

# GREATER TZANEEN MUNICIPALITY



## JANUARY 2022/2023 FINANCIAL REPORT

# JANUARY 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 Item
14. List of Properties leased from the Municipality
15. Supply Chain Management Report
16. Audit Findings
17. Fruitless and Wasteful expenditure
18. Irregular Expenditure

# JANUARY FINANCIAL REPORT

---

## 1. BUDGET PERFORMANCES

### 1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	January	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 350 645 688	1 350 645 688	92 165 362	687 762 645	50.92%	58.33%
Capital Expenditure	164 368 840	182 440 898	3 058 078	66 116 390	36.24%	58.33%
<b>TOTAL EXPENDITURE</b>	<b>1 515 014 528</b>	<b>1 533 086 586</b>	<b>95 223 440</b>	<b>753 879 035</b>	<b>49.17%</b>	<b>58.33%</b>

### OPERATIONAL EXPENDITURE

The actual operational expenditure represents 50.92% 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 3 058 078 for the month of January 2023. The total capital expenditure to date amounts to R 66 116 390 and the percentage spending is currently at 36.24%.

# JANUARY FINANCIAL REPORT

---

## 1.2 SALARIES

Description	Allocation	Adjustment Budget	January	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	366 855 167	366 855 167	29 254 995	202 354 285	55.16%	58.33%
<b>TOTAL</b>	<b>366 855 167</b>	<b>366 855 167</b>	<b>29 254 995</b>	<b>202 354 285</b>	<b>55.16%</b>	<b>58.33%</b>

## 1.3 OVERTIME

Department	Allocation	Adjustment Budget	January	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	0	32 672	0.00%	58.33%
02-Planning & economic development	0	0	0	0	0.00%	58.33%
03-Financial services	587 882	587 882	101 035	1 552 959	264.16%	58.33%
04-Corporate services	57 578	57 578	5 480	316 767	550.15%	58.33%
05-Engineering services	1 427 325	1 427 325	51 719	637 239	44.65%	58.33%
06-Community services	9 714 002	9 714 002	1 268 346	6 759 306	69.58%	58.33%
07-Electrical engineering	4 635 892	4 635 892	1 318 968	7 216 134	155.66%	58.33%
<b>Total</b>	<b>16 422 679</b>	<b>16 422 679</b>	<b>2 745 547</b>	<b>16 515 078</b>	<b>100.56%</b>	<b>58.33%</b>

The salary expenditure that includes social contributions represents 55.16% of the budgeted salary amount for the period under review. An amount of R 2.7 million was paid for overtime for the month of January, which is more than the 58.33% budget target.

# JANUARY FINANCIAL REPORT

## 1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	January	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28 445 008	28 445 008	2 346 182	17 212 045	60.51%	58.33%
<b>TOTAL</b>	<b>28 445 008</b>	<b>28 445 008</b>	<b>2 346 182</b>	<b>17 212 045</b>	<b>60.51%</b>	<b>58.33%</b>

## 2. GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	January 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	0	10 000 000	71.43%
MIG	119 004 000	119 004 000	0	103 000 000	86.55%
EPWP	8 065 000	8 065 000	0	5 647 000	70.02%
ENERGY EFFICIENCY	5 000 000	5 000 000	0	0	0.00%
SETA	800 000	800 000	0	0	0.00%
<b>TOTAL</b>	<b>630 030 000</b>	<b>630 030 000</b>	<b>0</b>	<b>467 082 000</b>	<b>74.14%</b>

An amount of R467 million that represents 74.14% of grants was received up to the month of January.

# JANUARY FINANCIAL REPORT

## 3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	January 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	30 403	2 000 000	286 117	1 713 883	14.31%
INEP	14 000 000	14 000 000	855 785	10 000 000	3 615 020	6 384 980	36.15%
MIG	119 004 000	119 004 000	2 355 584	103 000 000	67 927 706	35 072 294	65.95%
EPWP	8 065 000	8 065 000	942 643	5 647 000	6 183 441	-536 441	109.50%
ENERGY EFFICIENCY	5 000 000	5 000 000	0	0	0	0	0.00%
SETA	800 000	800 000	5100	0	5100	-5 100	0.00%
<b>TOTAL</b>	<b>630 030 000</b>	<b>630 030 000</b>	<b>39 662 100</b>	<b>467 082 000</b>	<b>424 452 384</b>	<b>42 634 716</b>	<b>90.87%</b>

It is clear from the tables above that R424 million of the R467 millions of grant money received was spent, 90.87% of grant money received for the financial year was spent.

# JANUARY FINANCIAL REPORT

## 4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	January Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	150 886 839	150 886 839	10 269 200	67 908 968	45.01%	58.33%
Electricity	700 000 000	700 000 000	52 691 177	415 012 001	59.29%	58.33%
Solid Waste	37 893 774	37 893 774	2 002 428	16 591 191	43.78%	58.33%
Sewer	7 800 100	7 800 100	431 611	4 078 864	52.29%	58.33%
Water	73 533 529	73 533 529	4 933 301	23 837 353	32.42%	58.33%
<b>TOTALS</b>	<b>970 114 242</b>	<b>970 114 242</b>	<b>70 327 717</b>	<b>527 428 377</b>	<b>54.37%</b>	<b>58.33%</b>

## 5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	January Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	150 886 839	150 886 839	7 625 471	67 908 968	47 536 710	70.00%	31.50%
Electricity	700 000 000	700 000 000	49 426 750	415 012 001	343 475 170	82.76%	49.07%
Solid Waste	37 893 774	37 893 774	1 584 866	16 591 191	10 043 096	60.53%	26.50%
Sewer	7 800 100	7 800 100	437 959	4 078 864	3 037 894	74.48%	38.95%
Water	73 533 529	73 533 529	2 297 860	23 837 353	13 648 275	57.26%	18.56%
<b>TOTALS</b>	<b>970 114 242</b>	<b>970 114 242</b>	<b>61 372 905</b>	<b>527 428 377</b>	<b>417 741 144</b>	<b>79.20%</b>	<b>43.06%</b>

# JANUARY FINANCIAL REPORT

---

## 6. BANK BALANCE

Name of institution	Cash in the Bank on 31 January 2023
ABSA	R 210,813,964.92

Council had a positive Bank Balance of R 210,813,964.92 at the end of January 2023.

## 7. BANK RECONCILIATION

### Reconciliation Summary:

#### Total

Cashbook Opening Balance	202 743 518.17
Payments for Period	- 295 328 953.43
Receipts for Period	306 974 742.83
Item/Cashbook	214 389 307.57
Uncleared Payments	472 994.95
Uncleared Receipts	- 4 012 148.22
Unknown Items	- 973 584.47
Sub Total	209 876 569.83
Statement Balance	- 209 876 569.83
<b>Difference</b>	<u><u>-</u></u>



# JANUARY FINANCIAL REPORT

---

## 8. INVESTMENTS

### 8.1 LONG TERM INVESTMENTS

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

- 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

### 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
<b>Total</b>			<b>R40 000 000.00</b>

# JANUARY FINANCIAL REPORT

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

## 9. DEBT MANAGEMENT

Greater Tzaneen Municipality has 6 loans with 3 different institutions.

COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	Jan-23		Closing Balance
				Capital	Interest	
ABSA	ANNUITY	02/06/2011	10'076'589	Nil	Nil	10'076'589
DBSA	ANNUITY	01/11/2010	23,283,212	181,865.60	137,785.59	23,101,347
STANDARD BANK	STOCK	03/11/2015	30'000'000	Nil	Nil	30'000'000
DBSA R40m	ANNUITY	01/10/2018	30'833'034	Nil	Nil	30'833'034
DBSA R20m	ANNUITY	01/10/2018	15'278'336	Nil	Nil	15'278'336
DBSA R30m (New)	ANNUITY	01/10/2018	24'894'615	Nil	Nil	24'894'615
<b>TOTAL</b>			<b>134'365'785</b>	<b>181'866</b>	<b>137'786</b>	<b>134'183'920</b>

Long-term loan expenditure paid for January 2023 is R 137'786

# JANUARY FINANCIAL REPORT

## 10. CREDITORS AGE ANALYSIS

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

### 10.1 Sundry creditors not paid within 30 days as of 31 January 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	-	R16 000 000		-	-	-	R16000 000.00	Due 03/02/2023 (Current month Invoice not yet due)
			<b>TOTAL</b>	<b>R0.00</b>	<b>R16000 000</b>	<b>R0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R16 000 000.00</b>	

# JANUARY 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	13 297 166	64 057 806	3 613 633	1 178 593	8 370 006	90 517 205	-13 444 023	77 073 183
30 days	7 677 294	21 673 425	2 542 834	745 450	4 137 917	36 776 920	147 442	36 924 362
60 days	6 569 631	16 889 978	2 326 559	658 836	3 532 909	29 977 912	609 850	30 587 762
90 days	6 170 418	14 865 895	2 249 865	651 638	3 558 480	27 496 295	747 528	28 243 824
120 days	5 852 036	15 378 822	2 191 956	851 137	5 817 008	30 090 958	538 022	30 628 981
120 days plus	286 242 954	214 564 997	112 355 029	29 330 238	121 570 196	764 063 414	43 819 224	807 882 638
<b>Balance</b>	<b>325 809 500</b>	<b>347 430 923</b>	<b>125 279 876</b>	<b>33 415 891</b>	<b>146 986 516</b>	<b>978 922 705</b>	<b>32 418 044</b>	<b>1 011 340 749</b>

The outstanding rates and service charges increased from R 982 in December to R 1 million in January 2023. These amounts include sundry debtors of R32 million.

# JANUARY 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	3 499 772.00	1 062 101.00	823 031.00	952 864.00	29 238 407.00	35 576 175.00
BUSINESS	63 757 239.00	10 015 123.00	9 967 835.00	10 729 496.00	232 916 766.00	327 386 459.00
INDIVIDUALS	66 670 402.00	19 709 990.00	17 450 157.00	18 946 688.00	545 819 343.00	668 596 580.00
OTHER	-	-	-	-	-	-
<b>BALANCE</b>	<b>133 927 413</b>	<b>30 787 214</b>	<b>28 241 023</b>	<b>30 629 048</b>	<b>807 974 516</b>	<b>1 031 559 214</b>

## 11.3 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

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

## 11.4 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	12 017 822	7 625 471	4 392 352
Electricity	52 691 177	49 426 750	3 264 427
Water	4 933 301	2 297 860	2 635 441
Sewerage	431 611	437 959	-6 347
Refuse Removal	2 002 428	1 584 866	417 563
Sundry Charges	14 956 754	2 703 414	12 253 340
<b>TOTAL</b>	<b>87 033 093</b>	<b>64 076 319</b>	<b>22 956 774</b>

# JANUARY FINANCIAL REPORT

---

## 11.5 PAYMENT RATES PER TOWN

<b>PAYMENT RATES PER TOWN - RATES AND SERVICE CHARGE DEBTORS</b>			
<b>Towns</b>	<b>Current Account</b>	<b>Payment Received</b>	<b>Payment Rate (%)</b>
Tzaneen - Urban	27 964 635	26 718 409	103.00%
Tzaneen - Rural	36 386 311	33 054 776	100.00%
Nkowankowa	8 020 411	1 184 430	37.00%
Lenyenye	1 414 814	135 753	25.00%
Politsi	136 109	54 043	95.00%
Letsitele	2 456 356	2 280 232	103.00%
Haenertsburg	694 546	648 676	103.00%
<b>Aggregate</b>	<b>77 073 183</b>	<b>64 076 319</b>	<b>95.00%</b>

Payment rate year to date = 95%

# JANUARY FINANCIAL REPORT

## 12. CAPITAL PROJECTS

Project Name	Original Budget	Adjustment Budget	Actual	% Spent
CFO-111_Purchase of critical office furniture	400 000.00	400 000.00	267 907.97	66.98%
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	-	0.00%
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	7 796 782.24	58.18%
Paving of Marirone to Motupa Street	7 000 000.00	7 000 000.00	812 284.53	11.60%
Paving of Moseanoka to Cell C Pharare Internal Streets	31 200 000.00	30 700 472.00	19 887 697.30	64.78%

# JANUARY FINANCIAL REPORT

Paving of Mulati Access road	6 500 000.00	9 100 000.00	6 418 283.77	70.53%
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	-	0.00%
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 visors 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%



# JANUARY FINANCIAL REPORT

Installation of High Mast Lights at Mariveni	700 000.00	700 000.00	-	0.00%
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
	<b>184 368 840</b>	<b>182 440 898</b>	<b>66 116 390</b>	<b>36.24%</b>

# JANUARY FINANCIAL REPORT

## 13. EXPENDITURE PER ITEM

Expenditure By Type	Original Budget	Adjustment Budget	Sum of Expenditure	% Spent
Employee related costs	367 029 275	367 029 275	202 354 285	55.13%
Remuneration of councillors	28 445 008	28 445 008	17 212 045	60.51%
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	7 387 192	52.55%
Bulk purchases - electricity	465 421 255	465 421 255	277 966 480	59.72%
Inventory consumed	77 568 117	77 568 117	41 399 658	53.37%
Contracted services	77 920 401	77 920 401	42 067 197	53.99%
Transfers and subsidies	45 801 506	45 801 506	21 884 104	47.78%
Other expenditure	152 588 990	152 588 990	77 480 765	50.78%
Losses	0	0		0.00%
<b>Total Expenditure</b>	<b>1 350 645 688</b>	<b>1 350 645 688</b>	<b>687 762 645</b>	<b>50.92%</b>

The actual operational expenditure represents 50.92% of the budgeted operational expenditure, which is less than the 58.33% target budget

## 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

# JANUARY FINANCIAL REPORT

---

## 15 Supply Chain Management

### 15.1 Deviation order processed.

NO.	ORDER NO.	ORDER DATE	DEPARTMENT	VENDOR NAME	GOODS / SERVICE DISCRPTION	REASON FOR DEVIATION	TOTAL AMOUNT
1.	Q19/1/0001687 9/2022-2023	1/19/2023 12:00:00 AM	Budget and treasury	PHEYAGANE MMAMOGO TRADING ENTERPRISE	543   Virtual Project Operational - DIESEL 50PPM- WORKSHOP / DIESEL 50PPM- WORKSHOP / 20910 - (9000.0000)	Implementation of electricity higher loadshedding stage	193,500.00

### 15.2 Orders processed

Attached as annexure B

# JANUARY FINANCIAL REPORT

---

## 15.3 Bids and quotations considered by Bid specification committee.

NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
1.	SCMUQ: 01/2023	SUPPLY AND DELIVERY OF WORKSHOP VENUE 1-3 FEBRUARY 2023	18 January 2023	18 January 2023	Ms NH Maake
2.	SCMUQ 02/2023	SUPPLY AND DELIVERY OF FIREWALL LICENSE RENEWAL (ONCE-OFF LICENSE FOR 24 MONTHS)	23 January 2023	23 January 2023	Ms A Mokawane
3.	SCMUQ 03/2023	SUPPLY AND DELIVERY OF ARMY TENTS	23 January 2023	23 January 2023	Mr T Mushiana
4.	SCMU 03/2023	UPGRADING OF MARIRONE TO MOTUPA STREET FROM GRAVEL TO PAVING	30 January 2023	30 January 2023	Ms T Maila

## 15.4 Bids considered by Evaluation committee.

None

## 15.5 Bids closed.

# JANUARY FINANCIAL REPORT

Bid No	Description	Closing date
SCMUQ 01/2023	SUPPLY AND DELIVERY OF WORKSHOP VENUE 1-3 FEBRUARY 2023	26/01/2023

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

None

## 15.7 BIDS AWARDED BY CFO

No	Bid number	Description	User Dept.	Date of award	status
1.	SCMUQ 01/2022	Supply and delivery of workshop venue 1-3 February 2023	Corporate Services	27/01/2023	Awarded

## 15.8 BIDS AWARDED BY ACCOUNTING OFFICER

None

# JANUARY FINANCIAL REPORT

---

## 15.9 Bids advertised.

Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Date of advert
SCMUQ: 01/2023	SUPPLY AND DELIVERY OF WORKSHOP VENUE 1-3 FEBRUARY 2023	Yes	Yes	No	No	No	No	20/01/2023
SCMUQ 02/2023	SUPPLY AND DELIVERY OF FIREWALL LICENSE RENEWAL (ONCE-OFF LICENSE FOR 24 MONTHS)	Yes	Yes	No	No	No	No	27/01/2023
SCMUQ 03/2023	SUPPLY AND DELIVERY OF ARMY TENTS	Yes	Yes	No	No	No	No	27/01/2023

## 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.

# JANUARY FINANCIAL REPORT

## 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
<b>Total</b>				<b>R1, 063,014.61</b>

The Fruitless and wasteful expenditure incurred during the month of January 2023 amounted to R11.27

## 18 IRREGULAR EXPENDITURE

### 18.1 Irregular Expenditure to Date per department

Irregular Expenditure to Date		
Department	Year	YTD Exp

# JANUARY FINANCIAL REPORT

MM	2022/2023	R835,717.00
Council	2022/2023	R0.00
Corporate Services	2022/2023	R1,817,977.93
Community Services	2022/2023	R17,324,678.05
Finance	2022/2023	R292,349.88
PED	2022/2023	R0.00
Electrical Services	2022/2023	R0.00
Engineering Services	2022/2023	R15, 232, 137.37
<b>TOTAL</b>	<b>2022/2023</b>	<b>R35' 502' 860.23</b>

The Irregular expenditure incurred during the month of January 2023 amounted to R3, 277,893.99.

## 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



# JANUARY FINANCIAL REPORT

<b>2</b>	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
<b>3</b>	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
<b>4</b>	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
<b>5</b>	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
<b>6</b>	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
<b>7</b>	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
<b>8</b>	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
<b>9</b>	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

# JANUARY FINANCIAL REPORT

<b>10</b>	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
<b>11</b>	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
<b>12</b>	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
<b>13</b>	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
<b>14</b>	ANAKA GROUP	16/11/2022	15/12714	82'562.64	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
<b>15</b>	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
<b>16</b>	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

# JANUARY FINANCIAL REPORT

<b>17</b>	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
<b>18</b>	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
<b>19</b>	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
<b>20</b>	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
<b>21</b>	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
<b>22</b>	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
<b>23</b>	ANAKA GROUP	16/11/2022	15/14942	187'322.17	Bids not advertised for a minimum required number of days- no information supported	Corporate Services

# JANUARY FINANCIAL REPORT

					the tender being advertised for a shorter period of time	
<b>24</b>	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
<b>25</b>	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
<b>26</b>	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
<b>27</b>	MOLEBOGENG TRADING ENTERPRISE	25/11/2022	15/13226	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
<b>28</b>	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
<b>29</b>	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

# JANUARY FINANCIAL REPORT

<b>30</b>	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
<b>31</b>	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
<b>32</b>	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
<b>33</b>	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
<b>34</b>	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
<b>35</b>	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
<b>36</b>	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	Community Services

# JANUARY FINANCIAL REPORT

					24(1) &(2) of the SCM policy, SCM Regulation 28(1) (a) (i)	
<b>37</b>	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
<b>38</b>	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
<b>39</b>	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
<b>40</b>	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
<b>41</b>	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
<b>42</b>	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
<b>43</b>	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

# JANUARY FINANCIAL REPORT

<b>44</b>	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
<b>45</b>	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
<b>46</b>	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
<b>47</b>	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
<b>48</b>	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
<b>49</b>	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
<b>50</b>	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
<b>51</b>	ANAKA GROUP	30/01/2023	15/15585	187'322.17	Bids not advertised for a minimum required number of days- no information supported	Corporate Services

# JANUARY FINANCIAL REPORT

					the tender being advertised for a shorter period of time	
<b>52</b>	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
<b>53</b>	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
				<b>R35'502'860.23</b>		

Ms M.P MAKHUBELA

CHIEF FINANCIAL OFFICER



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