

# GREATER TZANEEN MUNICIPALITY



## AUGUST 2019/2020 FINANCIAL REPORT

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## 1. BUDGET PERFORMANCES

### 1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	September	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 309 239 841	1 309 239 841	108 112 464	215 636 174	16.47%	25.00%
Capital Expenditure	142 484 850	142 484 850	4 790 239	34 591 330	24.28%	25.00%
<b>TOTAL EXPENDITURE</b>	<b>1 451 724 691</b>	<b>1 451 724 691</b>	<b>112 902 703</b>	<b>250 227 504</b>	<b>17.24%</b>	<b>25.00%</b>

### OPERATIONAL EXPENDITURE

The actual operational expenditure represents 16.47% of the budgeted operational expenditure which is also less than the 25% that could have been spent. The Operational expenditure does not include water and sewer expenses. A provision for bad debt and depreciation has not been allocated. It must be mentioned that an amount of R96.9 million which represents bulk electricity purchased for August 2019 payable in September 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 23.87%.

### CAPITAL EXPENDITURE

Expenditure incurred on Capital amounted to R4 790 239 at the month of September 2019. The total capital expenditure to date amounts to R 34 591 330 and the percentage spending is currently at 24%.

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## 1.2 SALARIES

Description	Allocation	Adjustment Budget	September	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	357 715 346	357 715 346	25 726 522	79 515 469	22.23%	25.00%
<b>TOTAL</b>	<b>357 715 346</b>	<b>357 715 346</b>	<b>25 726 522</b>	<b>79 515 469</b>	<b>22.23%</b>	<b>25.00%</b>

## 1.3 OVERTIME

Department	Allocation	Adjustment Budget	September	YTD Expenditure	%YTD Expenditure	% YTD Budget
01-Municipal manager	0	0	6 563	33 565	0.00%	25.00%
02-Planning & economic development	0	0	0	0	0.00%	25.00%
03-Financial services	837 457	837 457	154 505	446 629	53.33%	25.00%
04-Corporate services	563 047	563 047	64 077	220 051	39.08%	25.00%
05-Engineering services	2 341 123	2 341 123	291 757	572 674	24.46%	25.00%
06-Community services	18 261 099	18 261 099	1 051 420	3 592 828	19.67%	25.00%
07-Electrical engineering	19 099 228	19 099 228	452 872	1 708 276	8.94%	25.00%
<b>Total</b>	<b>41 101 954</b>	<b>41 101 954</b>	<b>2 021 194</b>	<b>6 574 023</b>	<b>15.99%</b>	<b>25.00%</b>

The actual salary expenditure which includes social contributions represents 22.23% of the budgeted salary amount for the period under review. An amount of R6.5million was paid for overtime which is less than the R10.2 million budgeted for the financial year.

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## 1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	September	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	28 302 991	28 302 991	2 195 108	6 588 229	23.28%	25.00%
<b>TOTAL</b>	<b>28 302 991</b>	<b>28 302 991</b>	<b>2 195 108</b>	<b>6 588 229</b>	<b>23.28%</b>	<b>25.00%</b>

## 2 GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	September 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	0	4 000 000	20.00%
MIG	94 263 000	94 263 000	0	31 236 000	33.14%
EPWP	5 749 000	5 749 000	0	1 438 000	25.01%
<b>TOTAL</b>	<b>482 850 000</b>	<b>482 850 000</b>	<b>0</b>	<b>198 691 000</b>	<b>41.15%</b>

An amount of R198.6 million which represents 41.15% of all grants budgeted for has been received during the financial year.

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## 3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	September 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	95 357	2 145 000	303 085	1 841 915	14.13%
INEP	20 000 000	20 000 000	0	4 000 000	156 215	3 843 785	3.91%
MIG	94 263 000	94 263 000	1 833 237	31 236 000	27 410 325	3 825 675	87.75%
EPWP	5 749 000	5 749 000	696 915	1 438 000	2 080 943	-642 943	144.71%
<b>TOTAL</b>	<b>482 850 000</b>	<b>482 850 000</b>	<b>2 625 509</b>	<b>198 691 000</b>	<b>189 822 567</b>	<b>8 868 433</b>	<b>95.54%</b>

It is clear from the tables above that R189 million of the R198.6 million grant money received was spent, 95.54% of grant money received for the financial year was spent.

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## 4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	September Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	140 000 000	140 000 000	9 587 368	28 398 669	20.28%	25.00%
Water	25 284 000	25 284 000	2 055 168	4 880 387	19.30%	25.00%
Sewer	7 800 100	7 800 100	519 119	1 401 921	17.97%	25.00%
Solid Waste	35 021 657	35 021 657	3 630 619	8 786 532	25.09%	25.00%
Electricity	577 501 000	577 501 000	55 752 550	154 400 647	26.74%	25.00%
Income foregone	-38 200 000	-38 200 000	3 078 515	9 705 410	-25.41%	25.00%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>74 623 338</b>	<b>207 573 567</b>	<b>27.77%</b>	<b>25.00%</b>

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## 5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	September Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	140 000 000	140 000 000	6 913 624	28 398 669	22 351 948	78.71%	15.97%
Water	25 284 000	25 284 000	2 001 904	4 880 387	4 948 448	101.39%	19.57%
Sewer	7 800 100	7 800 100	465 756	1 401 921	1 367 257	97.53%	17.53%
Solid Waste	35 021 657	35 021 657	2 221 658	8 786 532	7 999 807	91.05%	22.84%
Electricity	577 501 000	577 501 000	56 164 291	154 400 647	142 327 553	92.18%	24.65%
Income foregone	-38 200 000	-38 200 000	3 078 515	9 705 410	9 705 410	100.00%	-25.41%
<b>TOTALS</b>	<b>747 406 757</b>	<b>747 406 757</b>	<b>70 845 749</b>	<b>207 573 567</b>	<b>188 700 424</b>	<b>90.91%</b>	<b>25.25%</b>

## 6. BANK BALANCE

Name of institution	Cash in the Bank at 30 September 2019
ABSA	R 40 734 616.21

Council had a positive Bank Balance of R 40 734 616.21 at the end of September 2019.



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## 7. BANK RECONCILIATION

	<b>September-19</b>
BALANCE ACCORDING TO BANK STATEMENT	4 372 540.41
BALANCE ACCORDING TO BANK STATEMENT	57 232.53
BALANCE ACCORDING TO BANK STATEMENT(SAVINGS)	515 121.65
BALANCE ACCORDING TO BANK STATEMENT(CALL ACC)	35 789 721.62
	<hr/>
	40 734 616.21
Less: OUTSTANDING CHEQUES	-10 960 518.21
	<hr/>
	29 774 098.00
Add: R/D CHEQUES	-528 407.95
	<hr/>
	29 245 690.05
Less: OUTSTANDING DEPOSITS	-3 858 691.49
	<hr/>
	25 386 998.56
Add: CASH ON HAND	960 589.55
	<hr/>
	26 347 588.11
Add: PAYMENTS IN BANK NOT IN C/B	1 208.03
	<hr/>
BALANCE ACCORDING TO CASHBOOK	<b><u>26 348 796.14</u></b>

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## 8. INVESTMENT AS AT 30 September 2019

### 8.1 LONG TERM INVESTMENTS

Name of institution	Balance as at 30 September 2019
Liberty life	R279 169.44
Standard Bank	R17 388 103.00

An Annual investment with Liberty to repay a loan of R15 million on maturity date has been withdrawal and the account has a balance of R279 169.44. An investment of R 11 350 000 has been made with Standard Bank to repay a loan of R30 million on maturity date. The loan bears interest at a rate of 12.09% and the value of the investment amounts to R17 388 103.00

### 8.2 SHORT TERM INVESTMENTS

Institution Name	Type of Account	Rate	Amount
Absa	Call Account	6.15%	R15 000 000.00
<b>Total</b>			<b>R15 000 000.00</b>

Council had R15 million on short term investments as at 30 September 2019

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## 9. DEBT MANAGEMENT

### 9.1 LONG TERM LOAN

Greater Tzaneen Municipality has 5 loans with 3 different institutions. Attached is a list of loans with balances and interests amounts paid.

COMPANY NAME	TYPE OF LOAN	DATE OF LOAN TAKEN	OPENING BALANCE	31-Jul		31-Aug		Closing Balance
				Capital	Interest	Capital	Interest	
DBSA	STOCK	1/10/2009	15'000'000	Nil	Nil	Nil	Nil	15'000'000
ABSA	ANNUITY	2/6/2011	16'848'523	Nil	Nil	Nil	Nil	16'848'523
DBSA	ANNUITY	1/11/2010	30'170'361	296,527	342,887	152'268	167' 384	30'018'094
STANDARD BANK		3/11/2015	30'000'000	Nil	Nil	Nil	Nil	30'000'000
DBSA	STOCK		40'000'000	Nil	Nil	Nil	Nil	40'000'000
DBSA (New)	ANNUITY	1/10/2018	20'000'000	Nil	Nil	Nil	Nil	20'000'000
<b>TOTAL</b>			<b>152' 018'884</b>	<b>296,527</b>	<b>342,887</b>	<b>152' 268</b>	<b>167' 384</b>	<b>152' 866'616</b>

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

Long term loan expenditure paid for September 2019 is R 15 147 561

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## 10. CREDITORS AGE ANALYSIS

Trade creditors not paid within 30 days as at 30 September 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	K M BOLT	STEEL & BOLT & NUTS	151769- 770/151855	3098.4	0	0	0	0	3098.4	NOT DUE FOR PAYMENT YET
2	NTK	HARDWARE	151848/151782	1841.31					1841.31	NOT DUE FOR PAYMENT YET
3	WALTONS	STATIONARY	151148	1668.08					1668.08	NOT DUE FOR PAYMENT YET
4	SPRINGBOK DRY CLEANERS	UPHOLSTERY	151849	950					950	NOT DUE FOR PAYMENT YET
5	LETABA LOCKSMITH	LOCKS & CHAINS	151810-151812	1472					1472	NOT DUE FOR PAYMENT YET
6	RIVISI ELECTRICAL CONTRACTORS	NEWR0730/200/0040	150456 - 150474	0		122498.7	0	0	122498.7	JOB NOT DONE TO SATISFACTION
7	JACKS PAINT & HARDWARE	PAINT AND HARDWARE STORE	151779-80	1079.75	0	0	0	0	1079.75	NOT DUE FOR PAYMENT YET
8	KAMO JOU TRADING AND PROJECTS (PTY) LTD	TZA 063/066/1142 MACHINE HIRE	150255- 57/150673-75	162097.1		957284.43	0	0	1119381.5	NOT REGISTERED FOR VAT CLAIMED AN AMOUNT THAT WE HAVE TO RECOVER
9	RHINO CHEMICALS	TZA 103/066/1215	151710/151844- 47	8917.39	0	0	0	0	8917.39	NOT DUE FOR PAYMENT YET
10	LITTLE CREEK TRADING 479CC/LETABA PANELBEATER	W/S REPAIR & TRADE VEHICLES	151752-151768	8707.63	0	0	0	0	8707.63	NOT DUE FOR PAYMENT YET
11	FORMS MEDIA	STATIONARY	151842-43	2906.05	0	0	0	0	2906.05	NOT DUE FOR PAYMENT YET
			TOTAL	<b>192 737.71</b>	<b>0</b>	<b>1 079 783.10</b>	<b>0</b>	<b>0</b>	<b>1 272 520.8</b>	ACTUAL AMOUNTS ON INV

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Sundry creditors not paid within 30 days as at 30 September 2019:

N O	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	CHQ /GRN NUMBER/REF	Current	31-60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL	REASON FOR DEVIATION/COMMENT
1	ESKOM	BULK PURCHASES	9725598889	R35,898,818.84	R61,041,867.25	-	-	-	R96,940,686.09	Current Tax Invoice received not yet due (payable 02 Nov 2019 ) – Payment Arrangement made to address arrears due to Cash flow challenges
				<b>R35,898,818.84</b>	<b>R61,041,867.25</b>	<b>R 00.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R96,940,686.09</b>	

The total outstanding creditors as per the creditors' age analysis amounted to R 96 940 686.09 at the end of September 2019

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## 11. REVENUE MANAGEMENT

### 11.1 RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS

RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS								
Age Analysis	Rates	Electricity	Refuse	Sewerage	Water	Total - Rates & Serv.	Total Sundry	Total
Current	9 955 296	64 738 876	4 494 111	717 373	3 504 328	83 409 984	-556 818	82 853 165
30 days	5 181 986	15 164 028	1 796 729	456 037	1 877 685	24 476 465	-1 504 024	22 972 442
60 days	4 240 700	9 219 986	1 527 926	358 039	1 814 758	17 161 410	445 696	17 607 106
90 days	4 228 057	4 826 863	1 408 455	294 345	1 006 339	11 764 058	426 467	12 190 525
120 days	3 805 601	2 995 717	1 341 296	268 877	741 685	9 153 176	202 927	9 356 103
120 days plus	171 494 457	136 529 721	74 660 979	20 428 324	86 308 914	489 422 394	36 426 976	525 849 370
<b>Balance</b>	<b>198 906 097</b>	<b>233 475 191</b>	<b>85 229 494</b>	<b>22 522 996</b>	<b>95 253 709</b>	<b>635 387 487</b>	<b>35 441 223</b>	<b>670 828 711</b>

The outstanding rates and service charges increased by 2.29% from R655 million in July to R670 million in September 2019. These amounts include sundry debtors of R35 million.

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## 11.2 AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days +	Total
GOVERNMENT	R 1 628 987.53	R 374 775.96	R 742 510.66	R 475 759.93	R 17 194 333.06	20 416 367.14
BUSINESS	R 53 781 068.49	R 9 283 426.59	R 6 144 462.35	R 4 260 861.42	R 161 782 452.50	235 252 271.35
INDIVIDUALS	R 20 715 643.14	R 10 665 949.97	R 8 664 760.59	R 6 208 241.24	R 308 654 019.25	354 908 614.19
OTHER	R 6 730 093.25	R 2 645 662.02	R 2 055 372.06	R 1 245 662.52	R 47 574 668.31	60 251 458.16
<b>BALANCE</b>	<b>82 855 792.41</b>	<b>22 969 814.54</b>	<b>17 607 105.66</b>	<b>12 190 525.11</b>	<b>535 205 473.12</b>	<b>670 828 710.84</b>

## 11.3 PAYMENT RATES PER TOWN

PAYMENT RATES PER TOWN - RATES AND SERVICE CHARGE DEBTORS			
Towns	Current Account	Received	Payment Rate (%)
Tzaneen - Urban	32 741 435	-29 785 539	77%
Tzaneen - Rural	40 954 039	-34 404 650	77%
Nkowankowa	4 029 688	-1 233 949	25%
Lenyenye	1 019 779	-170 312	31%
Politsi	26 265	-21 300	87%
Letsitele	3 793 854	-3 575 563	92%
Haenertsburg	844 924	-652 451	95%
<b>Aggregate</b>	<b>83 409 984</b>	<b>-69 843 763</b>	<b>84%</b>



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## 11.4 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

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

## 11.5 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	10 596 124.95	-6 913 624.11	3 682 500.84
Electricity	55 752 550.26	-56 164 291.43	(411 741.17)
Water	2 055 167.61	-2 001 904.30	53 263.31
Sewerage	519 118.58	-465 756.06	53 362.52
Refuse Removal	3 630 618.77	-2 221 657.95	1 408 960.82
Stand Sale	-	-500.00	(500.00)
Sundry Charges	1 280 495.07	-2 076 029.45	(795 534.38)
Interest charge on services debts	2 258 015.22		2 258 015.22
<b>TOTAL</b>	<b>76 092 090.46</b>	<b>(69 843 763.30)</b>	<b>6 248 327.16</b>

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## 12. CAPITAL PROJECTS

Project No	Capital Project	Budget	September	YTD Actual Expenditure	% Spent
CSD-22	Purchase of Fleet: 1xTLB, 1xexcavator, 2xWaste Trucks, 1xLow Bed	7,500,000			0
CSD-23	Purchase of Grass cutting Machines	800,000			0
CSD-37	Purchase of mobile Air Qaulity monitoring station and calibrate annually	85,000			0
ESD-11	Mopye High School Access Road: Phase 1 of 2 and 2 of 2	14,365,700		1,397,793	9.73
ESD-12	Paving of Nelson Ramodike High Access Road phase 1 of 2 and phase 2 of 3 and 3 of 3	4,402,376			0
ESD-15	Upgrading of gravel to tar- Nkowankowa A, Codesa & Hani Street Phase	3,000,000			0
ESD-19	Mulati Access RoadPaving 1 of 3 and 2 of 3 and 3 of 3	19,134,345		12,880,458	67.32
ESD-25	Upgrading of Access Road- Mbambamencisi Phase 1	2,968,065	120,345	1,338,463	45.1
ESD-26	Upgrading of Khujwana to Lenyenye Access Road Phase 1 of 3 and 2 of 3 and 3 of 3	19,554,712		8,372,675	42.82
ESD-28	Paving of moseanoka to Cell C Pharare internal streets in ward 28	2,000,000			0
ESD-31	Relela Access Road 1 of 4 Upgrading from gravel to paving	4,402,376		1,160,228	26.35
ESD-32	Matapa to Leseka Access Road Phase 1 of 2 and 2 of 2	4,402,376	1,712,892	1,712,892	38.91
ESD-34	Mawa B12 Low Level Bridge	2,000,000			0
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

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ESD-60	Upgrading of old fire station building and civic centre	2,500,000			0
ESD-81	Fencing of cemetery Lesedi Regional Cemetry ( Lenyenye)	350,000			0
ESD-82	Ablution block with change room at Lesedi Regional Cemetery ( Lenyenye)	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	1,500,000			0
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	6,934	14
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	15,426	10
ESD-297	Purchase of the Mayoral Car	1,200,000			0
ESD-298	Purchase of the Speaker's Car	700,000			0
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

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EED-48	High Mast Lights at Dan Village	1,200,000			0
EED-115	New Electricity Connection -Consumer Contribution	7,500,000	45,416	1,109,092	14.79
EED-115	New Electricity Connection -Consumer Contribution	7,500,000	453,689	1,204,020	10
EED-116	Renewal Repairs & Maintenance on Prepaid Meters- (Talana Politsi, Mieliekloof and Tarentaalrand)	300,000		332,888	110.96
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 Vandergruy Farm(2,5 km)	1,400,000			0
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			0
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

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PED-30	Purchase of Geographical Information Systems Equipments	1,000,000			0
	Rebuilding of Lines Thabina Valley			578,789	0
	Rebuilding of Lines Blacknoll		665,615	703,935	0
	Rebuilding of Lines Mabiet 11KV		779,852	779,852	
	Khwekhwe Low Level Bridge (Retention Correction)		-75,654	-75,654	
	Rebuilding of Lines Waterbok		670,466	670,466	
	Rebuilding of Lines Mieliekloof		395,257	395,257	
<b>TOTAL</b>		<b>142,484,850</b>	<b>4,790,239</b>	<b>34,591,330</b>	<b>24.28%</b>

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## MUNICIPAL INFRASTRUCTURE GRANT

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

Moruji to Maswi Tar Road	The road is surfaced and open to chainage 12,05km. The Contractor is busy with construction of drains, guardrails and anticipated date for completion inspection is 18/10/2019 (No expenditure for September and Accumulated expenditure is R2 363 492.75 )
Upgrading of Lenyenye Taxi Rank	A Contractor has been appointed and we are busy preparing for Site Handover. (No expenditure for September and Accumulated expenditure is R2 363 492.75 )
Upgrading of Mulati Access Road	Contractor has been terminated. (Expenditure for September is R254 489.41 and Accumulated expenditure is R23 700.00 )
Upgrading of Lenyenye to Khujwana Access Road	The Contractor has surfaced to chainage 3.6km, sub base up to chainage 4.1km and the road is marked till chainage 4.1km with construction of the RAL intersection. (Expenditure for September is R 8 063 034.80 and Accumulated expenditure is R 8 063 034.80 )
Upgrading of Mbambamencisi Access Road	The Contractor has Completed the laying of interlocking bricks. There were however defects and the Contractor has rectified them. (Expenditure for September is R138 396.75 and Accumulated expenditure is R 6 118 038.72)
Construction of Mawa Block 12 Low level bridge	Contractor has demolished the existing causeway and is busy with excavation. (No expenditure for September and Accumulated expenditure is R623 318.07 )
Upgrading of Relela Access Road	The Contractor has established the site and is now busy with clearing of the bypass. Construction of the road and drainage is in progress. (Expenditure for September and accumulated expenditure is R3 291 262.24 )
Mmatapa to Leseke Access Road	The Contractor has established the site and is now busy with clearing of the bypass, excavation and construction on the road. (Expenditure for September is R1 969 825.29 and accumulated is R5 132 700.51)
Upgrading of CODESA to Hani Street Paving	Contractor has been terminated. (No expenditure for September and Accumulated expenditure is R8 488 772.96)
Mopye High School Access Road	The Contractor has completed the Construction of the roadbed and is busy with construction of the base. (No expenditure for September and Accumulated expenditure is R4 748 627.84 )
Nelson Ramodike High School Access Road	The Contractor has established the site and is now busy with clearing of the bypass (No expenditure for September and Accumulated expenditure is R3 213 290.71)

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## 13. EXPENDITURE PER VOTE

Row Labels	Budget	September	July to September	% Spent
<b>02-Expense</b>	<b>1 313 896 977</b>	<b>108 112 464</b>	<b>215 636 174</b>	<b>16.41%</b>
<b>01-Municipal manager</b>	<b>75 195 251</b>	<b>7 276 368</b>	<b>20 983 871</b>	<b>27.91%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	17 526 612	1 292 481	3 991 067	22.77%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 466 453	372 411	1 142 306	17.67%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 195 108	6 588 229	23.28%
064DEPRECIATION	162 351	0	0	0.00%
066REPAIRS AND MAINTENANCE	41 118	7 915	9 163	22.29%
074CONTRACTED SERVICES	400 000	0	0	0.00%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	2 450 000	99 955	358 518	14.63%
078GENERAL EXPENSES - OTHER	19 845 726	3 308 497	8 894 588	44.82%
<b>02-Planning and economic development</b>	<b>31 408 863</b>	<b>1 472 891</b>	<b>7 085 967</b>	<b>22.56%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	15 016 418	1 164 107	3 972 735	26.46%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	2 169 630	175 576	526 857	24.28%
064DEPRECIATION	311 650	0	0	0.00%
066REPAIRS AND MAINTENANCE	67 364	1 544	5 394	8.01%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	420 248	0	0	0.00%
074CONTRACTED SERVICES	1 389 150	17 561	52 645	3.79%
078GENERAL EXPENSES - OTHER	12 034 403	114 103	2 528 336	21.01%

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<b>03-Financial services</b>	<b>111 690 531</b>	<b>7 182 049</b>	<b>17 055 598</b>	15.27%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 721 383	2 835 825	8 478 813	23.74%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 123 750	478 494	1 466 226	20.58%
060BAD DEBTS	17 900 000	0	0	0.00%
062COLLECTION COSTS	1 200 000	104 830	104 830	8.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	700 010	0	0	0.00%
066REPAIRS AND MAINTENANCE	160 836	4 167	11 359	7.06%
074CONTRACTED SERVICES	9 608 383	533 753	918 431	9.56%
076GRANTS & SUBSIDIES PAID	2 145 000	95 357	303 085	14.13%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	4 000 000	344 297	877 664	21.94%
078GENERAL EXPENSES - OTHER	33 131 169	2 785 325	4 895 190	14.78%
<b>04-Corporate Services</b>	<b>63 300 011</b>	<b>4 610 071</b>	<b>13 954 799</b>	22.05%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	30 303 166	2 467 007	7 375 540	24.34%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	6 689 158	436 712	1 340 211	20.04%
064DEPRECIATION	1 715 059	0	0	0.00%
066REPAIRS AND MAINTENANCE	500 796	80 288	207 384	41.41%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	39 929	3 442	13 647	34.18%
074CONTRACTED SERVICES	3 900 000	50 928	219 976	5.64%
078GENERAL EXPENSES - OTHER	20 151 903	1 571 695	4 798 040	23.81%
<b>05-Engineering services</b>	<b>181 486 372</b>	<b>5 328 185</b>	<b>16 615 416</b>	9.16%
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	35 968 516	2 934 976	8 496 442	23.62%



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053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	7 653 658	484 197	1 444 373	18.87%
064DEPRECIATION	79 558 205	0	0	0.00%
066REPAIRS AND MAINTENANCE	47 076 778	1 480 365	5 454 853	11.59%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	2 796 472	125 360	125 360	4.48%
074CONTRACTED SERVICES	2 226 642	72 497	206 708	9.28%
078GENERAL EXPENSES - OTHER	6 206 101	230 790	887 680	14.30%
<b>06-Community services</b>	<b>259 801 370</b>	<b>20 197 738</b>	<b>55 736 393</b>	<b>21.45%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	99 922 871	7 617 433	24 284 599	24.30%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	19 127 918	1 450 274	4 345 374	22.72%
060BAD DEBTS	41 800 000	0	0	0.00%
064DEPRECIATION	5 526 841	0	0	0.00%
066REPAIRS AND MAINTENANCE	1 814 155	81 746	301 955	16.64%
074CONTRACTED SERVICES	55 962 588	5 236 336	12 380 818	22.12%
076GRANTS & SUBSIDIES PAID	5 749 000	696 915	2 080 943	36.20%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	456 000	13 000	39 000	8.55%
078GENERAL EXPENSES - OTHER	29 441 997	5 102 034	12 303 704	41.79%
<b>07-Electrical engineering</b>	<b>591 014 579</b>	<b>62 045 163</b>	<b>84 204 130</b>	<b>14.25%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	58 552 235	3 344 334	10 617 872	18.13%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	9 666 622	672 696	2 033 053	21.03%
060BAD DEBTS	12 900 000	0	0	0.00%
064DEPRECIATION	46 139 397	0	0	0.00%
066REPAIRS AND MAINTENANCE	21 815 202	381 151	3 378 518	15.49%

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068INTEREST EXPENSE - EXTERNAL BORROWINGS	11 401 665	1 810 929	2 310 994	20.27%
072BULK PURCHASES	403 000 000	55 232 634	63 957 762	15.87%
074CONTRACTED SERVICES	200 119	1 382	2 677	1.34%
076GRANTS & SUBSIDIES PAID	20 000 000	0	156 215	0.78%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	1 221 812	0	0	0.00%
078GENERAL EXPENSES - OTHER	6 117 527	602 037	1 747 040	28.56%
<b>Grand Total</b>	<b>1 313 896 977</b>	<b>108 112 464</b>	<b>215 636 174</b>	<b>16.41%</b>

## Reason for variance

### Municipal Manager

General expense: The legal division overspend on legal fees, the vote has an allocation of R12.5 million and spend R7 million which is 56.49% of the budget

### Planning and Economic Development

General expense: LED overspend due to GTEDA 1<sup>st</sup> tranche payment

### Corporate Services

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

### Communication Services

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

### Electricity Services

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

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## 14. EXPENDITURE PER ITEM

Row Labels	Budget	September	July to September	% Spent
<b>02-Expense</b>	<b>1 313 896 977</b>	<b>108 112 464</b>	<b>215 636 174</b>	<b>16.41%</b>
051EMPLOYEE RELATED COSTS - WAGES & SALARIES	293 011 201	21 656 162	67 217 068	22.94%
053EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	58 897 189	4 070 360	12 298 401	20.88%
058REMUNERATIONS OF COUNCILLORS	28 302 991	2 195 108	6 588 229	23.28%
060BAD DEBTS	72 600 000	0	0	0.00%
062COLLECTION COSTS	1 200 000	104 830	104 830	8.74%
063INVENTORY SURPLUS/LOSS	0	0	0	0.00%
064DEPRECIATION	134 113 513	0	0	0.00%
066REPAIRS AND MAINTENANCE	71 476 249	2 037 176	9 368 626	13.11%
068INTEREST EXPENSE - EXTERNAL BORROWINGS	14 658 314	1 939 730	2 450 001	16.71%
072BULK PURCHASES	403 000 000	55 232 634	63 957 762	15.87%
074CONTRACTED SERVICES	73 686 882	5 912 457	13 781 254	18.70%
076GRANTS & SUBSIDIES PAID	27 894 000	792 272	2 540 242	9.11%
077GRANTS & SUBSIDIES PAID-UNCONDITIONAL	8 127 812	457 253	1 275 182	15.69%
078GENERAL EXPENSES - OTHER	126 928 826	13 714 480	36 054 578	28.41%
<b>Grand Total</b>	<b>1 313 896 977</b>	<b>108 112 464</b>	<b>215 636 174</b>	<b>16.41%</b>

The actual operational expenditure represents 16.41% of the budgeted operational expenditure which is less than the 25% budget target.

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## 15. Supply Chain Management

### Performance Statistics

1. Requisitions processed to orders in SEPTEMBER 2019 (Acquisition Management)		
Description	2019	Year to Date
Requisitions received from demand Management	211	668
Total number of orders processed for the SEPTEMBER 2019	211	668
Total number of deviation orders processed for SEPTEMBER 2019	11	23
Total number of orders above R30 000 for SEPTEMBER 2019	17	41
Difference between requisitions received and orders processed	0	0
Number of canceled orders SEPTEMBER 2019	0	0

2. Approved deviations for SEPTEMBER 2019				
Order No	Business Name	Description	Amount	Reason for Deviation
D5256TZA	BB UD TZANEEN	OIL SEAL	7 826.19	EMERGENCY
D5179TZA	BB MOTORS	FILTER ASSY	4 904.14	EMERGENCY
D5232TZA	BB MOTORS	PUMP ASSY	4 632.12	EMERGENCY
D5141TZA	DIPLIDANIA TRADING 18	SKIM FLYWHEEL	5 232.50	EMERGENCY
D5174TZA	DIPLIDANIA TRADING 18	VALVE	5 317.60	EMERGENCY

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D5176TZA	LETABA HERALD	ADVERT	7 245.00	NEWSPAPER ADVERTISING
D5175TZA	LETABA HERALD	ADVERT	5 060.00	NEWSPAPER ADVERTISING
D5221TZA	LETABA HERALD	ADVERT	7 245.00	NEWSPAPER ADVERTISING
D5078TZA	N.T.T MOTOR	V-BELT	2 022.16	EMERGENCY
D5187TZA	N.T.T GM TZANEEN	SENSOR	2 076.73	EMERGENCY
D5070TZA	SONCO VOERTUIE	CALL OUT	2 245.60	EMERGENCY

3. Orders	Expenditure in SEPTEMBER 2019
ACCOMODATION	R 43 452.00
TLB	R 82 271.00
GRADER	R 162 097.10
TAPE DRIVER	R 61 858.99
NOTICE IN LIMPOPO GAZETTE	R 43 378.40
NOTICE IN LIMPOPO GAZETTE	R 38 586.60
NOTICE IN LIMPOPO GAZETTE	R 42 621.80
NOTICE IN LIMPOPO GAZETTE	R 34 299.20
NOTICE IN LIMPOPO GAZETTE	R 42 621.80
NOTICE IN LIMPOPO GAZETTE	R 123 073.60
REPAIR MAYORS CAR	R 45 044.56
GRADER	R 140 954.00

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ASPHALT 1000 BAGS	R	54 000.00
EMERGENCY WORK	R	33 131.50
EMERGENCY WORK	R	31 047.70
STRIPE & QUOTE	R	69 423.89
SELBY CONSTRUCTION	R	702 752.35

#### 4. Bids closed in SEPTEMBER 2019

Bid No.	Description	User Dept.	Briefing session	Closing date	Status
SCMU 04/2019	Supply and delivery of low voltage distribution and meter boxers	Mr.B.Tshawe	28-Aug-19	6-Sep-19	Evaluation stage
SCMUQ 10/219	Leasing of ICT equipment	Ms.A.Mailula	28-Aug-19	13-Sep-19	Evaluation stage
SCMU 13/2019	Procurement of 36 Months central interception x advanced licences	Ms.A.Mailula	1-Sep-19	6-Sep-19	Awarded
SCMUQ08/2019	Supply and delivery of walk behind roller	Ms. O Tshiseve	N/A	20-Sep-19	Evaluation stage
SCMUQ07/2019	Supply and delivery of concrete cutter	Ms. O Tshiseve	N/A	20-Sep-19	Evaluation stage
SCMUQ 09/2019	Supply and delivery of prepayment plc meters	Mr T. Mushiana	11-Sep-19	20-Sep-19	Evaluation stage

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5. Bids under Specification in SEPTEMBER 2019					
Bid No.	Description	User Dept.	Spec date	Date of Approval	Status
SCMU 16/2019	Supply and installation of new concrete palisade fencing at lenyenye cemetery	Mr. M.L .Mahayi	4-Sep-19	26-Sep-19	On advert
SCMUQ 17/2019	Supply and installation of new concrete palisade fencing at nkowankowa cemetery	Mr. M.L .Mahayi	4-Sep-19	21-Sep-19	On advert
SCMUQ 12/2019	Supply and delivery of mobile air quality monitoring station	Ms. TM.Machumele	2-Sep-19	3-Oct-19	To be advertised
SCMUQ 10/2019	Upgrading of existing ablution block and change room at nkowankowa cemetery	Mr. M.L .Mahayi	4-Sep-19	29-Oct-19	To be advertised
SCMUQ 11/2019	New two male and female public toilet and change room at lenyenye cemetery	Mr. M.L .Mahayi	4-Sep-19	29-Oct-19	To be advertised

6. Bids under Evaluation in SEPTEMBER 2019					
Bid No.	Description	User Dept.	Closing Date	BEC Date	Status
SCMU 12/2019	Supply both the hardware and the software for prepaid electricity vending	Mr.B.Tshawe	23-Aug-19	2-Sep-19	Evaluation stage
SCMU 13/2019	Procurement of 36 months central interception x advanced licences	Ms M.A Maliula	6-Sep-19	19-Sep-19	Evaluation stage
SCMU 36/2019	Supply and delivery of storm water pipes	Ms H.O Tshisevhe	28-Jun-19	3-Sep-19	Evaluation stage

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7. Bids under Adjudication in September 2019					
Bid No.	Description	User Dept.	Closing date	BAC Date	Status / Outcome of BAC
SCMU 12/2019	Supply both the hardware and the software for prepaid electricity vending	Ms. R.Viljoen	23-Aug-19	3-Sep-19	Waiting for appointment
SCMU 16/2019	Lenyenye taxi rank	Mr R.K.Dikgale	23-Aug-19	3-Sep-19	Waiting for appointment

8. Bids advertised in September 2019								
Bid No.	Description	Notice board	Municipal Website	I-tender CIDB	Local media	National media	E-Tender	Closing date
SCMU 15 /2019	Supply and delivery of grass cutting machine	Yes	Yes	N/A	Yes	Yes	Yes	11-Oct-19

9. Awards contracts/bids reported to I-Tender in September 2019 (reporting awards)					
Contract number	Contract Name	Company Name	Date of Award	Report Date	Contract amount
None					

10. Awards contracts/bids reported to Official Website of the Municipality in SEPTEMBER 2019 (reporting awards)					
Contract number	Contract Name	Company Name	Date of Award	Report Date	Contract amount
None					



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

Bid No.	Description	Company name	SCM Date	Date of Award	Contract period	Contract amount
None						

## 12. Bids approved/awarded by Municipal Manager in September 2019

Bid No.	Description	Company name	SCM Date	Date of Award	Contract period	Contract amount
None						

## 13. Contracts reported to CIDB I-Tender for completion in September 2019 (reporting awards)

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

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## Major achievements for SEPTEMBER 2019

Summary of SCM process (Descriptions)	Sep-19
Number of new accredited suppliers registered with municipal's database	0
Number of orders processed	211
Number of approved deviations from SCM procedures	11
Number of orders above R30,000.00 processed	17
Number of bids approved (considered) by BSC	5
Number of bids approved by MM for advertisement from BSC	5
Number of new bids advertised	1
Number of bids closed	6
Number of bids evaluated by BEC (recommended further for consideration)	3
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

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## Key challenges – coming SEPTEMBER 2019

SUPPLY CHAIN MANAGEMENT CHALLENGES	RECOMMENDATIONS:
<ul style="list-style-type: none"> <li>Slow network/internet application affecting CSD verification accessing CSD report</li> </ul>	<ul style="list-style-type: none"> <li>IT should consider procuring fast internet application / license e.g. wi-fi or wireless network</li> </ul>
<ul style="list-style-type: none"> <li>SCM does not have safe storage system to file non-appointed bids</li> </ul>	<ul style="list-style-type: none"> <li>Council should consider budgeting/acquiring a bulk storage system for budget &amp; treasury department/SCM</li> </ul>
<ul style="list-style-type: none"> <li>SCM do not have safe archive system (electronic or Manual)</li> </ul>	<ul style="list-style-type: none"> <li>IT division should consider developing E-filing for Budget &amp; Treasury / SCM as a back-up system for AG</li> </ul>
<ul style="list-style-type: none"> <li>Office space</li> </ul>	<ul style="list-style-type: none"> <li>SCM have five permanent employees utilising three congested offices with files &amp; documents</li> </ul>
<ul style="list-style-type: none"> <li>Cheque requisition compromise SCM reporting (SCM compliance) of deviation &amp; payment process</li> </ul>	<ul style="list-style-type: none"> <li>All cheque requisition should be approve/process by SCM and cheque order be generated (financial system be updated by service provider to allow once-off service providers for cheque orders and cheque order book be developed. All department are requested to use deviation book available from SCM offices</li> </ul>
<ul style="list-style-type: none"> <li>Department did not report any completion of project to SCM</li> </ul>	<ul style="list-style-type: none"> <li>Department(s) should starts submitting the bidder's performance report to SCM. The report should cover all payment, current status of bid/progress reports and estimated time to complete a project(s)</li> </ul>

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<ul style="list-style-type: none"> <li>• Payment certificate and proof of payment are not submitted to SCMU for project monitoring &amp; reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Payment certificate (copy of approved certificate) should be submitted to SCM</li> </ul>
<ul style="list-style-type: none"> <li>• Project completion certificate not submitted to SCM by user department</li> </ul>	<ul style="list-style-type: none"> <li>• Completion certificate drafted by PMU should be submitted to SCM / Assets for projects reporting/ monitored)</li> </ul>
<ul style="list-style-type: none"> <li>• Procurement plan implemented but most user department/divisions did not submit Spec</li> </ul>	<ul style="list-style-type: none"> <li>• All department must submit spec/request as indicated on procurement plan to comply</li> </ul>
<ul style="list-style-type: none"> <li>• SLA not sign by both Accounting office and appointed services provider before commencement date</li> </ul>	<ul style="list-style-type: none"> <li>• All department should consider having department contract management system / key personnel to update departmental contracts and procurement plan quarterly</li> </ul>
<ul style="list-style-type: none"> <li>• Contract management by departments/legal division are not update</li> </ul>	<ul style="list-style-type: none"> <li>• SLA and bid document should be sign by both parties before the project commencement date</li> </ul>
<ul style="list-style-type: none"> <li>• Finance system supplied by Fujitsi does not allow SCM to use tender/ quotation number as order number to assist on prevent overspending/ irregular expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• New system on progress for implementation.</li> </ul>
<ul style="list-style-type: none"> <li>• On SLA Commencement date of all bids awarded in 2018 is the handover of the project, but the department does not inform supply chain on the handover date.</li> </ul>	<ul style="list-style-type: none"> <li>• All departments must inform supply chain about the handover date so that they can report commencement date of the project monthly.</li> </ul>

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## 5. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Name of Suppliers	Department	Date	Cheque Number	Amount
Forest Fig Properties-NYDA Office Rental	Corporate Services	Jul-19	1083434	R371,443.83
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

The Fruitless and wasteful expenditure incurred during the month of September 2019 amounts to R371, 443.83.

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## 6. IRREGULAR EXPENDITURE

Irregular Expenditure to Date		
Department	Year	YTD Expenditure
MM	2019/2020	
Council	2019/2020	
Corporate Services	2019/2020	
Community Services	2019/2020	1 786 134.72
Finance	2019/2020	103 428.20
PED	2019/2020	
Electrical Services	2019/2020	
Engineering Services	2019/2020	
<b>TOTAL</b>	<b>2019/2020</b>	<b>1 889 562.92</b>

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## 7. ASSET MANAGEMENT

### 1. PURPOSE:

The Asset Management Division of the Municipality is required to submit the following information to the Accounting Authority on a quarterly basis, in respect of each material Asset Management transactions, as well as on the overall implementation of the Asset Management Policy in the entity as a whole. In addition the GTM must report to the Finance Committee in respect of the following as it relates to Asset Management:

- A. Monthly Analysis Reports,
- B. Achievements,

### 2. REPORTING REQUIREMENTS:

#### A. QUATERLY PERFORMANCE ANALYSIS REPORTS:

##### ASSET PROCUREMENT ANALYSIS REPORT:

This section of the report relates to the asset spend analysis (quantum and rand value) during the past quarter for all asset transactions.

THRESHOLD– ASSET PURCHASES	QUANTITY	VALUE
Transactions Exceeding R 1 000	1	R51 625.77
Transactions Not Exceeding R 1 000		-
<b>TOTAL ASSET TRANSACTION VALUE (Including VAT)</b>		<b>R51 625.77</b>

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The various threshold values in the table above, determines the nature of the asset as well as the appropriate accounting treatment as follows:

**a. TRANSACTIONS NOT EXCEEDING R 1 000:**

- Accounting Treatment - Fixed Asset Not Capitalised
  - Asset recorded in the Fixed Asset (Inventory) Lists.
  - Asset recorded in the Fixed Asset Register - Minor Asset.

**b. TRANSACTIONS EXCEEDING R 1 000:**

- Accounting Treatment - Fixed Asset is Capitalised
  - Asset recorded in the Fixed Asset (Inventory) Lists.
  - Asset recorded in the Fixed Asset Register - Major Asset.

**ASSET DISPOSAL ANALYSIS REPORT:**

This section of the report relates to the asset disposals (quantum and rand value) that occurred during the past quarter for all disposal transactions by means of a transfer, donation, and tender or competitive sale process.



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THRESHOLD- ASSET PURCHASES	QUANTITY	VALUE
Asset Disposals through Transfers	-	R nil
Asset Disposals through Donations	-	R nil
Asset Disposals through Tender or Sale Process		R nil
<b>TOTAL TRANSACTION VALUE (Including VAT)</b>	<b>-</b>	<b>R nil</b>

INTANGIBLE ASSETS	QTY	VALUE
Transfers in		-
<b>TOTAL</b>		<b>-</b>

## PROPERTIES

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

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## JOURNALS

Date	Account Name	Account	Debit	Credit
1 2019/08/31	Work In Progress Pavements, Bridges & Storm water	363/410/4005 195/600/5202	23,357,947.98	22,129,486.01
	Electricity Reticulation	173/600/5005		631215.58
	Electricity Reticulation	183/600/5005		134596.57
	Electricity Reticulation	183/600/5105		462,649.82
<b><i>Capitalisation of WIP for the month</i></b>				
2 2019/08/31	Plant and Machinery	408/400/4005	20,854.47	
	Office Equipment	410/400/4005	31,640.87	
	Electricity Reticulation	183/600/5105		20,854.47
	Public Relations	003/078/1353		31,640,87
<b><i>Recognition of current year additions- Other Assets</i></b>				

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## A. ACHIEVEMENTS:

The GTM Asset Register was updated and maintained during the Month as assets are received.

The process of tagging and recording of assets was also done.

Movement of assets was done.

Preparation of AFS is in place

## B. CHALLENGES:

The Asset Management faces the following challenges:

1. Shortage of staff
2. Issuing of electrical infrastructure without the completing the forms for identifications and locations

## 8. AUDIT FINDINGS

The Municipality got qualified audit opinion from Auditor General during the 2017/2018 financial year. An audit action plan has been developed and maintained on a monthly basis to address findings raised by Auditor General.

## 9. FUEL EXPENDITURE

The total fuel expenditure for the month of September 2019 amounted to R 841,979.24

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## 10. MSCOA PROGRESS

### Status of MSCOA SebataEMS Implementation:

### Solution Functionality Readiness:

- **Status**
  - Adjustment Budget and 2019/20 Budget captured and submitted to NT
  - 19/20 Draft IDP and Budget tabled in MSCOA 6.3
  - KPI's Linking to IDP in progress
  - Configuration set up in Test Site
  - Business process alignment: mSCOA SebataEMS business processes were aligned to Greater Tzaneen processes ready to be used at 1 July 2019.
  - Water and Sewerage management – Solution Documented
  - Costing Solution – Demonstrated, and well accepted, Fleet Management Solution to be build, manual work around to be find
  - Assets solution to be demonstrated, defect on depreciation calculation to be fixed

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- Summary View

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

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

## Data Conversion Status

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

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- **Summary View**

		Load Tested	Program	Data Tested	Data Reconciled
GL	GL Opening Balances	Y		Y	Y
Inventory	Inventory Opening Balances	Y		Y	Y
SCM	Open Invoices	Y		No	No
Assets	Opening Balances	Y		Y	No
HR	Employees and Org Structure	Y		Y	Y
Finance	Loans Captured	Y		Y	No
Finance	Investments Captured	Y		Y	No
Finance	Cash Book Captured	Y		y	No
Billing	Billing /Revenue	Y		y	No

**Interface Readiness:**

- **Status**
  - Interface files tested with test data
- **Next Steps**
  - Test interfaces with real data end to end with 3<sup>rd</sup> party sign-off

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- Summary View

		Tested	3 <sup>rd</sup> Party
CSD	Central Supplier Data Base	Yes	Yes
Payroll File	Payroll information from Payday	Yes	No
Bank File	Bank files from ABSA	Yes	No
Bank File	Payment File	No	No
Meter Reading File	Meter Readings	Yes	No

Ms M.P MAKHUBELA

CHIEF FINANCIAL OFFICER



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## GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
UD	User Department
CS	Corporate Services
CFO	Chief Financial Officer
SCMU	Supply Chain Management Unit
BSC	Bid Specification Committee
CK	Company Registration
MFMA	Municipal Finance Management Act
SCMP	Supply Chain Management Policy
G.T.M	Greater Tzaneen Municipality
NT	National Treasury
BO	Buy Order
RF	Requisition Form
BF	Bid File
CIDB	Construction Industry Development Board

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