of a Power Generator for Letsitele water treatment plant	300 000.00	300 000.00	-	0.00%
Contribution to SANRAL for the construction of roundabout at junction of R71 and D978	1 500 000.00	1 500 000.00	-	0.00%
G.I.S(Procurement of equipments).	2 000 000.00	2 000 000.00	194 940.00	9.75%
Rehabilitation Haenertsburg Cemetery road	4 000 000.00	4 000 000.00	-	0.00%
Install Air conditioners	500 000.00	500 000.00	-	0.00%
Installation of High Mast Lights at Lusaka	700 000.00	700 000.00	480 700.34	68.67%
Installation of High Mast Lights at Mariveni	700 000.00	700 000.00	144 247.75	20.61%

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Installation of High Mast Lights at Nkowankowa	700 000.00	700 000.00	-	0.00%
Installation of High Mast Lights at Setone	700 000.00	700 000.00	-	0.00%
New, streetlights with the latest technology type	1 000 000.00	1 000 000.00	-	0.00%
Rehabilitation of Lenyenye Internal Streets (Main street to Industrial Area, Stadium, Ithuseng to Main street via Police Station)	3 200 000.00	3 200 000.00	-	0.00%
Rehabilitation of Nkowakowa Internal streets (Bankuna, Tambo to Maxakeni Road)	4 000 000.00	4 000 000.00	-	0.00%
Renovation of Nkowakowa offices (Old Home Affairs building)	800 000.00	390 000.00	-	0.00%
Purchase of office equipment	268 840.00	268 840.00	-	0.00%
Purchase of the Mayor's Vehicle	-	750 000.00	-	0.00%
Purchase of the Speaker's Vehicle	-	750 000.00	-	0.00%
Purchase of Compactor Truck	-	1 800 000.00	-	0.00%
Construction of civic centre roof	-	6 872 057.00	3 331 898.34	48.48%
	184 368 840	182 440 898	71 120 031	38.98%

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13. EXPENDITURE PER ITEM

Expenditure By Type	Original Budget	Adjustment Budget	Sum of Expenditure	% Spent
Employee related costs	367 029 275	367 029 275	253 698 950	69.12%
Remuneration of councilors	28 445 008	28 445 008	19 556 626	68.75%
Debt impairment				0.00%
Depreciation & asset impairment	121 814 038	121 814 038	10 920	0.01%
Finance charges	14 057 098	14 057 098	7 506 740	53.40%
Bulk purchases - electricity	465 421 255	465 421 255	311 515 593	66.93%
Inventory consumed	77 568 117	77 568 117	56 961 688	73.43%
Contracted services	77 920 401	77 920 401	53 045 154	68.08%
Transfers and subsidies	45 801 506	45 801 506	25 358 885	55.37%
Other expenditure	152 588 990	152 588 990	85 817 143	56.24%
Losses	0	0		0.00%
Total Expenditure	1 350 645 688	1 350 645 688	813 471 699	60.23%

The actual operational expenditure represents 60.23% of the budgeted operational expenditure, which is less than the 66.66% target budget

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14. LIST OF PROPERTY LEASED FROM THE MUNICIPALITY ATTACHED AS ANNEXURE A

14.2 The township establishment on the old McDonald land is in the process of registration by RIFUMO Town planners as appointed by COGHSTA

15 Supply Chain Management

15.1 Deviation order processed.

None

15.2 Orders processed

Attached as annexure B

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15.3 Bids and quotations considered by Bid specification committee.

NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
1.	SCMU 06/2023	POOL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF CLEANING MATERIAL	08 FEBRUARY 2023	08 FEBRUARY 2023	MR. A LE GRANGE
2.	SCMU 05/2023	POOL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF DISASTER MANAGEMENT MATERIAL	08 FEBRUARY 2023	08 FEBRUARY 2023	MR. A LE GRANGE
3.	SCMU 07/2023	POOL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF PETROL AND DIESEL	08 FEBRUARY 2023	08 FEBRUARY 2023	MR. A LE GRANGE
4.	SCMUQ: 02/2023	SUPPLY AND DELIVERY OF FIREWALLS LICENSE RENEWAL (ONCE- OFF LICENSE FOR 12 MONTHS) RE-ADVERT	08 FEBRUARY 2023	08 FEBRUARY 2023	MS. A MOKAWANE
5.	SCMUQ 06 2023	WARD COMMITTEE SECRETARIES' ACCOMMODATION VENUE	10/02/2023	10/02/2023	MR F MALALE

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NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
6.	SCMUQ: 04/2023	SUPPLY AND DELIVERY OF HIGHMASTS WINCH TO LOWER AND RAISE SECTIONAL POLES	10 FEBRUARY 2023	10 FEBRUARY JANUARY 2023	MR B TSHAWE
7.	SCMUQ 05/2023	SUPPLY AND DELIVERY FOR THE VENUE OF TECHNICAL PLANNING SESSION	14 FEBRUARY 2023	14 FEBRUARY 2023	MR B SENGWAYO
8.	SCMU 04/2023	CONSTRUCTION OF LERETJENG SPORT GROUND	27 FEBRUARY 2023	27 FEBRUARY 2023	MS T MAILA

15.4 Bids considered by Evaluation committee.

NO	Bid No	Description of goods & services	Closing Date	BEC Date	User Dept.
1	SCMUQ 03 2023	SUPPLY AND DELIVERY OF ARMY TENTS.	02/02/2023	07/02/2023	BUDGET AND TREASURY
2	SCMUQ 02 2023	SUPPLY AND DELIVERY OF FIREWALL LICENSE RENEWAL(ONCE-OFF LICENSE FOR	02/02/2023	02/02/2023	CORPORATE SERVICES

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		24MONTHS)			
	SCMU 13/2022	PAVING OF ZANGOMA TO MARIVENI ROAD	19/01/2023	03/02/2023	ENGINEERING SERVICES
3	SCMUQ 06 2023	WARD COMMITTEE SECRETARIES ACCOMMODATION VENUE	17/02/2023	17/02/2023	CORPORATE SERVICES
4	SCMUQ 02 2023	FIREWALL LICENSE RENEWAL	20/02/2023	21/02/2023	CORPORATE SERVICES

15.5 Bids closed.

Bid No	Description	Closing date
SCMUQ 03 2023	SUPPLY AND DELIVERY OF ARMY TENTS.	02/02/2023
SCMUQ 02 2023	SUPPLY AND DELIVERY OF FIREWALL LICENSE RENEWAL (ONCE-OFF LICENSE FOR 24MONTHS)	02/02/2023
SCMUQ 06 2023	WARD COMMITTEE SECRETARIES' ACCOMMODATION VENUE	17/02/2023
SCMUQ 02-2023 (RE-ADVERT)	FIREWALL LICENSE RENEWAL	20/02/2023
SCMUQ 04 2023	SUPPLY AND DELIVERY FOR THE VENUE OF TECHNICAL PLANNING SESSION FOR ELECTRICAL DEPARTMENT	27/02/2023

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15.6 BIDS CONSIDERED BY BID ADJUDICATION COMMITTEE AND RECOMMENDED TO THE ACCOUNTING OFFICER

NO	Bid No	Description of goods & services	Closing Date	BAC Date	Status	User Dept.
1.	SCMU 13/2022	PAVING OF ZANGOMA TO MARIVENI ROAD	19/01/2023	23/02/2023	AWARDED	ENGINEERING SERVICES

15.7 BIDS AWARDED BY CFO

No	Bid number	Description	User Dept.	Date of award	status
1.	SCMUQ 03 2023	SUPPLY AND DELIVERY OF ARMY TENTS.	BUDGET & TREASURY	07/02/2023	AWARDED
2.	SCMUQ 02-2023 (RE-ADVERT)	FIREWALL LICENSE RENEWAL	CORPORATE SERVICES	28/02/2023	AWARDED

15.8 BIDS AWARDED BY ACCOUNTING OFFICER

None

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15.9 Bids advertised.

Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Date of advert
SCMU 14-2020 (RE-ADVERT)	POOL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF ELECTRICAL MATERIAL	YES	YES	NO	NO	NO	NO	10/02/2023
SCMUQ 06 2023	WARD COMMITTEE SECRETARIES ACCOMODATION	YES	YES	NO	NO	NO	NO	13/02/2023
SCMUQ 02-2023 (RE-ADVERT)	FIREWALL LICENSE RENEWAL	YES	YES	NO	NO	NO	NO	13/02/2023
SCMU 03-2023	UPGRADING OF MARIRONE TO MOTUPA STREET FROM GRAVEL TO PAVING	YES	YES	YES	NO	NO	NO	17/02/2023

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SCMUQ 04 2023	SUPPLY AND DELIVERY FOR THE VENUE OF TECHNICAL PLANNING SESSION FOR ELECTRICAL DEPARTMENT	YES	YES	NO	NO	NO	NO	21/02/2023
SCMU 01/2023	LITTERPICKING IN SOUTHERN REGION (LENYENYE) FOR GREATER TZANEEN MUNICIPALITY	YES	YES	NO	NO	NO	NO	24/02/2023
SCMU 02/2023	REHABILITATION OF HAENERTSBURG CEMETERY ROAD	YES	YES	YES	NO	NO	NO	24/02/2023

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16 AUDIT FINDINGS

The Municipality received an unqualified audit opinion from Auditor General during the 2021/2022 financial year. An audit action plan has been developed and maintained monthly to address findings raised by Auditor General.

17 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Name of Suppliers	Department	Date	Cheque Number	Amount
1. Eskom Holdings	BTO	28/10/2022	15/14078	R398,889.89
2. Eskom Holdings	BTO	04/11/2022	15/14600	R411,295.96
3. Eskom Holdings	BTO	05/12/2022	15/14831	R252,817.49
4. Telkom	BTO	27/12/2022	15/15318	11.27
5. Telkom	CORP	26/02/2023	15/16408	1.50
6. Telkom	CORP	26/02/2023	15/16406	359.57
7. Telkom	CORP	26/02/2023	15/16407	11.20
Total				R1, 063,386.88

The Fruitless and wasteful expenditure incurred during the month of February 2023 amounted to R327.27

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18 IRREGULAR EXPENDITURE

18.1 Irregular Expenditure to Date per department

Irregular Expenditure to Date		
Department	Year	YTD Exp
MM	2022/2023	R835,717.00
Council	2022/2023	R0.00
Corporate Services	2022/2023	R1,817,977.93
Community Services	2022/2023	R19,826,618.65
Finance	2022/2023	R389,115.34
PED	2022/2023	R0.00
Electrical Services	2022/2023	R0.00
Engineering Services	2022/2023	R15, 232, 137.37
TOTAL	2022/2023	R38,101,566.29

The Irregular expenditure incurred during the month of February 2023 amounted to R2,598,706.06.

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18.2 List of Irregular Expenditure per Vendor

No	Vendor name	Date of Payment	Payment Number	Total Amount YTD JAN 2023	Description of Incident	Person Liable (Official or Political Office Bearer)
1	Mondeza Trading (Cession to ESI)- Upgrading of Maseanoke to Pharare	28/07/2022	15/12198	236'250.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
2	Eternity Star Investment (ESI) - Upgrading of Pharare to Moseanoka Road)	28/07/2022	15/12200	972'192.72	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
3	Contour Technology	08/09/2022	15/12928	51'099.10	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
4	Contour Technology	14/09/2022	15/13022	51'204.76	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
5	Eternity Star Investment (ESI) - Upgrading of Pharare to Moseanoka Road)	04/10/2022	15/13473	5'118'992.93	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
6	Thoriso Geo Projects (Cession to ESI)- Upgrading of Maseanoke to Pharare	06/10/2022	15/13505	172'615.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department

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7	Technicrete Pty (Cession to ESI)- Upgrading of Maseanoke to Pharare	06/10/2022	15/13503	950'109.30	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
8	Romeo Training (Cession to ESI)- Upgrading of Maseanoke to Pharare	06/10/2022	15/13506	140'760.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
9	Sky High Engineering (Cession to ESI)- Upgrading of Maseanoke to Pharare	06/10/2022	15/13504	166'980.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
10	Contour Technology	28/10/2022	15/13980	45'535.65	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
11	Contour Technology	12/07/2022	15/11824	50'149.06	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
12	ANAKA GROUP	16/11/2022	15/12167	81'146.12	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
13	ANAKA GROUP	16/11/2022	15/12168	150'407.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
14	ANAKA GROUP	16/11/2022	15/12714	82'562.64	Bids not advertised for a minimum required number of days- no information supported	Corporate Services

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					the tender being advertised for a shorter period of time	
15	ANAKA GROUP	16/11/2022	15/12831	150'407.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
16	ANAKA GROUP	16/11/2022	15/13099	126'061.18	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
17	ANAKA GROUP	16/11/2022	15/13511	150'407.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
18	ANAKA GROUP	16/11/2022	15/13512	120'049.51	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
19	ANAKA GROUP	16/11/2022	15/14205	150'407.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
20	ANAKA GROUP	16/11/2022	15/14255	89'139.65	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services

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21	ANAKA GROUP	16/11/2022	15/14686	86'026.33	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
22	ANAKA GROUP	16/11/2022	15/14687	150'407.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
23	ANAKA GROUP	16/11/2022	15/14942	187'322.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
24	ANAKA GROUP	16/11/2022	15/15075	106'312.31	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
25	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/12133	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
26	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/12657	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
27	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/13226	496'005.93	Bids not advertised for a minimum required number of days- no information supported	Community Services

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					the tender being advertised for a shorter period of time	
28	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/13870	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
29	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/14407	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
30	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/14944	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
31	GEORGE B SECURITY	24/11/2022	15/12122	1'918'720.12	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
32	GEORGE B SECURITY	24/11/2022	15/12651	1'918'720.12	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
33	GEORGE B SECURITY	24/11/2022	15/13216	72'737.50	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services

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34	GEORGE B SECURITY	24/11/2022	15/13222	58'143.03	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
35	GEORGE B SECURITY	24/11/2022	15/13223	116'286.07	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
36	GEORGE B SECURITY	24/11/2022	15/13224	1'744'291.02	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
37	GEORGE B SECURITY	24/11/2022	15/13684	2'005'934.67	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
38	GEORGE B SECURITY	24/11/2022	15/14384	2'005'934.67	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
39	GEORGE B SECURITY	24/11/2022	15/14953	2'005'934.67	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services

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40	BLYDE CANYON A FOREVER RESORT	28/11/2022	15/14471	835'717.20	The process followed by the municipality does not meet the requirement of SCM regulations as this was not an emergency	MM's Office
41	Eternity Star Investment (ESI) - Upgrading of Pharare to Moseanoka Road)	14/11/2022	15/14180	3'065'532.27	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
42	Romeo Training (Cession to ESI)- Upgrading of Maseanoke to Pharare	17/11/2022	15/14267	165'600.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
43	Technicrete Pty (Cession to ESI)- Upgrading of Maseanoke to Pharare	14/11/2022	15/14179	810'751.35	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
44	Sky High Engineering (Cession to ESI)- Upgrading of Maseanoke to Pharare	14/11/2022	15/14714	320'712.25	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
45	Eternity Star Investment (ESI) - Upgrading of Pharare to Moseanoka Road)	20/12/2022	15/14963	2'994'048.55	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
46	Romeo Training (Cession to ESI)- Upgrading of Maseanoke to Pharare	20/12/2022	15/14958	43'125	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
47	Thoriso Geo Projects (Cession to ESI)- Upgrading of Maseanoke to Pharare	20/12/2022	15/14957	35'000.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department

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48	Sky High Engineering (Cession to ESI)- Upgrading of Maseanoke to Pharare	20/12/2022	15/14960	39'468.00	bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	Engineering Services Department
49	MOLEBOGENG TRADING ENTERPRISE	26/01/2023	15/15509	496'005.93	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
50	GEORGE B SECURITY	24/01/2023	15/15451	2'005'934.67	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services
51	ANAKA GROUP	30/01/2023	15/15585	187'322.17	Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Corporate Services
52	Contour Technology	24/01/2023	15/15448	43'152.19	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
53	Contour Technology	24/01/2023	15/15464	51'209.03	Procurement halted by NT to re-advertise in Aug 2022 after NT granted approval letter Advertise bids on PPF act	Finance Revenue
54	George B Security	25/02/2023	15/16021	2,005,934.67	Non-compliance with SCM Regulation Sec 27(2)(a), Sec 112(1) MFMA, Paragraph 24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	Community Services

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		25/02/2023			Bids not advertised for a minimum required number of days- no information supported the tender being advertised for a shorter period of time	Community Services
55	Molebogeng Trading Enterprise		15/15979	496,005.93		
56	Contour Technology	02/03/2023	15/159707	48,800.28		
57	Contour Technology	22/03/2023	15/15987	47965.18		
				R38'101'566.29		

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