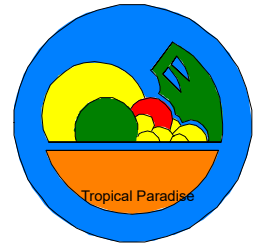




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**A20 MPAC INVESTIGATION REPORT ON THE UNAUTHORIZED, IRREGULAR,  
FRUITLESS AND WASTEFUL EXPENDITURE INVESTIGATION REPORT  
FINANCIAL YEARS 2023/2024, 2023/22, 2022/21, 2021/20, 2020/2019 AND  
2019/18 HISTORIC EXPENDITURES.**

**(C2025 08 27)**

**(12/2/3/1/1)**

**REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE.**

**1. PURPOSE OF THE REPORT.**

This investigation report aims to assess the extent of the unauthorized, irregular, fruitless and wasteful expenditure, and to identify those responsible, and to recommend to Council appropriate measures to be taken. Additionally, it seeks to finalize the historic expenditures from previous financial years that were referred to the Financial Misconduct Board for further investigations.

**2. BACKGROUND.**

Council should note that the report submitted to Council on 21 August 2025 under item A18 had omitted in the recommendations other expenditures related to the panel of electrical contractors, under irregular expenditures for the 2024/25 financial year, though the expenditures were included on page 108 of the report.

Council should further note that the Auditor General requires that all expenditures be indicated individually in the recommendations of the report.

Furthermore, Council should consider rescinding resolution A18 of 21 August 2025 to be replaced by this report.

Greater Tzaneen Municipality's Council, in its council meeting held resolved to mandate MPAC to investigate and report to council the 2023/2024 unauthorised, irregular, fruitless and wasteful expenditure be investigated by MPAC. More detailed information is provided for in this report.

### **3. LEGISLATIVE MANDATE.**

- a) MFMA Section 62 - the Accounting Officer MUST:
  - i) Take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically
  - ii) Take all reasonable steps to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented
- b) MFMA section 32(2)(b)
  - i) A municipality must recover UIFW expenditure from the person liable for that expenditure unless the expenditure is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council
  - ii) In terms of section 4(2)(a) of the MSA, the council has a duty to use the resources of the municipality in the best interest of the local community

### **FINANCIAL MISCONDUCT.**

Chapter 15 of the MFMA provides the legal framework for financial misconduct and financial offences. Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The Board to deal with all financial misconduct committed by officials, Councils and other person/s referred to by Section 173 of the MFMA.

### **MFMA CIRCULAR 68.**

The purpose of this Circular is to provide clarity on the procedures when dealing with unauthorized, irregular, fruitless and wasteful expenditure (**UIFWe**) as per the Municipal Finance Management Act, 2003 (MFMA). It will be updated from time to time.

Local Government Municipal Finance Management Act of 2003 Circular No 68 on Unauthorized, Irregular, Fruitless and Wasteful expenditure states that: in terms of section 32(2)(b) irregular expenditure may only be written off

by Council if, after an investigation by a Council committee, that irregular expenditure is certified as irrecoverable. In other words, writing off is not a primary response, it is subordinate to the recovery processes and may only take place if the irregular expenditure is certified by Council as irrecoverable, based on the findings of an investigation.

Local Government Municipal Finance Management Act of 2003 Section 170 (2) states that only the National Treasury may condone non-compliance with a regulation issued in terms of the MFMA or a condition imposed by the Act itself. The municipal Council therefore has no power in terms of the MFMA to condone any act of non-compliance in terms of the MFMA or any of its regulations.

#### **4. METHODOLOGY**

- a) Unauthorized, irregular, fruitless, and wasteful expenditure was recorded in a register and referred for investigation by the Council. Evidence was gathered from those responsible, and interviews were conducted to obtain clarity on how the expenditure occurred, in line with the procedures outlined in Circular 68 and other related guidelines.
- b) The investigation was supported by other officials who assisted with documentation, verification, and analysis of the expenditure. Furthermore, the Municipal Public Accounts Committee (MPAC) held a session with the Chief Financial Officer (CFO) and the Municipal Manager to seek further clarity, accountability, and assurance on the steps taken to address the identified irregularities. The session also focused on:
  - i) preventative measures and recommendations to ensure improved compliance and financial management going forward.
  - ii) Gaining a deeper insight of the root cause to the irregular and fruitless expenditure
  - iii) Understand weaknesses contributing to irregular expenditure and obtain a formal commitment on the implementation of MPAC resolutions, preventative measures, sound internal controls and financial discipline.
  - iv) The session also highlighted the importance of the effectiveness of Financial Misconduct Board, and raised concerns of cases

referred to the board through Council where the response was not provided.

#### **5. SCOPE OF THE INVESTIGATION.**

The investigation covered irregular expenditure between 2024/25-2021/2022 and fruitless expenditure between 2024/25-2018/2019. The investigation of UIF&W expenditure was established by Council Resolutions of reported expenditure in different financial years. All relevant information from the current and prior years were scrutinized as integral part of the investigation.

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1. **FINDINGS:**

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE INVESTIGATION

**A) FRUITLESS AND WASTEFUL EXPENDITURES 2024/25**

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
1)	Officials	July - November 2024	R994 265.67	All Departments	This relates to historic system calculation error, and the error stemmed from an improperly configured calculation within our legacy system, which inadvertently led to fruitless expenditure in the current year and in prior years. The formula used for calculation on legacy system included overtime. The municipality corrected the formular on the system since Dec 2024. AGSA was satisfied with corrective measures and MI was resolved. The expenditure	The council note that the Material irregularity has been resolved with the AGSA, and the system error has been corrected by the municipality. <b>The expenditure of R994 265.67 be written off.</b>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					relates to July-Nov 2024 before AGSA raised a finding	

#### FRUITLESS AND WASTEFUL EXPENDITURES 2023/24

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
1)	TJ Machete		274 444,20	Office of the MM & Legal Services	Duplicate Payment by the municipality to TJ Machete. The attorney, TJ Machete, billed the municipality twice for one service. A settlement was reached. The Municipality paid a settlement fee of R100 000. Maria Malatji – Maria Malatji filed a lawsuit against the municipality for	The attorney committed to repaying the municipality from future invoices, as of May 2025, The council note that the amount of R200 000.00 has been recovered from TJ Machete Attorneys Inc.

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>R1 000 000 in damages sustained by her property.</p> <p>Duplicate Payment.</p> <p>A settlement was reached. The Municipality paid a settlement fee of R100 000. Maria Malatji – Maria Malatji filed a lawsuit against the municipality for R1 000 000 in damages sustained by her property. This was attributed to the construction activities conducted by the municipality in her vicinity. Bernard Tongue</p>	<p>Council to note that the outstanding balance of R74 444.20 has been recovered from TJ Machete.</p> <p>MPAC identified the following risks:</p> <ul style="list-style-type: none"> <li>- There are overpayments to service providers which were picked up by AGSA.</li> <li>- The user departments sign off the invoices without proper review.</li> </ul>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>- It was noted that Bernado Tongue filed a lawsuit against the municipality for R1 000 000 in damages sustained by his property. This was attributed to the construction activities conducted by the municipality in her vicinity.</p> <p>A settlement was reached the Municipality paid a settlement fee of R100 000</p> <p>Both matters were heard and finalized by the high court on the 19<sup>th</sup> of July 2023.</p>	<p>- TJ Machete didn't pay directly from his pocket by through set off (money was deducted from his invoice).</p> <p>The Accounting Officer should institute the disciplinary actions against the affected officials.</p> <p>The practice of set offs is totally discouraged.</p>



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>The attorney handling the cases billed the municipality twice for the same work done on the same day, for example, consultation with the municipality was billed twice, travelling on the same day to court was billed twice, appearing in court for 8 hours was billed twice, research on the case was billed twice,</p> <p>Furthermore, a bill for sundry and disbursements was also duplicated on both invoices.</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>A letter was sent to TJ Machete Attorneys Inc. on the 31<sup>st</sup> of January 2025 informing him about the fruitless expenditure of R274 444.20 and the recovery thereof within 30 days.</p> <p>The municipality and TJ Machete Attorneys Inc. came to an agreement that the amount of R50 000.00 would be retained by the municipality from invoices of TJ Machete Attorneys Inc. submitted to the municipality until</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>the R274 444.20 is paid in full.</p> <p>On the 10<sup>th</sup> of February 2025, TJ Machete Attorneys Incorporated wrote back to GTM giving consent to the office of the municipality to deduct the amount of R50 000.00 from each invoice until the R274 444.20 has been paid in full. The amount of R200 000.00 was paid back by TJ Machete. The remaining amount of R74 444.20 was recovered in full on the next invoice received</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					from TJ Machete Attorneys.	
2)	Eternity Star Investments (Paving Maseanoka to Pharare Cell C)		R363 660.66	Civil Engineering & PMU	<p>The municipality overpaid the contractor. During a site visit by the AGSA and the Engineer on 26 October 2023, it was observed that the municipality paid more than the work done on site by R1 127 622.48</p> <p>After extensive deliberation with the AGSA, a consensus was reached that there was an overpayment to the amount of</p>	<p>The municipality intends to recover the full amount from the Consultants and the contractor.</p> <p>A letter stating the recovery of R363 660.66 was sent to the consulting engineer and the contractor on the 3<sup>rd</sup> of February 2025.</p> <p>Council to mote that the amount will be recovered from the retention which is not yet claimed by the contractor.</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>R363 660.66 which should be paid back by the contractor.</p> <p>During a follow up visit on the 5<sup>th</sup> of November 2024, the project manager from Skyhigh Consulting Engineers along with employees of GTM remeasured and reconciled the quantities and concluded that an overpayment to the value of R292 071.94 was incurred for prefabricated culverts which should be recovered from Eternity Star Investment.</p>	<p>PMU be capacitated in project management and BOQ calculations.</p> <p>Council to note that the retention amount held by the municipality is R700 000.00.</p> <p>Council to recover overpayment of R363 660.66 from the retention amount of R700 000 which is not yet paid to the contractor.</p> <p>Institute Consequence Management against the PMU unit for</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
						<p>inadequate monitoring.</p> <p>PMU to ensure that all submitted payment certificates are in line with the quantities on site before releasing the payment.</p> <p>Accounting Officer to institute consequence management, on non-compliance with the SCM Regulations, before the end of the 2nd quarter of the 2025/2026 financial year.</p> <p>The Accounting Officer should institute consequence</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
						<p>management and actions to eliminate future occurrences.</p> <p>MPAC identified the following risks:</p> <ul style="list-style-type: none"> <li>- There are overpayments to service providers which were picked up by AGSA.</li> <li>- The user department signed off the invoices without proper review.</li> </ul> <p>The Accounting Officer to write the</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
						letter to Eternity to pay back the monies that were overpaid to him, to discourage the set off from retention. The Accounting Officer institutes disciplinary actions against the officials affected.
3)	GTM Officials (calculation error for leave encashment)		R1 738 895,23 (2023/2024)	Budget & Treasury Office	This relates to historic system calculation error, and the error stemmed from an improperly configured calculation within our legacy system, which inadvertently led to fruitless expenditure in	The council note that the Material irregularity (MI) has been resolved with the AGSA, and the system error has been corrected by the municipality.
			R1 507 005,34 (2022/2023)			
			R1 229 448,30 (2021/2022)			



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>the current year and in prior years.</p> <p>The formula used for calculation on legacy system included overtime</p> <p>The municipality revised the formula on the system to exclude non fixed remuneration on pay roll system from December 2024.</p> <p>In March 2025, AGSA raised this as MI (material irregularity).</p> <p>The municipality indicated that the system has been adjusted and</p>	<p>The following expenditure be written off</p> <p>R1 738 895,23 (2023/2024)</p> <p>R1 507 005,34 (2022/2023)</p> <p>R1 229 448.30 (2021/2022)</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					there are no prospects of overpayment. In May 2025, AGSA issued a response that the material irregularity (MI) has been resolved.	
4)	Indigents (Deceased indigent and non-qualifying)		R176 567,50 (2023/2024)	Budget & Treasury Office	The fruitless expenditure incurred on free basic services (FBS) relates primarily to accounts classified as indigent, which included as deceased individuals. These accounts were identified during the audit process by external auditors using Computer-Assisted Audit Techniques (CAATS) system. The municipality	The municipality appointed a service provider to conduct vetting on the indigents. The vetting processes have been concluded.  The following expenditure be written off R176 567,50 (2023/2024)
			R212 629,32 (2022/2023)			
			R193 330,71 (2021/2022)			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>had to disclose figures for three financial years</p> <p>Indigent registers are regularly updated; however, due to lack of timely notifications and verification processes, some deceased indigent accounts remained on the system resulting in payments made on collected tokens on their behalf.</p> <p>The municipality does not have a system that is linked to home affairs which could promptly identify indigent as and when they are deceased.</p>	<p>R212 629,32 (2022/2023)</p> <p>R193 330,71 (2021/2022)</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
4)	ABSA (admin fees on the fuel cards)		R2619.60	Budget & Treasury Office	<p>The municipality has a contract with ABSA for fleet management. A list of all municipal vehicles was sent to ABSA, and then the fuel cards were issued by the bank with the vehicle registration which gives the drivers access to refuel using the card. On monthly the municipality receives a transaction level report (daily transaction) for filing of fuel and to support the monthly debit order.</p> <p>For the year under review, the transaction level report (daily</p>	<p>Management should strengthen the internal controls (keep records of vehicles booked for repairs).</p> <p>The expenditure of R2619.60 be written off.</p> <p>The Accounting Officer to engage the bank to suspend the fuel cards on the vehicles that took more than three (3) months in repairs.</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					transactions) was received from ABSA, and it was noted that the municipality paid for fuel consumption and monthly administration fee on vehicles that were not operational.	
<b>FRUITLESS AND WASTEFUL EXPENDITURES: 2022/23</b>						
1)	Telkom	Dec 2022 and Feb 2023	R372.34	Corporate services	Interest on late payment due to late submission of invoices	The fruitless expenditure has been recovered from officials
2)	Tshiamiso-Mulati Access Road	2022	R1 247 699.78	Civil Engineering	Financial Loss incurred on damaged pavement layer and gravel material  This relates to payment for replacing damaged	The municipality investigated the matter and provided response to AGSA, which they were satisfied with actions

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>parts of the road and this led to the municipality paying for similar work to a new contractor.</p> <p>Furthermore, this identified as MI by AGSA.</p> <p>The contract misrepresented bill of quantities, offering price nearly half of actual cost.</p> <p>The matter led to legal battle between the municipality and the service provider.</p> <p>The court mandated the municipality to pay Tshiamiso for cost incurred without profit margin. While the court</p>	<p>taken by the municipality and the court order, and the MI was resolved</p> <p>The expenditure of R1 247 699.78 be written off</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>ruling is legally binding did not with the municipality's objective of holding the contractor accountable for financial losses.</p> <p>However, the municipality was comforted by court ruling to pay including outstanding payments for work done without profit.</p> <p>The court ruling was in favour of the municipality; however, could not persuade the matter further to claim damages suffered when project was halted for 18</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					months pending court processes but rather abend by court order.	
3)	Letsopa Consulting Engineers - Mulati Access Road	2022	R 2 222 291.71	Civil Engineering	Letsopa Consulting Engineers provided comprehensive design services in accordance with specifications. Following a dispute with the initial contractor, the project was halted, leading to weather-related damage of the incomplete work. Subsequently, a new contractor was appointed, and Letsopa was tasked with redesigning the project to reflect new	The municipality investigated the financial loss and provided response to AGSA, which the AGSA was satisfied with actions taken by the municipality and the MI was resolved. The overpayment was set off against certificate number 15. The recovery be noted as per assessment of MI by AGSA.



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>specifications, including a revised road width before Mmqomo Trading was appointed to continue with the project. The duplicate invoicing was identified in audit query; however, these were addressed by a reduction in certificate number 15.</p> <p>The appointed Engineer's fees were calculated at 17% of the contractor's total value. The contractor, Mmqomo, was initially appointed for R33,255,383.53, with a subsequent variation</p>	<p>PMU should strengthen internal control processes for recalculation and verification of payment certificates</p> <p>PMU should undertake capacity building on financial controls, payment processes and risk mitigating measures</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					order increasing this to R36,160,203.46 (inclusive of VAT). The Engineer was entitled to R 6,147,234.59; however, the actual payment made was R5,653,417.70, which is below the 17% threshold.	
<b>FRUITLESS AND WASTEFUL EXPENDITURES 2021/22</b>						
1.	Eskom	2021/22	R5 413 503.97	Budget & Treasury	The municipality in the past had cash flow constraints which could not pay creditors timeously, this contributed to MI. The municipality is now financially stable, and	The municipality in the past had cash flow constraints which could not pay creditors on time. The municipality has improved its financial health and reserves

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>the MI has been resolved</p> <p>The expenditure may not be recovered from officials as this was due to institution cashflow constraints</p>	The expenditure of R5 413 503.97 be written off
2.	Eskom	2021/22	R2 973 799.25	Electrical	<p>Overpayment of invoice on Bulk purchases. Overpayment to Eskom resulted in MI and the AGSA resolving MI as the accounting officer took appropriate action by lodging a dispute with Eskom and held numerous engagements with the power utility. After provisioning detailed readings and</p>	<p>The assumption of overcharging was due to missing (F5) data on the account. Investigation was conducted on the overpayment, and the matter of missing data was clarified and AGSA resolved the MI</p> <p>Council note that the matter was resolved</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					confirming that the potential overpayment caused by the lack of metering system at Gravelote (F5), The MI was resolved after confirmation that the billing was for Gravelote (F5) and Eskom provided detailed readings	with AGSA, and the reported fruitless expenditure will be removed from the register

#### FRUITLESS AND WASTEFUL EXPENDITURES 2019/20

1)	Compensation Commissioner	August 2019	R70'752.90	Budget & Treasury	This payment was split due to cashflow constraints The payment for Compensation Commissioner is now processed timeously	The municipality in the past had cash flow constraints which could not pay creditors timeously.  The municipality has improved its financial health and reserves.
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Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
						The expenditure of R70'752.90 be write-off
2)	AGSA	March 2020	R5 580.93	Budget & Treasury	Interest on late payment to AGSA	The expenditure of R 5 580.93 be written off.
<b>FRUITLESS AND WASTEFUL EXPENDITURES 2018/19</b>						
1)	Compensation Commissioner	2018/2019	R70'752	Budget & Treasury	This payment was split due to cashflow constraints The payment for Compensation Commissioner is now processed timeously	The municipality in the past had cash flow constraints which could not pay creditors timeously. The municipality has improved its financial health and reserves

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
						The expenditure of R70'752 be write- off
2)	Eskom	2018/19	R96.57	Budget & Treasury	Interest on late payment- other invoices were received late from Eskom	The expenditure of R96.57 was recovered from officials
<b>IRREGULAR EXPENDITURE</b>						
1)	ANAKA Group	2021/22	R1 327 099.62	Corporate Services/IT	Bids not advertised for a minimum required number of days- no	The Accounting Officer must implement
		2023/24	R3 687 528.38			
		2024/25	R2 889 447.08			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>information supported the tender being advertised for a shorter period.</p> <p>On 27 August 2021, the Municipality approved a requisition for the re-advert of provision for Managed Printing Services. The cost estimate was R11m over a period of 36 months.</p> <p>On 27 August 2021, the bid Specification Committee (BSC) recommended the specification for bid no SCMU 04/21 (for re-advert).</p>	<p>consequence management against responsible officials and implement actions to eliminate future occurrences.</p> <p>The following expenditure be written off:</p> <p>2022/23 (R1 327 099.62)</p> <p>2023/24 (R3 687 528.38)</p> <p>2024/25 (R2 889 447.08)</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>On 31 August 2021, the approval of bid re-advertisement has been granted by the former Acting Municipal Manager (Director Community) and a letter of request for the condonement of a shorter period of advertisement of the bids (14 days) was granted by the Acting Municipal Manager.</p> <p>On 03 September 2021, bid no SCMU04/21 for the provision of managed printing services has been re-advertised with closing</p>	



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					date 15 September 2021, therefore the bid has been advertised for R6 074 759,00 has been subjected to point scoring system and recommended bidder to bid adjudication committee (BAC).	
1)	Contour Technology	14/07/2023	R1256.3	Budget & Treasury Office	The service provider, Contour Technologies, took the municipality to court to challenge the appointment of the new service provider (CIGI Cell) for the prepaid vending machine. The municipality could not sign the service level	The expenditure for July (R1 256) and August 2023 (R60 872.41) be written off.
		25/08/2023	R60 872,41			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					agreement (SLA) because of the court's court matter.	
2)	George B Security (8 security guards for day and night shifts)	2021/22	R16 159 695.52	Community Services/Safety and Security	Background on the Appointment of Physical Security Services Provider – George B Security  The contract for the provision of physical security services previously in place had lapsed. As a result, the municipality initiated a procurement process in line with its standard Supply Chain Management (SCM) procedures to appoint a new service provider.	The contract with the service provider has lapsed, and a new service provider has been appointed.  The irregular expenditure was referred to Financial Misconduct Board for investigation and consequence management, which as of now the processes are not yet completed.  The irregular expenditure be written
		2022/23	R25 662 499.81			
		2023/24	R28 990 716.77			
		2024/25	R7 215 344.11			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>A total of sixty-seven (67) bidders (the tender in question) responded to the advertised tender. The evaluation for functionality was limited to company experience, equipment, and key personnel. It did not align with the broader requirements listed in the original advert. During the external audit and related investigations, several inconsistencies were identified in the evaluation and adjudication process. One notable issue was</p>	<p>off, given that irregularity pertains to a compliance deviation rather than financial loss. Consequence management be instituted against the officials who participated in the non-compliance of this bid and implement actions to eliminate future occurrences.</p> <p>The following expenditure be written off</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>the inclusion of a certificate requirement from the Institute of Risk Management South Africa (IRMSA). IRMSA is a professional body that supports risk management professionals, primarily in a corporate governance and enterprise risk context. This requirement was determined to be irrelevant and misaligned with the core scope of physical security guarding services, which typically involve operational</p>	<p>2021/22 (R16 159 695.52) 2022/23 (R25 662 499.81) 2023/24 (R28 990 716.77) 2024/25 (R7 215 344.11)</p>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>security personnel rather than risk management professionals. As such, this requirement was found to have unfairly prejudiced potential bidders within the security industry and has rendered the overall procurement process irregular.</p> <p>Of the 67 bidders, 66 were eliminated during the functionality evaluation phase. Only George B Security was found to be compliant and was therefore evaluated further on pricing and preferential</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>points. George B Security was subsequently recommended by the Bid Evaluation Committee (BEC) and approved by the Bid Adjudication Committee (BAC) for appointments. The then Acting Municipal Manager formally approved the contract valued at R53,654,40. Although the appointment process was later deemed irregular due to the inclusion of irrelevant criteria, the services</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					were rendered in full, and the municipality derived value and benefit from the engagement. There was no financial loss incurred.	
<b>PANEL OF ELECTRICAL CONTRACTORS</b>						
2)	Aspire Safety Consultants (Vegetation Control 11kv Line Routes).	2023/24	R 1 637 118.66	Electrical Department	Bids were advertised for less than the minimum days required (SCMU 28/2020). The Municipality appointed a pool/panel of contractors for electrical engineering services (SCMU 28/2020). The bid/invite was advertised in the Sowetan newspaper on	The irregular expenditure incurred in relation to the panel of electrical contractors be written off.  It is further noted that all bidders involved in the initial process were subsequently
3)	Asonke (Mackery Village)	26/04/2024	R621 349,23			
4)	Errol Construction and Projects (Panel of	2023/24	R 1 103 692.09			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	electrical contractors)				04 February 2022, and the closing date of the tender was 28 February 2022, as such the bid was advertised for 25 days which is less than the 30 days as required by the SCM regulation stipulated above.	terminated by the municipality.
5)	Kedibone Construction (Panel of electrical contractors)	2023/24 2024/25	R 5 458 622.59 R 497 187 .30			Additionally, new service providers have since been appointed in accordance with proper SCM processes.
6)	Kwanano Trading (Vegetation Control 11 & 33 KV Line Tzaneen) Order Highmast	2023/24 2024/25	R600 000.01 R 1 171 463.93		The contract period of the pool/panel is 36 months, which is regarded as a longer period.	The Accounting Officer to implement measures for consequence management and
7)	Maleboti Construction (panel of electrical contractors)	2023/24 2024/25	R1 276 574.06 R 70 920.77		As of 30 June 2024, The Municipality had appointed service providers with an aggregate amount of R48 165 331.61 which is	implement actions to eliminate future occurrences.



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
8)	Mashp (Panel of electrical contractors)	2023/24 2024/25	R719 149.90 R 29 879.02		above R10 000 000 as per SCM regulation.	
9)	Mikhovhe (Panel of electrical contractors)	2023/24	R1 094 458.92		The process followed is not in line with the SCM regulations and as such expenditure incurred by the municipality on the projects is regarded as irregular expenditure.	
10)	Mmirwa (Thabine Village) (Panel of electrical contractors)	2023/24 2024/25	R1 436 187.22 R 79 788.18		Par.28 (1) (a) (ii) of the SCM regulations states that a bid evaluation committee must evaluate bids in accordance with-	
11)	Moepeng (Retrofitting Street Lights Tzaneen CBD)	2023/24 2024/25	R 940 164.93 R 98 180.10		The municipality established a panel for various projects; service	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	(Panel of electrical contractors)				providers are placed on a panel based on functionality and the preferential point system is not applied when work is allocated to the panel members.	
12)	Ntivombango Construction (New Orlands 11kv Line Ph2)	2023/2024	R900 000.00			
13)	Mosekgo Civil Construction (Supply and Installation of Fence Various Mini Sub-Station)	2023/2024 2024/25	R537 940.70 R 77 036. 06		It was noted that there was no formal invitation to suppliers to participate in the work allocation process or quotation process.	
14)	Omphile Electrical (Duiwelskloof 33kv Line Ph2)	2023/2024 2024/25	R2 297 642.29 R 393 577.01		There is no assessment which indicates how a decision was reached to allocate work to a particular contractor in	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	(Rebuild Pusela 11kv Line)				<p>the panel amongst many other qualifying panelists as there were no quotations requested from other panel members for evaluation or a specific criterion to allocate work to various service providers.</p> <p>The bid was advertised for less than 30 days in contravention of SCM prescripts</p> <p>The appointment process followed by the Municipality is therefore irregular and the related expenditure is also</p>	
15)	Omuhle Trading (Supply and Delivery Harness Battery Connection and Umbilical Cables for Tarvida) Order	2023/2024 2024/25	R129 547.50 R238 281.00			
16)	OTS Electrical (Mokhwathi Village) (Mugwazeni Village)	2023/24 2024/25	R3 114 511.95 R 336 517.62			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
17)	Picabiz (Retrofitting Street High Mast Lights Tzaneen Aquapark) 6271	2023/2024 2024/25	R885 727.13 R 49 235.81		<p>irregular as there was no fair allocation of work to the contractor.</p> <p>1.1 Asonke Engineering was awarded the project of the electrification of 60 households in Mackery Village.</p> <p>1.2 Aspire Safety Consultants was awarded the project to undertake vegetation clearing at the Plain 11KV and 33KV lines from the substation to Vorster and from the substation to Riverside and Letsitele.</p>	
18)	Ringanani (Retrofitting Street High Mast Lights Tzaneen Rural Area) 6271	2023/2024	R1 095 031.05			
19)	Rivisi Electrical (Mugwazeni Village)	2023/2024 2024/25	R6 062 579.17 R1 354 052.02			
20)	RM Mashaba (Replacement	2023/2024 2024/25	R2 166 370.00 R 109 250			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	Breakers Letsitele Main)				1.3 Errol Construction and Projects were awarded the project of installing fencing at various substations.	
21)	Semodi Trading (Retrofitting Motor Letsitele Pump Station)	2023/2024 2024/25	R673 263.51 R177 908.73		1.3.1 Errol Construction and Projects was awarded the project for the electrification of 45 households at Akanani Village.	
22)	Zerbacraft (Manor vlei 11kv Line)	2023/2024	R911 273.60		1.4 Kedibone Construction was awarded the project to rebuild a 33KV line on the PH4 Ebenezer line. 1.4.1 Kedibone Construction was awarded the project for the electrification of 85	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>households in Rikhotso village.</p> <p>1.5 Maleboti Construction was awarded the project of installing fencing at various mini substations.</p> <p>1.5.1 Maleboti Construction was awarded the project of the electrification of 50 households at Mandlakazi Village.</p> <p>1.6 Mash P Trading and Projects were awarded the project of the installation of fencing at various substations.</p> <p>1.6.1 Mash P Trading and Projects were</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>awarded the project of the electrification of 132 households in Ramotshinyadi village.</p> <p>1.7 Mikhovhe Electrical and Training Projects was awarded the project for the maintenance of substation transformers and tap changes at Tzaneen Main Trfr 11, 12 and 13.</p> <p>1.8 Kwanano Trading and Projects cc was awarded the project of vegetation control on the Tzaneen 33KV and 11KV lines found at Deerpark and Manorvlei</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>1.9 Mmirwa Trading Construction was awarded the project of the electrification of 85 households in Thabina Valley Village.</p> <p>1.10 Moepeng Trading 40cc was awarded the project of retrofitting streetlights in Tzaneen CBD as part of the 2023/2024 EEDSM Programme</p> <p>1.10.1 Moepeng Trading 40cc was awarded the contract to install a High mast at Sunnyside</p> <p>1.11 Mosekgo Civil Construction was awarded the project to</p>	



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>install fencing and gates at various mini substations.</p> <p>1.12 Ntivombango Construction was awarded the project to rebuild an 11KV line at New Orleans. A payment for a cession was made to Khulani Timbers for the supply of poles.</p> <p>1.13 Semodi Trading Construction was awarded the project of retrofitting of a motor at the Letsitele Pump Station.</p> <p>1.13.1 Semodi Trading Construction were</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>awarded the contract for the supply, delivery and installation of energy efficient technologies retrofitting streetlights in Nkowankowa.</p> <p>1.14 Picabiz 367cc was awarded the contract of retrofitting streetlights for the 2023/2024 EEDSM Program in Aqua Park, Tzaneen.</p> <p>1.15 Omphile Electrical was awarded the project of rebuilding an 11KV feeder line of Pusela.</p> <p>1.15.1 Omphile Electrical was awarded the contract of rebuilding</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>the Duiwelskloof Phase 2 33KV line</p> <p>1.16 Omuhle Trading were awarded the contract for the supply and delivery of a harness battery connection and umbilical cables for tar Vida Auto recloser control box.</p> <p>1.17 Rivisi Electrical was awarded the project of the electrification of 450 households at Mugwazeni Phase 2 Village.</p> <p>1.18 Ringani Hosana Security Services Trading Enterprises was awarded the contract to</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>retrofit a High mast in the Tzaneen rural area under the EEDSM 2023/24 program.</p> <p>1.19 RM Mashabe Projects was awarded the project of the replacement of 2 dog box breakers at Letsitele Main.</p> <p>1.19.1 RM Mashaba Projects supplied and delivered a 200W LED High mast Floodlight.</p> <p>1.20 OTS electrical was awarded the project of the electrification of 200 households in Mokgwathi Village.</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>1.20.1 OTS Electrical was awarded the contract to electrify 100 households in Mugwazeni Village.</p> <p>1.21 Semodi Trading was awarded the project to install a new motor pump at the Letsitele Pump station.</p> <p>1.21.1 Semodi Trading were awarded the contract of retrofitting streetlights in Nkowankowa under the 2023/2024 EEDSM program.</p> <p>1.22 Zebarcraft was awarded the project to</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					rebuild the Manorvlei 11KV line. 1.23 Ringani Hosana Security Services Trading Enterprises supplied and delivered 184 LED Highmast lights at Tzaneen Rural Area as part of the 2023/2024 EEDSM Programme	
23)	Gumela General Trading (high	2024/25	R147 314.95	Electrical	Panel was advertised for less than 30 days and the panel was subsequently terminated to curb irregular expenditure	
24)	Khakhi Construction (high mast	2024/25	R152 111.93			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
25)	Madumelani Construction (high mast lights)	2024/25	R129 280.88			
26)	Nhletelo & Ritswalo Projects (high	2024/25	R176 322.27			
27)	Ntivombango (Construction line)	2024/25	R50 000.00			
28)	Power Tech Group	2024/25	R69 000.00			
29)	Rei Plant Hire (high mast lights)	2024/25	R192 957.82			
30)	Rem Mams (high mast lights)	2024/25	R125 871.60			
31)	Theuwedi Trading Ent	2024/25	R234 136.37			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
32)	Voltex mast (high lights)	2024/25	R3 775 600.53			
33)	Vunene Mira	2024/25	R46 200.00			
34)	Zero Fake Enterprise (high lights) mast	2024/25	R169 443.06			

**PANEL OF CONTRACTORS FOR CIVIL ENGINEERING SERVICES**

35)	Aspire Safety Consultants (Rehabilitation of Main CBD Street in Letsitele) -148 26/2021	2023/24 2024/25	R2 248 627.57	R 123 145.57	The bid (SCMU 25/2021 and SCMU 26/2021) was advertised on 14 January 2022 with a closing date of 10 February 2022, which	The Accounting Officer took the initiative to terminate the panel due to non-compliance with SCM processes.
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Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
36)	Komhla/Xalam uka (Pothole Repairs)-148	28/06/2024	R 458 403,58		means it was open for 20 days. The Municipality appointed a pool/panel of contractors for the maintenance of tarred roads (SCMU 26/2021).	One of the service providers in the panel challenged the municipality in court regarding termination of the contract. The contracts of all the service providers in the panel were reinstated.
37)	Maloka Machaba (Pothole Repairs)-148	06/06/2024	R 549 658,60		The bid was advertised in the Sowetan newspaper on 14 <sup>th</sup> of January 2022, and the closing date of the tender was 24 <sup>th</sup> of January 2022, as such the bid was advertised for 10 days which is less than the 30 days as required by the SCM regulation	The irregular expenditure stated in the column of amount be written off
38)	Mbanga Trading Enterprise Mbanga Trading Enterprise	2023/24	R597 351,69  (R597 351,69, was duplicated in the register, therefore an amount of R1 194 703.38 should be considered for write off)			
39)	Tzaneen Afri Investment	2023/24	R 1 424 292.25			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	(Rehabilitation of Loop and Parts of Skiving Street)-148				According to the applicable SCM regulations, bids for long-term contracts (over 12 months) must be advertised for a minimum of 30 days.	
40)	Mashp Trading (Potholes Repairs) -148 SCMU 26/2021	14/06/2024	R607 845,15			
41)	Moepeng Trading (Potholes Repairs) -148	07/06/2024	R721 989,55  This payment was duplicated in the register; therefore, the amount to be written off is R1 443 979.10 R 733 142.70		The contract in question was for a 36-month period (that is 3 years), which qualifies it as a long-term contract.  Insufficient Advertisement Period: The 20-day advertising period did not meet the	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
42)	Ndoni Projects (Pothole Repairs)-148 SCMU 26/2021- Panel of rehabilitation of roads	28/06/2024	R714 746,27		minimum 30-day requirement.  This is a contravention of SCM Regulation 22(1)(a), which requires bids for long-term contracts to be advertised for at least 30 days to ensure fairness, transparency, and adequate competition.	
43)	Nkuriso Development Projects (Road Markings Internal Streets Within Tzaneen)	26/01/2024	R735 573,35		Improper Use of Preference Point System:	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
44)	Quality Plant Hire T/A Quality Civils (Rehabilitation and Stormwater Control at Mulati Access Road) SCMU 26/2021	2023/24	R 842 911.39		The preference point system as prescribed by the Preferential Procurement Policy Framework Act (PPPFA) was not applied in the allocation of work to suppliers on the panel.	
45)	Bolombe Trading (Loretto Farm School Road)- 8570 SUM 25- panel of stormwater	2023/24	R 2 652 482.31		This further undermines the compliance of the procurement process with applicable legislative frameworks.	
46)	Mega Works Trading Enterprise	2023	R 1 658 043.41		As of 30 June 2023, the Municipality had appointed service providers under this	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	Panel of rehabilitation				panel to the value of R14,008,149.31.	
47)	Quality Plant Hire T/A Quality Civils (Nkowa-Nkowa, Codesa/Hani Stormwater) SUM 25	26/04/2024	R411 872,50		Due to the non-compliance with advertising and evaluation regulations, this entire amount is classified as irregular expenditure in terms of the Municipal Finance Management Act (MFMA).	
48)	RM Mashaba (Re-gravelling of Mabushe School Road)-8588	2024 2024/25	R 1 510 189.21 R1 675 483.88		The Municipality failed to adhere to SCM regulations in both the advertising period and the application of the preference point system.	
49)		21/11/2023	R1 794 000,00	PED		

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
	MOD Hope Properties (for Valuation Roll)				This bid was advertised less than the required number of days for long-term contracts.	The irregular expenditure of R7 587 383.57 be written off.
		29/02/2024	R2 691 000,00			
		2024/25	R3 102 383.57			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>Date of Advertisement: 14 July 2022. Closing Date: 5 August 2022</p> <p>Total Advertisement Period: 16 working days (approximately 23 calendar days)</p> <p>Required Advertising Period (per Supply Chain Regulations):</p> <p>Standard Requirement for Long-Term Contracts: 30 calendar days</p> <p>Contract Duration: 5 years (qualifies as long-term)</p> <p>Company: Mod Hope Properties</p>	The Accounting Officer should institute consequence management and actions to eliminate future occurrence

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>Awarded Work: Submission of the General Valuation (GV) Roll for the Municipality</p> <p>The bid was advertised for less than 30 days in contravention with SCM prescripts.</p>	



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
50)	Moepeng Trading Enterprise		(283 296,80)	Civil Engineering	<p>An amount of R331,430.16 was paid for the installation of a high mast in Sunnyside under the SCMU 28/2020 pool of contractors.</p> <p>The total invoice amounted to R368,255.73, of which R36,825.57 was withheld as retention.</p> <p>Payments made were as follows: R48,133.36 to Moepeng Trading 40 cc (the contractor)</p>	<p>The council note that the expenditure has been recovered from the service provider. MPAC identified the following risks:</p> <ul style="list-style-type: none"> <li>- There are overpayments to service providers which were picked up by AGSA.</li> <li>- The user department signed off the invoices without proper review.</li> </ul>

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>R283,296.80 to Voltex Lighting Structures (cession holder)</p> <p>However, the payment of R283,296.80 to the cession holder constituted an overpayment on the invoice.</p> <p>The overpaid amount of R283,296.80 was subsequently recovered from Voltex Lighting Structures on 02 July 2024.</p> <p>The overpayment occurred due to an administrative oversight.</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					The former Legal Manager (is the position correct) failed to properly review the invoice to ensure that it accurately reflected the services rendered. As a result, the invoice was incorrectly approved and signed off as correct when it was not.	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
51)	Molebogeng Trading Enterprise	2021/22	R4 302 967.75	Community Services/Solid Waste	Based on the information provided, the procurement process undertaken by the municipality for Bid No. SCMU 09/21 appears to have deviated from the SCM regulations. The analysis is structured as follows: <b>Non-Compliance with Advertisement Period Requirements</b> According to Regulation 22(1)(i) of the MFMA Supply Chain	The irregular expenditure for panel of civil engineering contractors be written off
		2023/24	R7 849 985.96			
		2024/25	R 5 974 574.96			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>Management Regulations:</p> <p>For transactions over R10 million (VAT included) or those of a long-term nature, bids must be advertised for <b>not less</b> than 30 days.</p> <p>The contract in question:</p> <p>Value: R17,856,213 (exceeds R10 million)</p> <p>Duration: 36 months (long-term)</p> <p>Actual advertisement period: 10 days (from 23 Sept to 07 Oct 2021)</p> <p>This resulted in non-compliance with SCM regulations. The required 30-day</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>minimum period was not adhered to.</p> <p>2. Lack of Justification for Shorter Advertisement Period</p> <p>Regulation 22(2) allows the accounting officer to shorten the 30-day period only if justified on grounds of:</p> <p>Urgency, Emergency or Exceptional cases where it is impractical or impossible to follow the normal process</p> <p>While a condonement letter from the Acting Municipal Manager (dated 20 Sept 2021) approved of a shorter</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>period, however there were no documented justification based on urgency, emergency, or exceptional grounds.</p> <p>Approval without justification does not comply with Regulation 22(2) and renders the condonement invalid.</p> <p>3. The process for Bid No. SCMU 09/21 by the municipality was irregular due to: non-adherence to the 30-day advertisement requirement and lack of</p>	

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					documented justification for the shortened period. The contract lapsed in December 2024.	
52)	JTZ family trading enterprise - 8595 (stormwater maintenance sebone primary school)	2024/25	R531 171.32	Civil Engineering	The bid was advertised for less than 30 days	
53)	Thusanani construction & cleaning - 8591 (regravelling thako to sefolwe)	2024/25	R1 636 382.70			



Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
40)	Rikatec (Pty) Ltd	2022/23	R 4 701 672.44	Civil Engineering Department/Roads and Stormwater	The services procured are that of the supply and fitment of vehicle monitoring and tracking fleet management system SCMU 11/2021. The monthly services provided include Fleet management reporting, and scheduling of vehicles.  Kindly receive the presentations of the anti-fraud and corruption workshop which took place on the 1 <sup>st</sup> of August 2025.	The following expenditure be written off.  2022/23 (R 4 701 672.44) 2023/24 (R2 700 000) 2024/25 (1 350 000)  The Accounting Officer should consequence management and actions to eliminate future occurrence
		2023/24	R2 700 000			
		2024/24	R1 350 000			

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					<p>Please share with MPAC, PMT and Managers</p> <p>The bid was advertised for less than 30 days in contravention of SCM prescripts</p>	

**Irregular Expenditure 2022/23 (previously not written off)**

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
1)	Karibu	24/03/2023	R391 883.43	All Departments	SCM Processes not followed- Bid not advertised - above R200'000 threshold.	The expenditure of R 391 883.43 be written off

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
					The service relates to Conference package and accommodation	
2)	Blyde Canyon a forever resort	28/11/2022	R 835 717.00	All Departments	The process followed by the municipality does not meet the requirement of SCM regulations as this was not an emergency. Noncompliance with regulation 36 of SCM regulations	The expenditure of R835 717.00 be written off
3)	Karibu Leisure Resort	09/05/2023	R 50 498.80	All Departments	SCM Processes not followed- Bid not advertised - above R200'000 threshold. The service relates to Conference package and accommodation	The expenditure of R50 498.80 be written off

Item no	Service Provider	Payment Date	Amount	Department	Description/Comments	Recommendations
4)	PG Industries	2022/23	R198 100.00	Corporate services	Non-Compliance with SCM Regulations- Local Content	The expenditure of R R198 100.00 be written off

**Irregular Expenditure 2021/22 and 2022/23 (previously not written off)**

Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
1)	Karibu	2021/22	R1 353 287.80	All Departments	Deviations approved after procurement had started, non-compliance with regulation 36 of SCM regulations  The service relates to Conference package and accommodation	The expenditure of R1353 287.80 be written off
2)	Tshipise Forever Resort	2021/22	R567 387.00	All Departments	The process followed by the municipality does not meet the	The expenditure of R567 387.00 be written off

Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
					requirement of SCM regulations (deviation) as this was not an emergency The service relates to Conference package and accommodation	
3)	Karibu	2021/22	R472 466.00	All Departments	Approval for deviation was granted after the requisition was approved and order issued The service relates to Conference package and accommodation	The expenditure of R472 466.00 be written off
4)	CHM Vuwani	2021/22	R203 463.00	Corporate services	MBD 4 declaration not attached	The expenditure of R203 463.00 be written off
5)	Ekhaya Travel Agency	2021/22	R 4 280.00	Budget and Treasury Office	MBD 4 declaration not attached	The expenditure of R 4 280.00 be written off

Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
6)	Zala Gusha Trading Enterprise	2021/22	R29 800.00	Budget and Treasury Office	No declaration of State Employment	The expenditure of R29 800.00 be written off
7)	<b><u>Eternity Star Investment</u></b> (ESI) - Upgrading of Pharare to Moseanoka Road)	2021/22	R11 702373.76	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The following expenditure be written off 2021/22 (R11 702 373.76) 2022/23 (R26 149 753.69) 2024/25 (R2 252 842.05)
		2022/23	R26 149 753.69			
		2024/25	R2 252 842.05			
8)	Black Creed (Cession to ESI) -Upgrading of Masenoaka Road	2021/22	R314 640	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The expenditure of R314 640 be written off
9.	Romeo First (Cession to ESI)	2021/22	R304 457.14	Civil Engineering	Bid evaluation process was not in accordance	

Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
	-Upgrading of Masenoaka Road	2022/23	R713 115		with MFMA and PPR requirements- Finding Raised by AG	The following expenditure be written off 2021/22 (R304 457.14) 2022/23 (R713 115)
10.	Mondeza Gen (Cession to ESI) -Upgrading of Masenoaka Road	2021/22	R331 100	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The following expenditure be written off R331 100 (2021/22) R236 250 (2022/23)
		2022/23	R236 250			
11.	Technicrete (Cession to ESI)-Upgrading of Masenoaka Road	2021/22	R 6 101 556.16	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The following expenditure be written off 2021/22 (R6 101 556.16) 2022/23 (R4 037 303.45)
		2022/23	R4 037303.45	Civil Engineering		

Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
12.	Thorisiso Geo Tech (Cession to ESI)- Upgrading of Masenoaka Road	2021/22	R413 597.70	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The following expenditure be written off  R413 597.70 (2021/22) R 280 352.50 (2022/23)
		2022/23	R280 352.50			
13.	RM Mashaba Projects (Cession to ESI)- Upgrading of Masenoaka Road	2021/22	R572 700.00	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The expenditure of R572 700.00 be written off
14	Sky High Consulting (Cession to ESI)- Upgrading of Masenoaka Road	2021/22	R808 235.08	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The expenditure of R808 235.08 be written off



Item no	Service Provider	Payment Date	Amount	Department	Description/ Comments	Recommendations
15	Moseri Interated (Cession to ESI)- Upgrading of Masenoaka Road	2021/22	R768 292.99	Civil Engineering	Bid evaluation process was not in accordance with MFMA and PPR requirements- Finding Raised by AG	The expenditure of R768 292.99 be written off

- A) The unauthorized expenditure for 2023/2024 financial year is **R0.00**, and thus no findings.

## **2. Summary of findings**

### **a) Fruitless and wasteful, as well as irregular expenditures**

- a) Negligence by the user department for TJ Machete Attorneys who billed the municipality twice for a one court appearance which was deemed to be two, that is, (one [1] court appearance treated as two [2]). The invoice was paid in full as if it were two invoices. R274 444.20 was recovered from him fully.
- b) Negligence by the user department failing to certify the work done and to review invoices/payment certificates. The overpayment is R363 660.66 to Eternity Star Investments.
- c) System calculation errors resulted in material irregularity (MI). The system errors have been resolved, and the MI has been lifted.
- d) The municipality not engaging in ABSA for charges on admin fees for vehicles which are not moving (broken for a long period of time).
- e) The accounts of the deceased classified as indigent. The municipality doesn't have a system to detect the occurrence of the activity; however, the service provider was appointed to vet the current indigents of the municipality.
- f) Irregular expenditure on non-compliance with SCM processes and regulations, SCM regulation 22 (1), advertisement of bids for a shorter period. The approval by the Accounting Officer to advertise for a shorter period was not justified [not in line with the legislation]). The following bidders were advertised for a shorter period:
  - i) Anaka Printing Services
  - ii) Panel of service providers for both Electrical and Civil Engineering Services.
  - iii) Rika Tech (for vehicle tracking devise system).
  - iv) Molebogeng Trading Services
  - v) MOD Hope Properties
- g) The inconsistencies in the advertisement of a physical security tender, specifically with the inclusion of a requirement for professional bodies, certificate from the Institute of Risk Management South Africa (IRMSA). IRMSA is a recognized professional body supporting risk management professionals, particularly within the fields of corporate governance and enterprise risk. Out of 67 bidders, 66 were disqualified for not meeting the IRMSA certification

requirement, resulting in only one bidder being compliant. The mandatory inclusion of the IRMSA certificate proved unnecessarily restrictive and excluded several service providers who demonstrated superior capacity and capability but lacked the specific certificate.

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The table below illustrates irregular expenditure per financial year for write off

Table 1

<b>Irregular Expenditure 2021/22</b>	
<b>Name of the service provider</b>	<b>Total Amount</b>
Black Creed	314 640.00
Eternity Star Investments	11 702 373.76
Mondeza	331 100.00
Romeo First	304 457.14
Thorisiso GeoTech	413 597.70
Tecnicrete	6 101 556.15
Anaka	1 327 099.62
George B Security	16 159 695.52
Ekhaya Travel Agency	4 280.00
Zala Gusha Trading Enterprise	29 800.00
CHM Vuwani	203 463.00
Karibu Leisure Resort	1 353 287.80
Tshipise Forever Resort	567 387.00
Karibu Leisure Resort	472 466.00
Molebogeng	4 302 967.57
RM Mashaba Projects	572 700.00
<b>Total Irregular Exp (2021/2022)</b>	<b>44 160 871.26</b>
<b>BREAKDOWN PER PROJECT</b>	
Pharare to Maseanoka	19 740 424.75
Printing Service	1 327 099.62
Security	16 159 695.52
Waste Manegement	4 302 967.57
Other	2 630 683.80
	<b>44 160 871.26</b>

Table 2

<b>Irregular Expenditure 2022/23</b>		
<b>Name of the service provider</b>		<b>Amount</b>
Blyde Canyon Forever Resorts		835 717.00
Cocre8		673 741.53
Eternity Star Investments		26 149 753.69
George B Security		25 662 499.81
Karibu Leisure Resort		442 382.23
Mondeza General Trading		236 250.00
Moseri Integrated		768 292.99
PG Industries		198 100.00
Rikatec (PTY) Ltd		4 701 672.44
Romeo First		713 115.00
Sky High Consulting		808 235.08
Technicrete		4 037 303.45
Thorisiso		280 352.50
<b>Total Irregular Expenditure</b>		<b>65 507 415.72</b>
<b>BREAKDOWN PER PROJECT</b>		
<b>Pharare to Maseanoka</b>		<b>32 993 302.71</b>
<b>Security</b>		<b>25 662 499.81</b>
<b>Fleet Management - Tracking</b>		<b>4 701 672.44</b>
<b>PG Industries</b>		<b>198 100.00</b>
<b>Financial System</b>		<b>673 741.53</b>
<b>Other</b>		<b>1 278 099.23</b>
		<b>65 507 415.72</b>

Table 3

<b>Irregular Expenditure 2023/24</b>		
<b>Name of the service provider</b>	<b>SCMU NO</b>	<b>Amount</b>
ANAKA		3 687 528.38
ASONKE	28/2020	621 349.23
Aspire (SCMU 26/2021)	26/2021	2 248 627.57
<b>Aspire (SCMU 28/2020)</b>	<b>28/2020</b>	<b>1 637 118.66</b>
Bolombe 82 Trading (SCMU 25)	<b>25/2021</b>	2 652 482.31
Contour Technology		62 128.84
Errol Contruction (SCMU28)	<b>28/2020</b>	1 103 692.09
<b>George B Security</b>		<b>28 990 716.77</b>
Kedibone Construction (SCMU 28)	<b>28/2020</b>	5 458 622.59
Komhla/Xalamuka (SCMU 26)	<b>26/2021</b>	458 403.58
Kwanano Trading (SCMU28)	<b>28/2020</b>	600 000.01
Maleboti Construction (SCMU 28)	<b>28/2020</b>	1 276 574.06
Maloka Machaba (SCMU 26)	26/2021	549 658.60
Mash P (SCMU 26)	26/2021	1 215 690.30
Mash P (SCMU 28)	<b>28/2020</b>	719 149.90
Mikovhe (SCMU 28)	<b>28/2020</b>	1 094 458.92
Mmirwa (SCMU 28)	<b>28/2020</b>	1 436 187.22
Moepeng Trading (SCMU 28)	<b>28/2020</b>	940 164.93
Moepeng Trading (SCMU 25)	<b>25/2021</b>	1 443 979.10
Moseko Civils (SCMU 28/2020)	<b>28/2020</b>	537 940.70
Ntivombango (SCMU 28/2020)	<b>28/2020</b>	900 000.00
Omphile Electrical (SCMU 28/2020)	<b>28/2020</b>	2 297 642.29
Omuhle Trading (SCMU 28/2020)	<b>28/2020</b>	129 547.50
OTS Electrical (SCMU 28/2020)	<b>28/2020</b>	3 114 511.95
PICABIZ (SCMU 28/2020)	<b>28/2020</b>	885 727.13
Ringanani (SCMU 28/2020)	<b>28/2020</b>	1 095 031.05
Rivisi Electrical (SCMU 28/2020)	<b>28/2020</b>	6 062 579.17
RM Mashaba Projects (SCMU 28/2020)	<b>28/2020</b>	2 166 370.00
RM Mashaba Projects (SCMU 25/2020)	<b>25/2021</b>	1 510 189.21
Semodi Trading (SCMU 28/2020)	<b>28/2020</b>	673 263.51
ZERBACRAFT (SCMU 28/2020)	<b>28/2020</b>	911 273.60
Molebogeng		7 849 985.96
Quality Plant Hire	<b>26/2020</b>	842 911.39
Quality Plant Hire	<b>25/2021</b>	411 872.50
Rikatec		2 700 000.00
Mbhanga	<b>26/2021</b>	<b>1 194 703.38</b>
Mod Hope		4 485 000.00
Mega Works	<b>26/2021</b>	1 658 043.41
Ndoni Projects	<b>26/2021</b>	714 746.27
Tzaneen Afri Investment	<b>26/2021</b>	1 424 292.25
Nkuriso Dev Projects	<b>26/2021</b>	735 573.35
<b>TOTAL</b>		<b>98 497 737.68</b>
<b>BREAKDOWN PER SCMU NO.</b>		
Panel of Stormwater	SCMU 25	6 018 523.12
Panel of maintenance and Rehabilitation	SCMU 26	10 199 738.71
Panel of electrical contractors	SCMU 28	34 504 115.90
Standing appointments/orders	Other	47 775 359.95
	<b>TOTAL</b>	<b>98 497 737.68</b>

Table 4

Irregular Expenditure 2024/25		
Company Name	SCMU NO.	Amount
ANAKA		1 964 077.43
Aspire (SCMU 26/2021)	SCMU 26	123 145.57
Eternity Star Investment		2 252 842.05
<b>George B Security</b>		7 215 343.11
Gumela General Trading	SCMU 28	147 314.95
JTZ Family Trading Ent	SCMU 25	531 171.32
Kedibone Construction (SCMU 28)	SCMU 28	497 187.30
Khakhi Construction	SCMU 28	152 111.93
Kwanano Trading (SCMU28)	SCMU 28	171 463.93
Madumelani Construction	SCMU 28	129 280.88
Maleboti Construction	SCMU 28	70 920.77
MashP	SCMU 28	29 870.02
Mmirwa	SCMU 28	79 788.18
Moepeng Constrution	SCMU 28	98 180.10
Moepeng Constrution	SCMU 26	773 142.70
Molebogeng		5 974 574.96
Moseko Ccivils	SCMU 28	77 036.06
Nhletelo & Ritswalo Projects	SCMU 28	176 322.27
Ntivombango	SCMU 28	50 000.00
Omphile Electrical	SCMU 28	393 577.01
Omuhle	SCMU 28	238 281.00
OTS Electrical	SCMU 28	336 517.62
PICABIZ	SCMU 28	49 235.81
Power Tech Group	SCMU 28	69 000.00
Rei Plant Hire	SCMU 28	192 957.82
Rem Mams	SCMU 28	125 871.60
Rikatec		1 350 000.00
Rivisi Epectrical	SCMU 28	1 354 052.02
RM Mashaba	SCMU 25	1 675 483.88
RM Mashaba	SCMU 28	109 250.00
Semodi Trading	SCMU 28	177 908.73
Theuwedi Trading Ent	SCMU 28	234 136.37
Thusanani	SCMU 25	1 636 382.70
Voltex	SCMU 28	3 775 600.53
Vunene Mira	SCMU 28	46 200.00
Zero Fake Enterprise	SCMU 28	169 443.06
<b>TOTAL</b>		<b>32 447 671.68</b>
<b>BREAKDOWN PER SCMU NO.</b>		
	SCMU 25	3 843 037.90
	SCMU 26	896 288.27
	SCMU 28	8 951 507.96
	Security	7 215 343.11
	Printing Machines	1 964 077.43
	Pharare to Maseanoka	2 252 842.05
	Waste	5 974 574.96
	Fleet Management	1 350 000.00
	<b>TOTAL</b>	<b>32 447 671.68</b>

### **3. Actions taken by management to reduce UIF&W Expenditure**

Based on the interviews conducted with management and review of documents, the following actions were implemented to reduce UIF&W expenditure:

- a) Implementation of some MPAC resolutions.
- b) Improved internal controls on procurement processes to prevent recurrence of the findings and non-compliance, AGSA did not raise a finding on procurement process and contract management.
- c) Developed comprehensive SCM compliance checklist, verification for compliance is being undertaken during approval and procurement of goods and services.
- d) SCM officials and user departments have been trained to enhance their skills.

### **4. Consideration for writing-off of irregular, fruitless and wasteful expenditure**

- a) Based on the investigation by MPAC and consultation processes, it was established that the irregular expenditure was because of non-compliance with SCM prescripts rather than identification fraudulent linked to the expenditure and financial loss.
- b) The expenditure incurred relates to delivered goods and services, which contributed to service delivery and the municipality derived value.
- c) Some of the fruitless and wasteful expenditure was because of cash flow constraints at that time, system input errors and/or identification issues.



## **Recommendations:**

1. That Council rescind resolutions under item A18 of the report presented in Council on 21 August 2025.
2. That Council note that some of the resolutions contained in the report include the historic expenditures previously tabled in Council from previous financial years and referred to the Financial Misconduct Board for further processing.

## **Fruitless and Wasteful Expenditure**

3. That the Fruitless and wasteful expenditure of R994 265.67 be written off by Council related to the historic system calculation error, and the error stemmed from an improperly configured calculation within the municipality's legacy system.
4. That Council note that the Material irregularity that has been raised by AGSA on the historic system calculation error, has been resolved and corrected by the municipality.
5. That Council note that the amount of R274 444 .20, was fully recovered from the service provider.
6. That the Accounting Officer must open a criminal case against TJ Machete Attorneys for invoicing the municipality twice on one (1) court appearance as if it was two (2) court appearances.
7. That the Accounting Officer recovers the overpayment of R363 666.66 paid to Eternity Star Investments and submit a report in the next Council meeting.
8. That the Accounting Officer must open a criminal case against Eternity Star Investments for the misrepresentation of materials which were not on sight but wrongly reported and claimed for from the municipality.
9. That all the municipality engage Treasury about the service providers found to have participated in the fraudulent activities to be blacklisted.

10. That the overpayments to service providers, in future, be recovered from the user departments (officials) who sign invoices without proper review.
11. That the fruitless and wasteful expenditure related to calculation error for leave encashment, amounting to R1 738 895,23 **(2023/2024)**, R1 507 005,34 **(2022/2023)** and R1 229 448.30 **(2021/2022)** be written off.
12. That an amount of R2619.60 related to, ABSA admin fees for vehicles which are not moving (broken for a long period of time) be recovered from the responsible officials working with the administration of municipal fleet and related duties.
13. That the fruitless expenditure related to the indigents (deceased and non – qualifying indigents) amounting to the following expenditure be written off, R176 567,50 **(2023/2024)**, R212 629,32 **(2022/2023)** and R193 330,71 **(2021/2022)** as there are no prospects of recovering the money.
14. That the municipality consider, in future, to procure a system linked to home affairs to be able to identify the deceased indigents.
15. That Council note that fruitless and wasteful expenditure related to interest on late payment, due to late submission of invoice by user department, of R374.34 has been recovered from the responsible official.
16. That Council write-off the fruitless and wasteful expenditure for the amount of R1 247 699.78 related to Tshiamiso- Mulati Access Road, which was identified by AGSA as a material irregularity (MI) and which has since been resolved.
17. That Council notes and approve the removal of the fruitless and wasteful expenditure of R2 222 291.71, related to Letsopa Consulting Engineers – Mulati Access Road, has been recovered. The expenditure was identified by AGSA as material irregularity (MI) and has since been resolved. The overpayment was set-off against certificate number 15.

18. That the Project Management Unit (PMU) strengthen their internal controls processes for recalculation and verification of payment certificates and further undertake capacity building on financial controls, payment processes and risk assessment on BOQs.

#### **FRUITLESS AND WASTEFUL EXPENDITURES 2021/22**

19. That Council write-off the fruitless and wasteful expenditure amounting to R5 413 503.97 related to the interest on late payments of Eskom, which was identified by AGSA as a Material Irregularity (MI) and has since been resolved, due to reasons advanced to the AGSA, the municipality experienced cash flow constraints at the time of the occurrence.
20. That Council approves the removal of the fruitless and wasteful expenditure amounting to R2 973 799.25 from the register as the Material Irregularity was resolved, through the dispute lodged and engagements held between the Accounting Officer and Eskom.

#### **FRUITLESS AND WASTEFUL EXPENDITURES 2019/20**

21. That the fruitless and wasteful expenditure amounting to R70 752. 90 related to the non-payment of the Compensation Commissioner due to cashflow constraints be written- off.
22. That Council note that the payments for Compensation Commissioner is now processed timeously.
23. That the fruitless and wasteful expenditure of R5 580.93 related to the interest on late payments of AGSA be written off.

#### **FRUITLESS AND WASTEFUL EXPENDITURES 2018/19**

24. That the fruitless and wasteful expenditure amounting to R70 752. 90 related to the non-payment of the Compensation Commissioner due to cashflow constraints be written- off.
25. That Council approves the removal from the register of the fruitless and wasteful expenditure of R96.57 related to the late payment of interest to Eskom which was recovered from Eskom.

#### **IRREGULAR EXPENDITURE.**

26. That the irregular expenditure related to Anaka Group amounting to **2022/23** (R1 327 099.62), **2023/24** (R3 687 528.38) and **2024/25** (R2 889 447.08) be written off.
- 27.** That Council write-off the irregular expenditure related to Contour Technology the amounts of R1256.30 (July 2023) and R60 872.41 (**August 2023**).
28. That Council write-off the irregular expenditure related to George B Security, the amount of R 16 159 695.52 (**2021/22**), R 25 662 499.81 (**2022/23**) R28 990 716.77 (2023/24) and R7 215 344.11 (**2024/25**).
29. That the irregular expenditure of R 549 658.60 related to Maloka Machaba be written off, (2023/2024).

#### **PANEL OF ELECTRICAL CONTRACTORS**

30. That the Irregular expenditures of R 1 637 118.66 related to Aspire Safety Consultants be written off.
31. That the Irregular expenditures of R 621 349. 23 related to Asonke be written off.
32. That the Irregular expenditure of R 1 103 692. 09 related to Errol Construction and projects be written off

33. That the Irregular expenditures of R 5 458 622.59 related to Kedibone construction be written off.
34. That the Irregular expenditures of R 600 000.01 related to Kwanano Trading be written off.
35. That the Irregular expenditures of R 1 276 574.06 related to Maleboti Construction be written off.
36. That the Irregular expenditures of R 719 149.90 related to MashP written off.
37. That the Irregular expenditures of R 1 094 458. 92 related to Mikhove be written off.
38. That the Irregular expenditures of R 1 436 187.22 related to Mmirwa be written off.
39. That the Irregular expenditures of R 940 164.93 related to Moepeng be written off.
40. That the Irregular expenditures of R900 000.00 related to Ntivombango be written off.
41. That the Irregular expenditures of R 537 940.70 related to Mosekgo Civil Construction.
42. That the Irregular expenditures of R 2 297 642.29 related to Omphile Electrical be written off.
43. That the Irregular expenditure of R 129 547. 50 related to Omuhle Trading be written off.
44. That the Irregular expenditure of R 3 114 511.95 related OTS Electrical be written off.
45. That the Irregular expenditure of R 885 727.13 related to Picabiz be written off.
46. That the Irregular expenditure of R 1 095 031.05 related to Ringanani be written off.
47. That the Irregular expenditure of R 6 062 579.17 related to Rivisi Electrical be written off.
48. That the Irregular expenditure of R 2 166 370.00 related to RM Mashaba be written off.
49. That the Irregular expenditure of R 673 263.51 related to Semodi Trading be written off.

50. That the Irregular expenditure of R 911 273.60 related to Zerbacraft be written off.
51. That the Irregular expenditure of R 147 314 .95 related to Gumela General Trading be written-off.
52. That the Irregular expenditure of R 497 187 .30 related to Kedibone Construction be written-off.
53. That the irregular expenditure of R 152 111. 93 related to Khakhi Construction be written-off.
54. That the irregular expenditure of R 171 463.93 related to Kwanano Trading be written off.
55. That the irregular expenditure of R 129 280.88 related to Madumelani Construction be written-off.
56. That the irregular expenditure of R 70 920.77 related to Maleboti Construction be written-off.
57. That the irregular expenditure of R 29 870.02 related to MashP be written off.
58. That the irregular expenditure of R 79 788.18 related to Mmirwa be written off.
59. That the irregular expenditure of R 98 180.10 related to Moepeng Construction be written off.
60. That the irregular expenditure of R 77 036.06 related to Mosekgo Civils be written off.
61. That the irregular expenditure of R 176 322.27 related to Nhletelo & Ritswalo Projects be written off.
62. That the irregular expenditure of R 50 000.00 related to Ntivombango be written off.
63. That the irregular expenditure of R 393 577.01 related to Omphile Electrical be written off.
64. That the irregular expenditure of R 238 281. 00 related to Omuhle be written off.
65. That the irregular expenditure of R 336 517.62 related to OTS Electrical be written off.

66. That the irregular expenditure of R 49 235.81 related to PICABIZ be written off.
67. That the irregular expenditure of R 69 000.00 related to Power Tech Group be written off.
68. That the irregular expenditure of R 192 957. 82 related to Rei Plant Hire be written off.
69. That the irregular expenditure of R 125 871.60 related to Rem Mams be written off.
70. That the irregular expenditure of R 1 354 052.02 related to Rivisi Electrical be written off.
71. That the irregular expenditure of R 109 250.00 related to RM Mashaba be written off.
72. That the irregular expenditure of R 177 908.73 related to Semodi Trading be written off.
73. That the irregular expenditure of R 234 136.37 related to Theuwedi Trading Ent be written off.
74. That the irregular expenditure of R 3 775 600.53 related to Voltex be written off.
75. That the irregular expenditure of R 46 200.00 related to Vunene Mira be written off.
76. That the irregular expenditure of R 169 443.05 related to Zero Fake Enterprise be written off.

**PANEL OF CONTRACTORS FOR CIVIL ENGINEERS SERVICES.**

77. That the Irregular expenditure of R 2 248 627.57 related to Aspire Safety Consultants be written off.
78. That the Irregular expenditure of R 458 403.58 related Komhla / Xalamuka be written off.
79. That the Irregular expenditure of R 1 194 703.38 related to Mbhanga Trading be written off.
80. That the irregular expenditure of R 1 424 292.25 related to Tzaneen Afr Investment be written off.

81. That the irregular expenditure of R 607 845.15 related to MashP Trading be written off.
82. That the Irregular expenditure of R 721 989.55 related to Moepeng Trading be written off.
83. That the irregular expenditure of R 773 142 .70 related to Moepeng Trading be written off.
84. That the irregular expenditure of R 1 675 486.88 related to BM Mashaba be written off.
85. That the irregular expenditure of R 1 636 382.70 related to Thusanani be written off.
86. That the Irregular expenditure of R 714 746.27 related to Ndoni Projects be written off.
87. That the Irregular expenditure of R 735 573.35 related to Nkuriso Development projects be written off.
88. That the Irregular expenditure of R 842 911.39 related to Quality Plant Hire be written off.
89. That the Irregular expenditure of R 2 652 482.31 related to Bolombe Trading be written off.
90. That the Irregular expenditure of R 1 658 043.41 related to Mega Works Trading be written off.
91. That the Irregular expenditure of R 411 872.50 related to Quality Plant Hire be written off.
92. That the Irregular expenditure of R 1 510 189.21 related to RM Mashaba be written off.
93. That the Irregular expenditure of R 7 587 383.57 related to MOD Hope Properties be written off.
94. That the Irregular expenditure of R 283 296,80 related to Moepeng Trading Enterprise be written off.
95. That the Irregular expenditure of R 531 171.32 related to JTZ Family be written-off.



96. That the Irregular expenditure of R 4 302 967.75 **(2021/22)** R 7 849 985.96 **(2023/2024)** and R 5 974 574.96 **(2024/2025)** related to Molebogeng be written off.
97. That the Irregular expenditure of R 4 701 672.44 (2022/23) R 2 700 000 (2023/24) and R 1 350 000 (2024/24) be written off.

**IRREGULAR EXPENDITURE 2022/23 (PREVIOUSLY NOT WRITTEN OFF)**

98. That irregular expenditure of R 391 883.43 related to Karibu Leisure Resort be written off.
99. That irregular expenditure related to Blyde Canyon Forever Resort be written off.
100. That irregular expenditure of R 50 498.80 related to Karibu Leisure Resort be written off.
101. That irregular expenditure of R 198 100.00 related to PG Industries be written off.
- That irregular expenditure of R 1 353 287.80 related to Karibu Leisure Resort be written off.
102. That irregular expenditure of R 567 387.00 related to Tshipise Forever Resort be written off.
103. That irregular expenditure of R 472 466.00 related to Karibu Leisure Resort be written off.
104. That irregular expenditure of R 203 463.00 related to CHM Vuwani be written off.
105. That irregular expenditure of R 4280.00 related to Ekhaya Travel Agency be written off.
106. That irregular expenditure of R 29 800.00 related to Zala Gusha Trading Enterprise be written off.
107. That irregular expenditure of R 11 702 373.76 **(2021/22)**, R 26 149 753.69 **(2022/23)** and R 2 252 842.05 **(2024/25)** related to Eternity Star Investment be written off.

108. That irregular expenditure of R 11 702 373.76 (2021/22), R 26 149 753.69 (2022/23) and R 2 252 842.06 (2024/25) related to Pharare to Moseanoka Road) be written off.
109. That irregular expenditure of R 314 640.00 related to Black Creed be written off.
110. That irregular expenditure of R 304 457.14 (2021/22) and R 713 115 (2022/23) related to Romeo First be written off.
111. That irregular expenditure of R 6 101 556.16 (2021/22) and R 4 037 303.45 related to Technicrete be written off.
112. That Irregular expenditure of R 413 597.70 and R 280 352.50 be written off.
113. That irregular expenditure of R 572 700 (2021/22) related to RM Mashaba Projects be written off.
114. That irregular expenditure of R 808 265.08 related to Sky High Consulting be written off.
115. That Irregular expenditure of R 768 292.99 related to Moseri interated be written off.
116. The Accounting Officer should institute consequence management to officials for non-compliance and transgression of regulatory requirements and to implement measures to avoid future occurrence.
117. The Council note some of the items which relate to financial losses have been referred to financial misconduct to the Disciplinary Board and the committee is still waiting for outcomes.

## **5. Conclusions**

The report confirms that the municipality did not incur any unauthorized expenditure for the year under review, however, instances of irregular, fruitless, and wasteful expenditures were identified. Management is therefore required to take appropriate steps to strengthen internal controls, prevent such expenditure from recurring and institutionalize policy position and compliance with SCM prescripts.

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