



NGQUSHWA LOCAL MUNICIPALITY (EC 126)

BUDGET MONITORING REPORT

FOR THE QUARTER ENDING 31 MARCH 2019

IN TERMS OF SECTION 52(d) OF THE MFMA

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy – The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. . In Ngqushwa Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, and Public Safety etc.

MIG – Municipal Infrastructure grant- Conditional grant capital in nature

INEP – Integrated Electrification (municipal) Programme grant capital in nature

EPWP –Expanded Public Works Programme

FMG – Financial Management Grant

• **REPORT OF THE HONOURABLE MAYOR**

In accordance with Section 52(d) of the Municipal Finance Management Act 56 of 2003(MFMA); I submit a report to the council within 30 days after the end of the third quarter of 2018/19, on the implementation of the budget and financial state of affairs of the Ngqushwa Local Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

It must be noted that the figures contained in this report are interim and are unaudited. The use of the figures reported in this report is therefore for the designated audience and any other use of this information for other purposes; the municipality disclaims itself.

Honorable Mayor : M.T. Siwisa
Signature : [Signature]
Date : 10/05/2019

• **MUNICIPAL MANAGER 'S CERTIFICATION**

I, **Misiwe Mpahlwa**, the municipal manager of **Ngqushwa Municipality, EC 126** hereby certify that -

(mark as appropriate)

- ☐ the monthly budget statement
- ☒ quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ mid-year budget and performance assessment

for the third quarter 2019 of 2018/2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mrs. MP. Mpahlwa

Municipal Manager of Ngqushwa Municipality (EC126)

Signature : M.P. Mpahlwa

Date : 06/05/2019

3. INTRODUCTION

The third quarter local government budget implementation report covers revenue and expenditure, SCM and assets for the period – 1st January to 31st March 2019 for 2018/2019 municipal financial year.

The budget implementation report assesses the in-year financial performance of the municipality against the budgeted revenue and expenditure. The budget implementation report focuses on the credibility of municipal budget, covering capital and operating budgets as well as sustainability of the municipality that includes debtors, creditors and cash flow position through compliance with SCM regulations.

The straight-line method of projection used as a benchmark for expenditure and revenue at the end of the third quarter set to be 25%.

4. LEGISLATIVE FRAMEWORK

In terms of section 52 (d) of the Municipal Finance Management Act, (Act 56 of 2003) (MFMA), the Mayor of a municipality must within 30 days after the end of each quarter submit a report to council on the implementation of the budget and the financial state of affairs of the Municipality. Section 74 of the MFMA requires accounting officers to submit such information, returns, documents, explanations and motivations as may be required.

4.2 EXECUTIVE SUMMARY

The executive summary presented is aimed at providing Council with a high level overview of the trading results for the period ending 31 March 2019 as well as a comprehensive overview of the Municipality's financial management and viability, and the extent to which the Municipality is meeting and exceeding planned performance as contained within the Service Delivery and Budget implementation plan

Financial Position

The financial position of Ngqushwa Municipality is deemed sound, this is evidenced by the following financial viability ratio as at 31 March 2019.

$$\text{Liquidity ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \\ 1.8$$

The norm range for this ratio is 1.5 to 2:1 as determined by National Treasury in MFMA. As at 31 March 2019, the Municipality is above the norm range (1.8) in this instance. The ratio is used to assess the municipality's ability to pay back its short-term liabilities with its short-term assets. As the ratio is above norm therefore the municipality will be able to meet its short term obligations.

5. CREDIBILITY OF MUNICIPAL BUDGET

5.1 CAPITAL BUDGET VERSUS ACTUAL

Table "T" below reflects the capital expenditure for the quarter ending 31 March 2019 by "vote". The capital expenditure for the quarter ending 31 March 2019 is R6.7 m with the variance of -10.46% compared to the quarters projections of R7m,

It should be noted that capital expenditure for whole year to date amounts R28, 5 m resulting in over expenditure of 24% when compared to year to date budget. The over expenditure variance relates to infrastructure MIG projects, the municipality by the end of the third quarter has spent the entire MIG allocation grant. This performance has been complimented by the transferring officer and has led the municipality to receiving an additional allocation amounting to R 10.8 million for Infrastructure programmes.

Table "T"

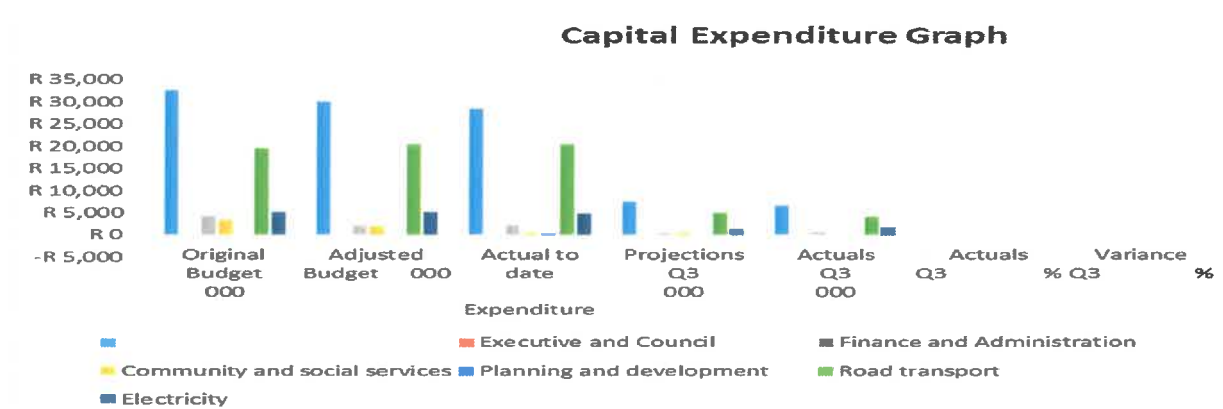
<u>Description</u>	<u>Original</u>	<u>Adjusted</u>	<u>Actual to</u> <u>date</u>	<u>Projections</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>		<u>Q3</u>	<u>Q3</u>	<u>Q3</u>	<u>Q3</u>
	<u>000</u>	<u>000</u>	<u>Expenditure</u>	<u>000</u>	<u>000</u>	<u>%</u>	<u>%</u>
	R 32,671	R 30,258	R 28,577	R 7,562	R 6,771	89.54	-10.46
Executive and Council	R 10	R 10		R 3	R 0	-	-100.00
Finance and Administration	R 4,308	R 2,225	R 2,270	R 556	R 725	130.32	30.32
Community and social services	R 3,400	R 2,064	R 485	R 516	R 32	6.16	-93.84
Planning and development	R 15	R 15	R 466	R 4	R 0	-	-100.00
Road transport	R 19,616	R 20,613	R 20,548	R 5,153	R 4,168	80.88	-19.12
Electricity	R 5,332	R 5,332	R 4,809	R 1,333	R 1,847	138.54	38.54

- Capital expenditure budgeted under Finance and Administration includes: - (IT infrastructure, Computer equipment, municipal vehicles and equipment.
 - Shows over expenditure due to many projects that took place within quarter as per procurement plans.
- Community and social services: - Community Halls and maintenance equipment
 - Under expenditure due to budget financial planning.
- Road Transport: - Infrastructure projects
 - Under spending due internal projects not funded due to cash flow limitation.
- Electricity: - Electrification project of Villages

5.1.1. CAPITAL EXPENDITURE SOURCES OF FUNDING

The capital expenditure for the third quarter was financed from the MIG and INEP (received from National Government) R6m and internal generated revenue at R 724 725.

The following graph shows the capital expenditure



5.2 OPERATING BUDGET

5.2.1 Operating Revenue

The following table shows budgeted revenue projections vs. Actual collection:

Table OR2 below, is a breakdown of the Actual revenue per service, as well as "other" actual revenue collected, compared to the Actual projections for Q3 ended March 2019

Table OR2

Description	Original Budget 000	Adjusted Budget 000	Projections Q3 000	Actuals Q3 000	Q3 %	Variance %	Year to date Budget	Year to date Actuals
Revenue By Source								
Property rates	R 28,780	R 25,468	R 6,367	R 2,628	41.28	-58.72	R 19,101	R 27,431
Service charges - refuse revenue	R 755	R 604	R 151	R 185	122.61	22.61	R 453	R 625
Rental of facilities and equipment	R 572	R 652	R 163	R 39	23.78	-76.22	R 489	R 152
Interest earned - external investments	R 2,702	R 2,772	R 693	R 222	32.10	-67.90	R 2,079	R 845
Fines	R 3,900	R 5,400	R 1,350	R 98	7.27	-92.73	R 4,050	R 212
Licences and permits	R 2,249	R 2,249	R 562	R 435	77.40	-22.60	R 1,687	R 1,258
Agency services	R 509	R 509	R 127	R 112	88.34	-11.66	R 382	R 296
Other revenue	R 4,468	R 4,620	R 1,155	R 114	9.89	-90.11	R 3,465	R 6,691
Total Revenue	44,307	42,824	10,568	3,834	36.28	-63.7	31,705	37,510

- **Property Rates:** actual vs. projected collection results is 41.28 %, this under collection shown is because property rates were most collected in the first and second quarter as most of customers pay their annual rates at once such as government departments and are billed annually at the beginning of the financial year. **Refuse removal:** actual vs. projected collection is 122.61% and **Rental of facilities:** actual vs. projected collection is 23.78%. The overall quarterly revenue collection is showing collection of 36 %, except for property rates and refuse other revenue items show low collection compared to quarterly projections.

Other revenue detail: -

Description	Budget Q3	Actuals Q3
Tender Documents	36,509.70	88,522.05
Insurance claim	0.00	0.00
Billboards	7,025.97	2,144.92
Land use applications	0.00	0.00
Building Plan Fees	35,000.01	20,155.35
Cemetery Fees	336.12	97.39
Public toilets : B.T.O	14,005.08	3,278.26
Photocopies and Photographes	0.00	0.00
Commission Collection	0.00	0.00
Total	92,876.88	114,197.97

Other income relates to direct income for the different services delivered.

5.2.2 Operating Expenditure by type:

Table "OX2" reflects operating expenditure by type for the quarter ending 31 March 2019 of the adjusted operating expenditure budget for the financial year 2018/19.

TableOX2

Description	Original Budget 000	Adjusted Budget 000	Projections Q3 000	Actuals Q3 000	Q3 %	Variance %	Year to date Budget	Year to date Actuals
Expenditure By Type								
Employee related costs	R 66,807	R 65,119	R 14,944	R 16,051	107.41	7.41	R 48,839	R 49,416
Remuneration of councillors	R 9,439	R 8,483	R 2,088	R 2,307	110.50	10.50	R 6,362	R 6,602
Repairs and Maintenance	R 1,911	R 2,433	R 608	R 331	54.41	-45.59	R 1,825	R 2,005
Other expenditure	R 57,623	R 62,372	R 15,593	R 9,784	62.75	-37.25	R 46,779	R 43,163
Total Expenditure	137,881	138,407	33,233	28,473	85.68	8.03	103,805	101,186

Expenditure projected, original budget against actuals: -

Employee related costs is 107%, with an over expenditure of 7.41%. This is due to annual bonus paid during this quarter. Remuneration of Councillors is at 110% the over expenditure is mainly because of the councillors back pay when the upper limits were implemented during the quarter under review. Repairs and maintenance show an under expenditure of 45% due to cash flow limitations. The municipality still needs to develop and implement an assets maintenance plan to ensure that maintenance plan outcomes are achieved. Other expenditure shows an under expenditure of 37.27 % compared to the quarterly projections.

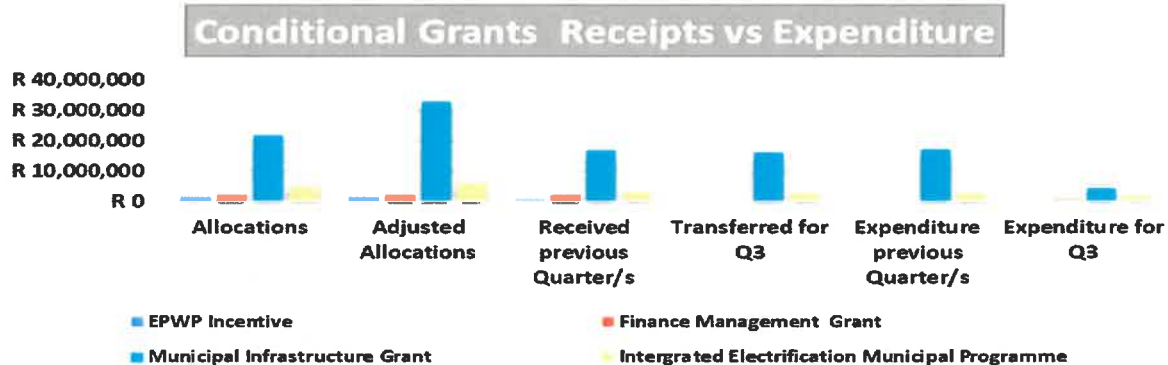
Other Expenditure: -

- Contracted services
 - Training services
 - Catering services
 - Private security services
 - Consultation fees
 - Audit fees
 - Transport services
 - Casual Labourers
 - Municipal running costs
 - Water and Electricity services
 - Conference fees

5.3 Allocations and Grants

Table GE: Conditional grants expenditure

Conditional Grants Receipts vs Expenditure								
Grants National	Allocations	Adjusted Allocations	Received previous	Transferred for Q3	Expenditure previous	Expenditure for Q3	Unspent	%Spent YTD
EPWP Incentive	R 1,480,000	R 1,480,000	R 1,036,000	R 444,000	R 598,193	R 484,190	R 397,617	73.13
Finance Management Grant	R 2,415,000	R 2,415,000	R 2,415,000	R 0	R 660,967	R 894,858	R 859,175	64.42
Municipal Infrastructure Grant	R 22,122,000	R 32,922,000	R 16,775,000	R 16,147,000	R 17,337,200	R 4,504,588	R 11,080,212	66.34
Integrated Electrification Municipal Programme	R 5,332,000	R 6,332,000	R 3,332,000	R 3,000,000	R 2,962,043	R 1,846,796	R 1,523,161	75.95
Total	R 31,349,000	R 43,149,000	R 23,558,000	R 19,591,000	R 21,558,403	R 7,730,431	R 13,860,165	67.88



- Expanded Public Works ((EPWP) Incentive: R1, 4 m was allocated for this financial year. Transfers made this quarter to the Municipality were R 444 000. Expenditure reported this quarter is R 483 840.44
- Financial Management Grant (FMG): R 2.4 m allocated and transferred to Ngqushwa Local Municipality. Expenditure reported this quarter R 894 857.
- Municipal Infrastructure Grant (MIG): R22. 1 m was allocated for this financial year and an additional R10.8m was transferred to the municipality due to an impressive performance, the Allocation is now R32.9m. Transfers made this quarter to the Municipality were R 16.1m Expenditure reported this quarter R 4.5 m.
- Integrated Electrification Municipal Grant (INEG): R5.3m is allocated, and an additional R1m was transferred to the municipality due to an impressive performance, the Allocation is now R6.3m. Transfers made this quarter to the Municipality were R3m received this quarter, Expenditure reported to be R1.8m.
- The municipality is working hard to ensure that all conditional grant is at 100% by 30 June 2019

Other Grants

Ngqushwa Municipality entered into a Service Level agreement with Services Sector Education and training authority (EDU SETA) on the 14 December 2018. The grant allocated amounts to R 15 840 000 comprising of:

Internships 30 Learners – R 1 080 000

Learner ships 410 Learners – R 14 760 000

The expenditure incurred to date amounts to R 7 075 053.96, which R 4 202 451.76 was for a Services provider and R 2 872 602.96 was for learner stipends, that brings the total amount raised as the debtor to R 7 075 053.96, to date EDU Seta has paid R 2 651 350.02

6. SUSTAINABILITY OF THE BUDGET

6.1 DEBTORS AGE ANALYSIS

Table **D1** reflects debtors by Customer group and table **D2** reflects debtors per service as at 31 March 2019.

D1

Ngqushwa Local Municipality								
Rep Date :								2019/03/31
DEBTORS AGE ANALYSIS BY CUSTOMER GROUP								
Description	0 - 30 Days	31 - 60 Days	61 - 90 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total-
Organs of State	90,633.02	188,047.97	159,619.62	86,617.12	63,458.34	3,503,709.05	4,342,294.51	8,435,278.53
Commercial	258,767.70	183,388.31	110,518.89	79,118.49	77,763.96	439,212.97	2,515,930.66	3,664,728.98
Households	219,573.33	399,909.22	233,874.02	158,806.09	163,203.05	826,303.63	5,993,478.45	7,995,147.79
Other (Bonifide farmers & Public Service Infrastructure)	80,051.38	97,373.41	51,799.92	48,096.98	48,082.67	671,492.35	3,989,084.82	4,945,981.53
Totals:	629,056.33	869,618.91	555,810.45	372,638.68	352,506.02	5,440,718.00	16,820,788.44	25,041,136.83

D2

Ngqushwa Local Municipality								
Rep Date :								2019/03/31
DEBTORS AGE ANALYSIS - BY SERVICE								
Description	0 - 30 Days	31 - 60 Days	61 - 90 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total-
Receivables from Non-exchange Transactions - Property Rates	542,158.95	785,042.74	532,914.57	351,812.41	325,516.73	5,282,685.00	15,881,467.22	23,711,597.62
Receivables from Exchange Transactions - Waste Management	74,918.80	83,654.85	22,895.88	20,826.27	26,989.29	148,033.00	822,449.50	1,199,767.59
Receivables from Exchange Transactions - Property Rental Debtors	11,978.58	921.32	0.00	0.00	0.00	0.00	116,871.72	129,771.62
Totals:	629,056.33	869,618.91	555,810.45	372,638.68	352,506.02	5,440,718.00	16,820,788.44	25,041,136.83

Analyzing debtors per service billed, the largest amount of service billed that is outstanding is property rates followed by interest on services. The bigger portion of the amount owed to the municipality, is Households, Government, businesses and farms.

The municipality has collected rates revenue from various Departments since 2016. The Department of Rural Development and Provincial Public works has paid their outstanding debt, and are still making part payments on their

current debt. The interest on the old debt for both these departments were written off in the previous financial year.

The total outstanding amount for debtors is sitting at R25.M at the end of this quarter.

6.2 FREE BASIC SERVICES

The municipality is offering free basic services into two categories:
The municipality formed an Indigent Steering Committee chaired by the Portfolio head of Finance.

The Committee has to meet once a quarter

- The aim of the committee is as follows:
- Effective implementation of Credible Indigent Policy
- Capacitation of all local free basic services stakeholders including Municipal Officials, Councilors, Ward Committees, Traditional Leaders and Community Development Workers.
- Free basic services awareness campaigns, registration/ application for the benefit, updating and management of indigent register by our municipality
- Develop a credible indigent register for 2018/19

The Free Basic Service is offered to two categories that is: free 50 kW electricity and refuse removal the tariff is R93.15. The offering of FBS is based on the indigent policy and the number of customers registered in the register.

The municipality is also collecting refuse on all cages that have been installed in low cost housing areas, meaning low cost households are automatically subsidized for refuse and 50klw of electricity.

Currently the number of registered households is sitting at 6208 and the total number that has been configured by Eskom is 5900.

The unit has developed the registration plan in order to update the register and to ensure that the Municipality is subsidizing the relevant indigent households. The indigent registration campaign will take place to all wards starting from the 9th of April 2019 up to June 2019.

The unit has requested Eskom to terminate the subsidy on all beneficiaries; the purpose is to enforce the existing applicants to renew their application forms.

The Department of Home Affairs and Sassa are assisting the municipality in identifying the deceased owners. This is part of the strategy that will assist in updating the indigent register 2019/2020.

Service Description	Amount Budget	Amount Spent
Prepaid electricity	2 948 400.00	2 165 831.15
Refuse removal	315 184.00	1 485 183.60
Total	3 263 584.00	3 651 014.75

Challenges on free basic services

- Insufficient funding for the subsidy for all indigent households.
- Inaccurate indigent register

6.3 CREDITORS AGE ANALYSIS

The following table reflects the total outstanding creditors owed by the municipality as at 31 December 2018:

Eastern Cape: Ngqushwa Creditors			Report Date: 2019-03-31				
	0 - 30 Days	31 - 60 Days	61 - 90 Days	90 - 120 Days	120 - 150 Days	150 - 180 Days	Total
	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000
Trade Creditors	R 687	R 0	R 0	R 0	R 85	R 1	R 772
Auditor General	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other (Amathole)	R 0	R 0	R 0	R 0	R 0	R 7,132	R 7,132
Total	R 687	R 0	R 0	R 0	R 85	R 7,132	R 7,904

The table above reflects that the municipality is trying its level best to pay its creditors within 30 days. The line "Other" is Amatole District Municipality (ADM) of which Ngqushwa municipality owes R7.1m

6.4 WITHDRAWALS.

In terms of Section 11 of the Municipal Finance Management Act number 56 of 2003 refers: The Accounting Officer must within 30 days after the end of each quarter table to Council a consolidated report of all withdrawals made

during the quarter. Withdrawals from primary bank account were as follows during the quarter under review:

JANUARY	FEBRUARY	MARCH	TOTAL
8,197,739.24	7,862,750.65	15,746,055.93	31,806,545.82

From the above table demonstrated, more expenditure was in March the third party payments for February were paid in March and the municipality paid most of its creditors in March as the third tranche of equitable share was received.

6.5 STAFF BENEFITS REPORT

Section 66 of the MFMA, which states that the accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure:

Description	Staff	Councilors	Ward Committees	Total
Salaries and wages, including Non Pensionable allowance	13,597,787.16	2,000,772.70	350,000.00	15,948,559.86
Contributions for pensions and medical aid	2,336,823.12	-	-	2,336,823.12
Travel, motor car, accommodation, subsistence and other allo	1,052,241.92	43,671.44	-	1,095,913.36
Housing benefits and allowances or allowance related to staff	101,170.40	-	-	101,170.40
Overtime payments and Night and Shift allowance	187,172.28	-	-	187,172.28
Other benefit or allowance related to staff- UIF, SDL, Bargainin	242,287.78	19,718.01	3,500.00	265,505.79
Other of benefit related to staff – Acting Allowance	87,806.29	-	-	87,806.29
Other benefit related to staff – Telephone and Mobile data	135,880.38	255,300.00	-	391,180.38
TOTAL	17,741,169.33	2,319,462.15	353,500.00	20,414,131.48

6.6 CASHFLOW STATEMENT

Cashflow Statement for the Quarter ending 31 March 2019		
Cashflow from Operating Activities	Actuals Year To Date	000
Receipts	✓ R 44,313	
Property rates, penalties & collection charges	R 3,293	
Service charges(refuse)	R 185	
Other revenue	R 2,072	
Government - operating	R 19,661	
Government - capital	R 18,880	
Interst on external Investments	R 222	
Payments	✓ -R 25,135	
Suppliers and employees	-R 25,135	
Net cash from Operating Activities	✓ R 19,179	
Cashflow from Investing Activities		
Receipts		
Proceeds on disposal of PPE	R 0	
Payments	✓ -R 6,091	
Capital assets	-R 6,091	
Net cash from Investing Activities	✓ -R 6,091	
Cashflow from Financing Activities		
Receipts		
Borrowing long term/refinancing	R 0	
Payments		
Repayment of borrowing	R 0	
Net cash from Financing Activities	R 0	
Net Cash Increase/Decrease in cash held	✓ R 13,088	
Cash equivalents at beginning of the quarter:	R 20,570	
Cash/cash equivalents at month/year end:	✓ R 33,658	

6.5.1 CASH AND CASH EQUIVALENTS

Below spreadsheet are the cash and cash equivalent balances of the municipality as at 31 March 2019.

ACCOUNT NAME	ACCOUNT NUMBER	CLOSING BALANCE
Rates Account	62414349763	396,933
Main Bank	62022000898	14,192,724
Investments	71794215940	19,068,663
		33,658,319.55

The Municipality has received last tranche of equitable share in March 2019. The municipality at the end of March is sitting at a balance of R33, 6m, included in that is an unspent liability portion of R13, 8. Which means that all departments must sensitize the issue of minimizing spending for example - cutting down on activities that are not service delivery driven.

Cash flow projections

The table below are the cash flow projections from July to June 2018/19

CASH FLOW PROJECTION GENERAL													
Item description	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
Cash Brought Fw/d	1,503,664	26,774,981	28,546,563	23,144,037	19,716,553	3,093,068	19,053,865	8,518,485	5,216,239	32,141,719	20,778,564	11,037,011	1,503,664
Internal Revenue Ind VAT refund	818,461	15,998,582	10,433,474	12,321,516	2,482,515	9,472,398	2,203,686	3,006,246	1,750,440	2,300,000	1,600,000	3,066,601	65,451,908
Grants	40,429,000					27,591,000		444,000	35,289,000				103,753,000
Educ Seta									2,651,350		4,423,703		7,075,053
													0
Total	42,751,115	42,771,563	38,980,037	35,465,553	22,199,068	40,156,466	21,257,550	11,968,731	44,907,029	34,441,719	26,802,267	14,103,612	177,783,625
Salaries & Gen Exp	15,539,134	17,716,000	11,545,000	12,386,000	14,205,000	12,782,548	10,163,646	4,486,823	9,791,191	8,163,155	8,965,256	7,850,000	128,593,753
Capital Exp	437,000	1,509,000	4,291,000	3,363,000	4,901,000	1,245,000	2,575,419	2,265,669	2,974,119	5,500,000	6,800,000	6,146,422	42,007,629
Educ Seta						7,075,053							7,075,053
	15,976,134	14,225,000	15,836,000	15,749,000	19,106,000	21,102,601	12,739,065	6,752,492	12,765,310	13,663,155	15,765,256	13,996,422	177,676,435
Surplus/(Deficit)	26,774,981	28,546,563	23,144,037	19,716,553	3,093,068	19,053,865	8,518,485	5,216,239	32,141,719	20,778,564	11,037,011	107,190	107,190
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
MAIN BANK ACCOUNT	622,246	17,718,670	1,740,251	7,414,292	-103,632	16,691,773	337,557	1,023,374	14,192,724	22,295,165	12,553,612	107,190	
RATES BANK ACCOUNT	900,735	1,151,148				855,946	1,674,783	2,686,720	396,933				
INVESTMENTS	25,252,000	9,676,745	21,403,786	12,302,262	3,196,700	3,022,747	8,022,746	3,022,747	19,068,663				
TOTAL BANK	26,774,981	28,546,563	23,144,037	19,716,554	3,093,068	20,570,466	10,035,086	6,732,841	33,658,320	22,295,165	12,553,612	107,190	
	0	-0	-0	0	-0	1,516,601	1,516,601	1,516,601	1,516,601	1,516,601	1,516,601	-0	

7. REPORT ON THE IMPLEMENTATION OF ASSET MANAGEMENT FOR QUARTER ENDING 31 MARCH 2019.

- Ngqushwa Local Municipality council has adopted its asset management policy for proper guidance in managing municipal assets including acquisition, safeguarding, maintenance, and disposal. Ensure that the municipality has and maintains a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipality;
- Ngqushwa Local Municipality is using Lateral Insurance for insurance of assets and liabilities.

THE FOLLOWING IS THE SUMMARY OF THE ASSET REGISTER FOR THE QUARTER ENDED 31 MARCH 2019.

Asset Category	Opening Balance 1 July 2018 (carrying value)	Additions	Disposals	Transfers	Depreciation	Impairments and Written Off Asset	Carrying Value at 31 March 2019
Land	38,188,205	0	0	0	0	0	38,188,205
Buildings	107,046,378	0	0	0	(2,066,436)	0	104,979,943
Park Facilities	10,499,590	0	0	0	(241,896)	0	10,257,694
Infrastructure	57,766,120	48,500	0	10,978,916	(6,652,008)	0	62,141,527
Other Equipment	292,310	0	0	0	(40,470)	0	251,840
Capital Works in Progress	26,687,147	18,648,378	0	(10,978,916)		0	34,356,609
Plant and equipment	3,545,318	172,000	0	0	(321,551)	0	3,395,766
Maintenance equipment	190,531	0	0	0	(16,694)	0	173,836
Security Equipment	290,576	0	0	0	(36,326)	0	254,249
Motor Vehicles	4,173,761	945,605	(304,620)	0	(280,342)	0	4,534,404
Office equipment	502,140	0	0	0	(90,998)	0	411,142
IT equipment	905,171	286,079	0	0	(236,631)	0	954,619
Office furniture	239,051	0	0	0	(26,348)	0	212,703
Minor Equipment	0	0	0	0		0	0
	250,326,297	20,100,561	(304,620)	0	(10,009,700)	0	260,112,538

8. SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDED 31 MARCH 2019.

PURPOSE

To report on Supply Chain Management processes for the third quarter ended 31 March 2019.

COMPLIANCE

Bid committees have been established . Monthly reports have been submitted as required by regulation of Supply Chain Management. The municipality is applying its SCM policy in line with SCM regulations for procurement of goods and services.

COMPETITIVE BIDDING THAT WERE AWARDED

The bids will be evaluated on the basis of the Preferential Procurement Policy Framework Act (Act No.5, 2000), and the regulations pertaining thereto (2017), as well as the Ngqushwa Local Municipality's Supply Chain Management policy 80/20 or 90/10 preference point system will be used as per the NLM SCM policy.

On total procurements of Quotations, the allocations have been done as tabulated below,

Comparison of all 3 quarters	Local	District	Province	National	Total Procurements
Quarter 3	R 221,036.42 (35%)	R326,629.14 (60%)	R 42,677.50 (5%)	0	R547 665.56 (100%)
Quarter 2	R2172 642.40(80%)	R386 495.50 (15%)	R107181.79 (5%)	0	R2 666 320.09 (100)
Quarter 1	R 316 542.37 (42%)	R57, 176.17 (7%)	R 152, 642.00 (20%)	R238,568.17 (31%)	R764,928.71 (100%)

ON TOTAL PROCUREMENTS OF COMPETITIVE BID AWARDS, THE ALLOCATIONS HAVE BEEN DONE AS FOLLOWS:

Comparison of all 3 quarters	Local	District	Province	National	Total Procurements

Quarter3	R2,136,736.93 (65%)	R1601 636.23 (35%)	0	0	R3 738 373.16 (100%)
Quarter 2	R283510.05 (3%)	(0%)	R7 033 773.29 (66%)	R3 346 989.24 (31%)	R10 664 272.58 (100%)
Quarter 1	R284 4825.36 (38%)	R436 2594.25 (58%)	R 0 (0%)	R93 305.25 (4%)	R 730 0724.86 (100%)

DEVIATION AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES SECTION 36 OF REGULATIONS FIRST QUARTER ENDED 31 MARCH 2019

Please refer to *Annexures A* for quarterly deviations.

PERFORMANCE MONITORING ON SERVICES PROVIDERS PERFORMANCE MONITORING ON SERVICES PROVIDERS

Grading of Service(s) Rendered:

1-Poor **2-Satisfactory** **3-Excellent** **No Score**

Budget and Treasury office

SERVICE PROVIDER	DESCRIPTION OF SERVICE	Score
NTIYISO CONSULTING	Debt Collection	2
MAXIMUM PROFIT	Vat Services	3
LATERAL UNISON INSURANCE	Insurance Services	2
ARMS AUDIT	Asset Verification	2
CAMELSA	Mscosa compliance	2

MMFAS	Financial Statements	2
VIP	Payroll System	3
UMHLABA VALUES	Compilation and Maintenance of General Supplementary Valuation Roll	3

Technical Services Department

SERVICE PROVIDER	DESCRIPTION OF SERVICE	Score
MBSA Consulting	Professional Service	2
Thubalam Trading	Construction of Peddie Town Street	2
AM	Electrification of 320 Villages	2
Hlehle M.Projects	Supply, Installation, Replace, Repair and Maintenance of Air conditioners	2

Community Services Department

SERVICE PROVIDER	DESCRIPTION OF SERVICE	Score
ILIZWE TOWN PLANNERS	LAND AUDIT SURVEY	3

ANDILE TRADING	REFUSE BAGS
COMPLAN TOWN & REGIONAL PLANNERS	SPATIAL DEVELOPMEN

2
3

Office of the Municipal Manager

SERVICE PROVIDER	DESCRIPTION OF SERVICE
DYUSHU MAJEBE	LEGAL ADVICE
SNG	INTERNAL AUDIT

Score
2
N/A

Corporate Service Department

SERVICE PROVIDER	DESCRIPTION OF SERVICE
SKY METRO	PRINTING SERVICES

Score
2

REPORT ON GIFT REGISTER FOR THE QUARTER ENDED 31 MARCH 2019

That, the report on gift register for the quarter ended 31 March 2019 be noted **R0. Annexure A**

REPORT ON DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF PROCURMENT PROCESSES

That, the report on deviation register for the quarter ended 31 March 2019 be noted **R 670,974.14** please refer to **Annexure B**

DEVIATION AS PER THE DEPARTMENTS	Comparison of all 3 quarters		
Department	Total Quarter 1	Total Quarter 2	Total Quarter 3
Budget and Treasury Office		R2344.75	16,516.32

Technical Services		R98,200.00	-
Municipal Manager's Office		R22219.00	-
Community Services	65,793.00	R188 638.20	78,131.00
Corporate Services	515,661.42	R574 497.66	576,326.82
	R 581,454.42	R883390.11	R 670,974.14

REPORT ON CONTRACT REGISTER FOR THE QUOTER ENDED 31 MARCH 2019 SECTION 116 (1)

That, the report on contract register for the quarter ended 31 March 2019 be noted. *Annexure C*

REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE FOR THE QUARTER ENDED 31 MARCH 2019

For the quarter ended 31 March 2019 the Council incurred fruitless and wasteful expenditure amounting to **R 9,429.30** be written off by council. Please refer to *Annexure D*.

Comparison of all 3 quarters Fruitless & Waster full Expenditure		
Quarter 1	Quarter 2	Quarter 3
R 1,327.68	R2,159.20	R9,429.30

REPORTS ON; IRREGULAR; EXPENDITURE 31 MARCH 2019 FOR THE THIRD QUARTER

That, the report on irregular expenditure for the quarter ended 31 March 2019 amount to **R 3,447,478.23** be noted by council. Please refer to *Annexure E*.

Comparison of all 3 quarters IRREGULAR; EXPENDITURE		
Quarter 1	Quarter 2	Quarter 3
R 6,719,493.36	R 6,641,152.02	R 3,447,478.23

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9. KEY FINDINGS

- The municipality is still to solve the remaining Amatole district Municipality water debt amounting to R7.1M.
- There is still a high mount of debtors owing the municipality.
- The municipality must constantly implement MFMA circular 82 in order to achieve favorable cash position.

10. KEY RECOMMENDATIONS.

1. That the Council notes contents of this report and supporting documents for the third quarter of 2018/2019 financial year.

2. That the Council notes that the report will be referred to MPAC for investigation of irregular expenditure **R 3,447,478.23**, and Fruitless and wasteful expenditure. **R 9,429.30**.

2.1. That the Council notes the amount of report on irregular expenditure for the third quarter ended 31 March 2019.

3.1. That the Council notes an amount of **R 670,974.14** on deviations for the third quarter ended 31 March 2019.as approved by Accounting Officer.

3.2. That the Council notes the performance monitoring of services providers for the third quarter ended 31 March 2019

ANNEXURES

"A" – Gift Register

"B" – Deviations

"C" – Contracts register

"D"- Fruitless and wasteful expenditure register

10. KEY RECOMMENDATIONS.

1. That the Council notes contents of this report and supporting documents for the third quarter of 2018/2019 financial year.

2. That the Council notes that the report will be referred to MPAC for investigation of irregular expenditure **R 3,447,478.23**, and Fruitless and wasteful expenditure. **R 9,429.30**.

2.1. That the Council notes the amount of report on irregular expenditure for the third quarter ended 31 March 2019.

3.1. That the Council notes an amount of **R 670,974.14** on deviations for the third quarter ended 31 March 2019.as approved by Accounting Officer.

3.2. That the Council notes the performance monitoring of services providers for the third quarter ended 31 March 2019

ANNEXURES

"A" – Gift Register

"B" – Deviations

"C" – Contracts register

"D"- Fruitless and wasteful expenditure register

"E" - Irregular Expenditure register

NGQUSHWA LOCAL MUNICIPALITY



NGQUSHWA

GIFT REGISTER FOR Q3 2018/2019

No	Date received	Recipient	Gift Description/Benefit or Hospitality offered	Estimated Value of Gift/Hospitality	Name of Institution/Person offering the gift	Comments/Reasons for accept
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Compiled By: *N. Japhi*

Date: 03 April 2019

Departmental Secretary: *Om*

Signature: *[Signature]*

Reviewed By: *M. MPATHULA*

Date: 03 April 2019

Departmental HOD: *MM*

Signature: *[Signature]*

MGQUSHWA LOCAL MUNICIPALITY

Erf 313 Main Road
P.O. Box 539
Peddie
Tel: 040 -6733095 Fax: 040-6733771

**SCM DEVIATION REGISTER - 2018-2019 FINANCIAL PERIOD****QUARTER 3**

TRANSACTION DESCRIPTION	CIRCUMSTANCES / REASONS WHICH LED TO DEVIATION FROM NORM	NAME OF SERVICE PROVIDER	AMOUNT	NAME OF DEPARTMENT	RESPONSIBLE OFFICER	DEVIATION CLASSIFICATION	RECOMMENDED / NOT RECOMMENDED	APPROVED / NOT APPROVED	FINALIZATION DATE
Refuel of Municipal Vehicles	Seaspirit Trading is the only service provider around Peddie to supply the municipality with fuel	Seaspirit Trading	89,150.72	Corporate Services	Mr M Mxekezo	Sole Provider	Recommended	Approved	14/01/2019
Printing of Drivers license cards	It is the sole provider for drivers licence cards	Prodiba	24,490.00	Community Services	Mrs N Makhwabe	Sole Provider	Recommended	Approved	23/01/2019
Printing of Drivers license cards	It is the sole provider for drivers licence cards	Prodiba	25,280.00	Community Services	Mrs N Makhwabe	Sole Provider	Recommended	Approved	23/01/2019
Printing of Drivers license cards	It is the sole provider for drivers licence cards	Prodiba	5,058.00	Community Services	Mrs N Makhwabe	Sole Provider	Recommended	Approved	25/01/2020
Services & Repairs of vehicles	Ronnie Motors is the only service provider that provides service and repairs to Mercedes Benz	Ronnie Motors	7,304.30	Corporate services	Mr M Mxekezo	Impractical or impossible to follow the official procurement processes	Recommended	Approved	24/01/2019
Tuition Fees for Mr Mbangi	The candidate was only accepted and registered and Nelson Mandela University to study Marine Post Graduate Diploma	Nelson Mandela University	26,330.00	Corporate Services	Mr M Mxekezo	Impractical or impossible to follow the official procurement processes	Recommended	Approved	18/01/2019
Refuel of Municipal Vehicles	Seaspirit Trading is the only service provider around Peddie to supply the municipality with fuel	Seaspirit Trading	91,418.50	Corporate Services	Mr Mxekezo	Sole Provider	Recommended	Approved	2019/12/02
Cazette Section 49 Notice	No.6 of 2004,the Municipality must Gazette a section 49 Notice within 21 days of receipt of the certified General Valuation Rolo.	Government Printing Works	3,026.32	Budget & Treasury Office	Mr Makadema	Sole Provider	Recommended	Approved	2019/04/02
Printing of Drivers license cards	It is the sole provider for drivers licence cards	Prodiba	23,305.00	Community Services	Mrs N Makhwabe	Sole Provider	Recommended	Approved	2019/12/02
Refuel of Municipal Vehicles	Seaspirit Trading is the only service provider around Peddie to supply the municipality with fuel	Seaspirit Trading	85,950.30	Corporate Services	Mr Mxekezo	Sole Provider	Recommended	Approved	19/03/2019
Supply for Fastmail Envelopses	It is a sole Supply for envelopes	SA Post Office	13,490.00	Budget & Treasury Office	Mr Makadema	Sole Provider	Recommended	Approved	19/03/2019



Ngqushwa Local Municipality
Contracts and Commitments register - Capital projects
Financial year ended 30 June 2018



Ngqushwa Local Municipality
Contract Register and Commitments register - Capital Projects
Financial year ended 30 June 2019

FINANCIAL YEAR 2017/2018															CURRENT YEAR 2018/2019												
Supplier Code	REQ No.	Service required	Description of work item	Date awarded	Due date	Est date	Exp date	Val	Contract	Period	Amount	Receipts	Contract awarded during 2017/18	Outstanding/Partial amount	Total Contract Amount	2017/18 payments	Outstanding/Regular Exp.	Outstanding 30 June 2018	Schedule of M&A 1st	Outstanding 30 June 2019	2018/19 payments	Outstanding 30 June 2019	2018/19 payments	Outstanding 30 June 2019	Comments 30 June 2019	COMPLETION DATE	
AAA0001	05/24/2016-2017	Accounting Training	Completion of Fund	20/05/2017	21/05/2017	21/05/2017	21/05/2017	Granted	M&D Form Yes	once-off		none				112,618.64	112,618.64		Complete							Completed 30 June 2019	
DEAC001	05/24/2016-2019	Water Consulting Engineers	Professional services are required for Design and Supervision of Bulkwater Internal Streets	20/05/2016	20/05/2016	20/05/2016	20/05/2016	Valid	M&D Form Yes	12 months	none	no				1,719.23	1,719.23		Contract is outstanding savings								
BSAC001	05/24/2016-2019	Water Consulting Engineers	Professional services are required for Design and Supervision of Bulkwater Internal Streets	20/05/2016	20/05/2016	20/05/2016	20/05/2016	Valid	M&D Form Yes	12 months	none	no				14,202.66	14,202.66		Complete savings								
BARL001	05/25/2016-2017	Barbed Wire Equipment	Supply and Delivery of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	once-off	none	no				686,307.26	686,307.26		Complete								
HTES001	05/26/2016-2017	IT TECH CONSULTATION	Consultation and Evaluation of IT Services	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	Form of Offer	6 months	none	no				798,888.37	798,888.37		Based on contract evaluation savings from not awarding and awarding								
HAMB001	05/28/2016-2014	Handicrafts	Construction of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				144,494.50	144,494.50		Based on contract evaluation savings from not awarding and awarding								
MBAS001	05/28/2016-2019	MBAS Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				33,799.48	33,799.48		Ongoing							Ongoing	
MBAS001	05/28/2016-2019	MBAS Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				304,004.66	304,004.66		Ongoing							Ongoing	
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				6,878.19	6,878.19		Complete savings							300.63	
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				26,191.41	26,191.41		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				221,106.00	221,106.00		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				66,236.24	66,236.24		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				16,164.86	16,164.86		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				362,281.28	362,281.28		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				1,386,327.56	1,386,327.56		Ongoing							119,307.36	
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				27,666.23	27,666.23		Complete savings							Complete	
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				163,117.6	163,117.6		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				19,817,262.29	19,817,262.29		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				1,964,626.29	1,964,626.29		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				1,381,179.46	1,381,179.46		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				2,142,086.87	2,142,086.87		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				197,306.46	197,306.46		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				223,646.02	223,646.02		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				208,668.82	208,668.82		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				197,664.62	197,664.62		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				2,126,142.68	2,126,142.68		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				1,426,378.62	1,426,378.62		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				306,006.00	306,006.00		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				3,878,668.87	3,878,668.87		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				1,468,625.29	1,468,625.29		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				183,097.28	183,097.28		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				16,106,020.77	16,106,020.77		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				6,837.46	6,837.46		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				87,000.30	87,000.30		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				7,837.27	7,837.27		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				6,839.87	6,839.87		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				7,837.27	7,837.27		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				87,000.30	87,000.30		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				71,616.32	71,616.32		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				7,185.00	7,185.00		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				183,097.28	183,097.28		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				16,106,020.77	16,106,020.77		Ongoing								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				6,837.46	6,837.46		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				87,000.30	87,000.30		Complete								
MBES001	05/28/2016-2019	MBES Consulting	Consultation of 100m of 16mm Galvanised Steel Barbed Wire	20/05/2017	20/05/2017	20/05/2017	20/05/2017	Granted	M&D Form Yes	12 months	none	no				7,837.27	7,837.27		Complete								
MBES001																											



Register of Fruitless and Wasteful Expenditure
QUARTER 3 2018/19

No	Date	Amount	Supplier	Incident Description	Type of Prohibited Expenditure	Responsible Department	Responsible Person	Reasons for F&W Exp.
1.	17-Jan-19	R 278.10	Telkom	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoice
2.	18-Jan-19	R 17.84	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoice
3	18-Jan-19	R 216.64	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoice
4	18-Jan-19	R 30.53	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoice
5	18-Jan-19	R 37.20	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
6	18-Jan-19	R 101.10	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
7	19-Jan-19	R 127.57	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
8	18-Jan-19	R 34.44	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
9	18-Jan-19	R 25.98	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
10	18-Jan-19	R 54.67	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
11	18-Jan-19	R 28.49	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
12	28-Jan-19	R 376.16	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
13	18-Jan-19	R 170.34	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
14	28-Jan-19	R 119.52	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
15	28-Jan-19	R 158.87	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
16	24-Jan-19	R 74.87	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
17	22-Jan-19	R 29.98	ESKOM HOLDINGS	Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices

18	18-Jan-19	R 14.07	ESKOM HOLDINGS		Interest on overdue account	Fruitless and Wasteful Expenditure	TECH	Z.MSIPA	Late submission of Invoices
19	18-Jan-19	R 4.38	ESKOM HOLDINGS		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
20	23-Jan-19	R 2,439.15	Daily Dispatch		Erratum	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Duplicate advertisement
21	20-Feb-19	R 1.20	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
	22-Feb-19	R 7.20	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
	25-Feb-19	R 4,912.34	GCIDA TRAVEL		Unused flight ticket	Fruitless and Wasteful Expenditure	MMO	M.MPAHLWA	Candidate decided not to go
	20-Feb-19	R 1.35	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
	20-Feb-19	R 11.10	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
	20-Feb-19	R 49.62	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
	28-Feb-19	R 106.67	ESKOM		Interest on overdue account	Fruitless and Wasteful Expenditure	CORP	M.MXEKEZO	Late submission of Invoices
TOTAL		R 9,429.38							

Irregular expenditure 2018/19 Quarter 3

Supplier Name	Tender number	Description of Service	Amount	Payment Date	Reason
Thubalam Trading	8/2/544/2016-2017	Resurfacing of Peddie Town Streets	R 2,458,140.53	30 January 2019	Audit finding 16/17. Contract not meeting Criteria to be Reg 32
AM Enigneering	8/2/583/2017-2018	Electrification of 211 Villages	R 180,765.34	30 January 2019	Audit finding 17/18 Non-Compliance with Reg 8(5) on Local and Production Content
Lenist t/a Patel & Associates	n/a	Legal Services	R 20,700.00	11 February 2019	SCM Processes not followed
Lionel Mark Trichardt	n/a	Legal Services	R 68,675.70	28 February 2019	SCM Processes not followed
Lionel Mark Trichardt	n/a	Legal Services	R 5,700.00	28 February 2019	SCM Processes not followed
Inathi Olo Investment JV Kajuno	8/2/586/2017-2018	Construction of Qamnyana Internal Streets (Retention)	R 57,000.00	28 February 2019	Audit finding 17/18. Evaluation of bids not in accordance with PPPFA
Dintwa Trading	8/2/585/2017-2018	Construction of Cisira Internal Streets (Retention)	R 57,000.00	28 February 2019	Audit finding 17/18. Evaluation of bids not in accordance with PPPFA
Thubalam Trading	8/2/544/2016-2017	Resurfacing of Peddie Town Streets	R 339,232.49	11 March 2019	Audit finding 16/17. Contract not meeting Criteria to be Reg 32
Kayelihle Trading	SCM-01/04/2018	Surfacing of Peddie Internal Road	R 205,823.96	30 March 2019	Audit finding 17/18. Contract not meeting Criteria to be Reg 32
Lionel Trichardt	n/a	Provision of Legal Services	R 54,440.21	18 March 2019	SCM Processes not followed
Total			R 3,447,478.23		

Compiled By:.....

Designation :

Date:..... Signature:.....

Reviewed By:.....

Designation:.....

Date:..... Signature:.....