

ASPIRE

Amathole Regional Municipality

FINANCIAL YEAR 2019/2020

In-Year Report of the Municipal Entity

Prepared in terms of the Local Government: Municipal Finance Management Act
(56/2003): Municipal Budget and Reporting Regulations, Government Gazette
32141, 17 May 2009.

Monthly Budget Statement

DECEMBER 2019

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PART 1 - IN-YEAR REPORT

Section 1 - Chairperson's Report

1.1 In-Year Report - Monthly Budget Statement

I submit the required statement on the state of the entity's budget performance reflecting the particulars for the month ended 31 December 2019, in accordance with Section 87(11) of the Municipal Finance Management Act,

The monthly budget statement for the month ended 31 December 2019 has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008.

1.2 Implementation of the budget in accordance with the APP

It is planned that quarterly assessments on implementation of the budget will be performed in line with the approved APP/Service Delivery and Budget Implementation Plan.

1.3 Financial risks or problems facing the entity

ASPIRE's Annual Budget for 2019/2020 was approved by the Board of Directors on 17 May 2019 with a budgeted figure for the ADM Equitable Share Funding of R15 525 799 excluding VAT and R4 million for the procurement and implementation of an mSCOA compliant financial management system. The final approved equitable share portion allocated by the parent municipality amounts to R16 331 141 excluding VAT.

ASPIRE remains unable to fully establish an SCM unit with adequately capacitated staff and relies mainly on ad-hoc support provided by the ADM towards work on this unit.

ASPIRE has budgeted an amount of R4 million for the procurement of an mSCOA compliant financial management system and the implementation thereof. ASPIRE will be embarking on a competitive bidding process to source a cost-effective financial management system

that will be able to integrate with the financial management system utilised by the parent municipality during the third quarter of the financial year.

Section 2 - Resolutions

IN-YEAR REPORTS 2019/2020

That the Board takes note of the contents of the in-year monthly report for December 2019 as set out in the schedules contained in Section 4

RECOMMENDATION:

That the Board notes the monthly budget statement and supporting documentation for the month of December 2019.

Section 3 - Executive Summary

3.1 Introduction

This report has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008 and in line with Section 87 of the Municipal Finance Management Act, 2003.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved) Revenue by Source

Operating Revenue

As at 31 December 2019, of the R19,5 million budgeted to be received from ADM (being R15,5 million for operations and R4 million for mSCOA support), the invoice for the second tranche allocation has been forwarded to ADM, revenue is anticipated to be received during the month of January 2020, resulting in an under collection of 58% (R7,6 million).

The funding for mSCOA is anticipated to be received after a final resolution has been made on the procurement of an mSCOA compliant system.

Interest received - Interest received from the STD Bank operating call account reflects a surplus collection of 191,6% (R161 thousand).

Other Revenue - Other revenue comprises of Contracted Services revenue, which is a portion of revenue that is unfunded as it relates to anticipated funding for projects for the 2019/20 financial year, this amount will be adjusted downwards during the adjustments budget period.

Employee Costs

Employee costs for the month ended 31 December 2019 reflect an under-expenditure of 24,5% (R1,1 million). This is as a result of non-filled budgeted vacant position for the Chief Financial officer as well as the vacant position of the Company Secretary who resigned in November 2019.

Remuneration of Directors

Remuneration of Directors for the month ended 31 December 2019 reflect an under-expenditure of 11% (R55 thousand). The December payments for Board engagements will be processed during the month of January 2020.

Other Expenditure

Other expenditure for the month ended 31 December 2019 reflect an under-expenditure of 77,5% (R3,6 million). This is as a result of limited expenditure incurred on major project items such as the mSCOA implementation and other operating costs such as .

Capital expenditure

The Capital budget adopted during May 2019 is not funded, therefore no income has been realised for the month ended 31 December 2019 and no expenditure has been incurred. The Capital budget amount will be adjusted downwards during the adjustments budget period.

Section 4 - In-year budget statement tables

4.1. Financial Performance (revenue and expenditure)

Amathole Economic Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2018/19	Current Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	337	168	-	44	245	84	161	191.6%	982
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	15,681	19,552	-	-	5,444	13,035	(7,591)	-58.2%	21,775
Other revenue	7,732	50,020	-	-	(15)	25,010	(25,025)	-100.1%	(61)
Gains on disposal of PPE	20	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	23,770	69,741	-	44	5,674	38,129	(32,455)	-85.1%	22,696
Expenditure By Type									
Employee related costs	8,272	9,265	-	516	3,499	4,632	(1,133)	-24.5%	13,998
Remuneration of Directors	1,254	1,000	-	-	445	500	(55)	-11.0%	1,781
Debt impairment	-	-	-	-	-	-	-	-	-
Collection costs	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	70	150	-	27	54	75	(21)	-28.4%	215
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	50,000	-	-	-	25,000	(25,000)	-100.0%	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	9,233	9,326	-	12	1,050	4,663	(3,613)	-77.5%	4,200
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	18,829	69,741	-	555	5,048	34,870	(29,822)	-85.5%	20,193
Surplus/(Deficit)	4,941	-	-	(511)	626	3,259	(2,633)	-80.8%	2,503
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributions of PPE	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	4,941	-	-	(511)	626	3,259	(2,633)	-80.8%	2,503
Taxation	1,437	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,504	-	-	(511)	626	3,259	(2,633)		2,503

4.2. Capital Expenditure

Amathole Economic Development Agency - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December

Vote Description	2018/19	Current Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure									
<i>Insert programme/projects description</i>									
Capital multi-year expenditure sub-total									
Single Year expenditure									
Other Funding Sources		50,000				25,000	(25,000)	-100.0%	
NDPG									
Adopt a Spot					0		0	#DIV/0!	
Waste Management									
Idutywa CBD Upgrade									
Alice Transport Hub	5,644								
ICT Rollout	156								
ASPIRE building									
Rural Development/Agriculture									
Heritage, Culture and Tourism									
Natural Resource Management									
Capital single-year expenditure sub-total	5,800	50,000			0	25,000	(25,000)	-100.0%	
Total Capital expenditure	5,800	50,000			0	25,000	(25,000)	-100.0%	
Funded by:									
National Government	5,644				0		0	#DIV/0!	
Provincial Government									
Parent Municipality									
District Municipality									
Transfers recognised - capital	5,644				0		0	#DIV/0!	
Public contributions & Donations									
Borrowing									
Internally generated funds		50,000				25,000	(25,000)	-100.0%	
Total Capital Funding	5,644	50,000			0	25,000	(25,000)	-100.0%	



4.3. Financial Position

Amathole Economic Development Agency - Table F4 Monthly Budget Statement - Financial Position - M06 Decem

Vote Description	2018/19	Current Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	178	-	-	147	-
Call investment deposits	9,538	-	-	10,482	-
Consumer debtors	-	-	-	-	-
Other debtors	170	-	-	153	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	9,885	-	-	10,782	-
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	55	-	-	106	-
Agricultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	0	-	-	105	-
Total non current assets	55	-	-	211	-
TOTAL ASSETS	9,940	-	-	10,993	-
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	-	-
Consumer deposits	-	-	-	-	-
Trade and other payables	7,079	-	-	3,927	-
Provisions	673	-	-	650	-
Total current liabilities	7,752	-	-	4,577	-
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities	-	-	-	-	-
TOTAL LIABILITIES	7,752	-	-	4,577	-
NET ASSETS	2,188	-	-	6,416	-
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	321	-	-	5,789	-
Reserves	-	-	-	-	-
Share capital	1	-	-	1	-
TOTAL COMMUNITY WEALTH/EQUITY	322	-	-	5,790	-

4.4. Cash Flows

Amathole Economic Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2018/19	Current Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R'thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	-	-	-	-	-	-	-	-	-
Government - operating	15,681	19,384	-	957	12,102	6,461	5,640	87.3%	-
Government - capital	6,453	50,020	-	-	-	25,010	(25,010)	-100.0%	-
Interest	337	168	-	44	6,274	84	6,190	7355.0%	-
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(21,880)	(19,552)	-	(2,018)	(17,082)	(9,776)	(7,305)	74.7%	-
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	(50,020)	-	-	-	(25,010)	25,010	-100.0%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	592	-	-	(1,017)	1,294	(3,231)	(30,884)	956.0%	-
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	21	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(183)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(162)	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	430	-	-	(1,017)	1,294	(3,231)	4,525	-140.1%	-
Cash/cash equivalents at the year begin:	9,716	9,716	9,716						9,716
Cash/cash equivalents at the year end:	10,146	9,716	9,716	(1,017)	1,294	(3,231)	4,525	-140.1%	9,716

PART 2 - SUPPORTING DOCUMENTATION

Section 5 - Debtors' analysis

Amathole Economic Development Agency - Supporting Table F3 Entity Aged debtors - M06 December

Detail	NT Code	Current Year 2019/20									Total	Bad Debts	>90 days
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year				
R thousands													
Debtors Age Analysis By Revenue Source													
Rates	1200	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Water	1400	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage / Sanitation	1500	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	1600	-	-	-	-	-	-	-	-	-	-	-	-
Housing (Rental Revenue)	1700	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	7	-	-	-	-	-	147	153	-	147
Total By Income Source	2000	-	-	7	-	-	-	-	-	147	153	-	147

SUNDRY DEBTORS

Deposits R 44 000

Sundry Debtors R 109 327

The entity has debtors totaling **R153 thousand** in respect of Deposits and Sundry Debtors. No major debtors exist as we do not provide services to communities but rather implement projects on behalf of either ADM and /or Sector Departments.



Section 6 - Creditors' analysis

Amathole Economic Development Agency - Supporting Table F4 Entity Aged creditors - M06 December

Detail	NT Code	Current Year 2019/20								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(209)	35	18	(15)	30	-	-	-	(140)
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	4,610	-	-	-	-	-	-	-	4,610
Total By Customer Type	2600	(209)	35	18	(15)	30	-	-	-	4,470

CREDITORS

Sundry Creditors: R 235 266

Provisions: R 650 219

Unspent Grants: R 3 584 450

The entity has creditors totaling **4,5 million** in respect of Sundry Creditors, Provisions, Trade and other Payables and Unspent Conditional Grants some of which are cash backed except for those emanating prior the 2016 financial year (R1 million).

Section 7 - Investment portfolio analysis

7.1 Supporting Table F5

Currently ASPIRE has no significant investments. Only call accounts opened on behalf of unspent conditionals grants exist.

Amathole Economic Development Agency - Supporting Table F5 Entity investment portfolio monthly statement - M06 December

Investments by maturity Name of institution & investment ID R thousands	Current Year 2019/20							
	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
						Begin	Change	End
Adopta Spot Call		Call						
BCM Waste Call		Call						
NRM Call		Call						
AEDA Call		Call						8,629
NDPG Call		Call						1,853
Total investments								10,482

NB: EXCEPT FOR AEDA CALL, ALL THESE CALL ACCOUNTS ARE HELD IN LIEU OF UNSPENT CONDITIONAL GRANTS.

Section 8 - Allocation and grant receipts and expenditure

No amount has been received in support of the implementation of mSCOA for the month of December 2019.

Section 9 - Material variances from APP

Reporting in line with targets as set out in the Annual Performance Plan is done separately and submitted to the Board on a Quarterly basis and are included as a separate report

Section 10 - Expenditure on board member's allowances and employee benefits

Amathole Economic Development Agency - Supporting Table F6 Entity Board member allowances & staff benefits - M06 December

Summary of Employee and Board Member remuneration	2018/19	Current Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C					%	D
Remuneration									
Board Members of Entities									
Basic Salaries	-	-	-	-	-	-	-	-	-
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	317	-	-	-	-	-	-	-	-
Board Fees	826	1,000	-	-	445	500	(55)	-11.0%	5,343
Sub Total - Board Members of Entities	1,143	1,000	-	-	445	500	(55)	-11.0%	5,343
% increase		-12.5%							367.5%
Senior Managers of Entities									
Basic Salaries	4,044	4,937	-	254	1,225	2,468	(1,244)	-50.4%	14,699
Pension Contributions	420	438	-	31	213	219	(6)	-2.6%	2,561
Medical Aid Contributions	44	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits or allowances	134	56	-	-	14	28	(14)	-50.3%	167
Performance Bonus	-	-	-	-	-	-	-	-	-
In-kind benefits	330	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	4,973	5,431	-	285	1,452	2,716	(1,263)	-46.5%	17,427
% increase		9.2%							250.4%
Other Staff of Entities									
Basic Salaries	2,751	2,780	-	194	1,228	1,390	(163)	+11.7%	14,731
Pension Contributions	307	246	-	22	129	123	5	4.4%	1,542
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Other benefits or allowances	247	55	-	3	14	28	(14)	-49.7%	167
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	3,305	3,082	-	219	1,370	1,541	(171)	-11.1%	16,440
% increase		-6.8%							397.4%
Total Municipal Entities remuneration	9,421	9,513	-	504	3,268	4,757	(1,489)	-31.3%	39,210

Section 11 - SCM Report for the month ended 31 December 2019

The following report will focus on the following key topics:

- Contracts awarded for the month
- Formal written price quotations
- List of Contracts Awarded
- Service Provider Performance
- Contracts terminated for the month
- Operational and Infrastructure Contracts
- Fruitless and Wasteful Expenditure
- Irregular Expenditure
- Deviations and Breaches

CONTRACTS AWARDED DURING THE MONTH ENDED 31 DECEMBER 2019, ACTIVE CONTRACTS AND PERFORMANCE

CONTRACTS AWARDED

For the month ended 30 December 2019, nil contracts above R30 000 were awarded.

The table below reflects the various procurement methods utilised as well as the number of projects:

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R0 - R30 000)	06
Formal written price quotation (RFQ) (R30 000 - R200 000)	00
Competitive Bidding (Above R200 000)	00
Limited Bidding (Single Source/Multiple Source/Sole Provider)	00
TOTAL	06

The following table reflects the types of procurement:

PROCUREMENT METHOD	NO.
Goods	02
Services	04
Infrastructure	00
TOTAL	06

FORMAL WRITTEN PRICE QUOTATIONS FOR THE MONTH ENDED 31 DECEMBER 2019

Supply Chain Management Report December - 2019				
Range : R 0 < R30 000(Formal Written Price Quotations)				
Date	Supplier Name	Order Number	Total Cost	TYPE Procurement Good (G)/Service(S)
02/12/2019	ZEB001 Zebhele Building Construction	PO102589	5,043.00	G
03/12/2019	SUR001 SURE TRAVEL	PO102590	4,426.09	S
04/12/2019	KEM001 Kempston Car Rental	PO102591	2,165.22	S
04/12/2019	ELBP ELBP ACCOUNTING SERVICES	PO102592	510.00	S
04/12/2019	JUS001 Just Write_Chрене Thompson	PO102593	1,050.00	G
06/12/2019	SUR001 SURE TRAVEL	PO102594	8,678.26	S
GRAND TOTAL			21,872.57	
Supply Chain Management Report December - 2019				
Range: R 30001 < R200 000(Limited Bidding (Single Source/Multiple Source/Sole Provider))				
Date	Supplier Name	Order Number	Total Cost	
N/A	N/A	N/A	N/A	N/A

The following table reflects a list of the contracts awarded for the period 31 December 2019:

LIST OF CONTRACTS AWARDED

Project Description	Department	Company Awarded the Contract	Contractually Committed (Award Amount)	Bid Process	BSC Min	BEC Min	BAC Min/Memo	Project Start Date	Contract End Date
None	Chief Executive Officer	None	None	None	None	None	None	None	None
None	Finance Department	None	None	None	None	None	None	None	None
None	Governance and Legal	None	None	None	None	None	None	None	None
None	Corporate Services	None	None	None	None	None	None	None	None
None	Operations Department	None	None	None	None	None	None	None	None
None	None	None	None	None	None	None	None	None	None

SERVICE PROVIDER PERFORMANCE FOR THE MONTH ENDED 31 DECEMBER 2019

The colour coded legend below reflects the service provider rating, where the awarded contracts are in progress and no assessment can be performed, the rating is deemed to be ‘Work-in-Progress’ and performance will be rated upon completion of the work contracted.

Poor	0-49%
Good	50-69%
Excellent	70-100%
Work-In-Progress	

CONTRACTS TERMINATED FOR THE MONTH ENDED 31 DECEMBER 2019

During the month ended 31 December 2019, one (1) contract was terminated namely First Technology as the contract came to an end.

OPERATIONAL CONTRACTS

The following table reflects the existing operational tenders established in the 2019/2020 financial year that is still active. The start and end date of the contracts are included:

0 - 4 Months to expire	
4 - 6 Months to expire	
> 6 Months to expire	
Expired	

OPERATIONAL TENDERS/PANELS			
CONTRACT NO / PURCHASE ORDER NO#.	PROJECT DESCRIPTION	START DATE	END DATE
ASPIRE 007 - 2020	Procurement IT SUPPORT & MAINTANCE	01-January- 2019	31-December- 2019

OPERATIONAL TENDERS/PANELS			
CONTRACT NO / PURCHASE ORDER NO#.	PROJECT DESCRIPTION	START DATE	END DATE
	Lease PABX - TELKOM	23-Jan-2017	23-Jan-2022
PO102493	Provision of hygiene equipment and monthly maintenance for 12months	01-Feb-2019	30-Jan-2020
	KONICA MINOLTA - Photo Copy Machine	02-Feb-2018	02-Feb-2020
	Capstone - Rental Office	01-Feb-2018	01-Feb-2020
	Capstone - Security	01-Feb-2018	01-Feb-2020
	BrouBart Security	Month to Month	Month to Month

INFRASTRUCTURE CONTRACTS/PROJECTS

There are currently no infrastructure contracts awarded.

FRUITLESS AND WASTEFUL EXPENDITURE

The register for Fruitless and Wasteful Expenditure is updated, maintained and reviewed on a monthly basis. The following table is a summary of the register for Fruitless and Wasteful Expenditure for the month ended 31 December 2019.

FINANCIAL YEAR	NATURE OF FRUITLESS AND WASTEFUL EXPENDITURE	AMOUNT DEEMED AS FRUITLESS AND WASTEFUL EXPENDITURE
2019/20	SARS Penalties and Interest	R14 073.67
TOTAL		R14 073.67

The amount reflected in the table above relates to interest and penalties incurred as a result of the late submission of the return for SARS PAYE contributions.



IRREGULAR EXPENDITURE

In terms of section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

The register for Irregular Expenditure is updated, maintained and reviewed on a monthly basis.

The following table is a summary of the register for Irregular Expenditure for the 2019/2020 financial year:

FINANCIAL YEAR	AMOUNT DEEMED AS IRREGULAR EXPENDITURE
2019/2020	N/A
TOTAL	N/A

DEVIATIONS AND BREACHES

There were no deviations incurred for the month ended 31 December 2019.

FINANCIAL YEAR	NATURE OF DEVIATION	AMOUNT
2019/2020	N/A	N/A
TOTAL		N/A

Section 12 - Asset Management Report for the month ended 31 December 2019

ASSET ACQUISITION FOR THE MONTH ENDED 31 DECEMBER 2019

During the month ended 31 December 2019, there were no assets acquired.

ASSET DISPOSAL FOR THE MONTH ENDED 31 DECEMBER 2019

During the month ended 31 December 2019, there were no asset disposals.

INSURANCE CLAIMS FOR THE MONTH ENDED 31 DECEMBER 2019

No insurance claims were lodged during the month ended 31 December 2019.



CHIEF EXECUTIVE OFFICER'S QUALITY CERTIFICATION

I, the Acting Chief Executive Officer of Amathole Economic Development Agency, hereby certify that -

- the monthly budget statement

for the month of December (M06) of 2019/ 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Ms. A. Tinta

Amathole Economic Development Agency

Signature:



Date: 09 January 2020