



FINANCIAL YEAR 2018/2019
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 2018

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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 2018, in accordance with Section 87(11) of the Municipal Finance Management Act,

The monthly budget statement for the month of December 2018 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

The 2018/19 budget of ASPIRE totals to R39.1 million. Included in this amount is an anticipated R10 million budget to be received from the National Treasury for technical assistance and R7 million for the NDPG grant. Whilst the NDPG grant is gazetted for the 2018/19 financial year, the R10 million towards technical assistance has not been gazetted.

ASPIRE planned to close-out all projects that were financed by the department of environmental affairs (Natural Resources Management; Adopt a Spot and BCM Waste) by 30 June 2018 as these are not part of the newly approved strategy. Whilst Adopt a Spot and BCM Waste have successfully been handed over, the NRM project as well as the unspent funds amounting to R 2 782 404 will be handed over during the month of January 2019. This amount includes expenditure incurred during the first half of the 2018/19 financial year of R16 158 being audit fees for DNKA Inc (R15 000) as well as bank charges (R1 158) incurred on this account.

ASPIRE is 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. Officials have been seconded from ADM to ASPIRE to assist in the running of the SCM operations.

Regulations on the implementation of the Municipal Standard Chart of Accounts require all municipalities and their entities to be compliant by 01 July 2017. Due to prevailing cash-flow constraints, ASPIRE missed this deadline and applied to National Treasury for an extension to 01 July 2018. The application was however rejected and the ADM is in a process of assisting ASPIRE with compliance towards these regulations. A total budget of R6 million has been provided by ADM for this roll-out. An application was made to NT in line with MSCOA Circular 5 & 6 for concurrence to utilize NT RT25 Contract to implement mSCOA. The ADM executive management, after certain deliberations, are engaging with NT with the intention of resolving the issue surrounding the implementation of mSCOA.

ASPIRE is currently only implementing the Alice Transport Hub project which was planned for completion in December 2018. The project is 90% complete as at the end of December 2018 with only the erection of steel structure and building finishes outstanding. The contractor is working in a penalty phase as per contract in line with clause 43.1 of the contract stating that that the penalty for failing to complete the Works is R5 500 per calendar day. It is envisaged that the project will be completed during the month of February 2018 as a result of delays experienced in the galvanizing of steel processes which can only be done in January 2018.

A number of proposals have been submitted to potential funders, neither of these have yielded positive outcomes.

Section 2 - Resolutions

IN-YEAR REPORTS 2018/2019

That the board take note of the contents in the in-year monthly report for December 2018 as set out in the schedules contained in Section 4

RECOMMENDATION:

That Board notes the monthly budget statement and supporting documentation for December 2018.

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 December 2018, of the R21.5 million budgeted to be received from ADM (R15.5 million for operations and R6 million for mSCOA support). The second tranche of the equitable share was anticipated to be received during the month of December 2018, however no transfers have been made to date resulting in an under collection of 50,5% (R5,4 million).

The balance of the allocation of R6 million towards the mSCOA roll-out will only be made available to ASPIRE upon successful appointment of a service provider. The process of appointing a suitable service provider awaits concurrence from NT to utilize their RT25 contract upon submitting certain information as required from the ADM. An amount of R128 thousand, has howe

Interest received - Interest received from operating call accounts depicts a surplus collection of 123,8% (R99 thousand).

Other revenue - Revenue in lieu of the disposal of assets (R10 thousand), as well as revenue recognized for the implementation of the Alice Transport Hub project with NDPG funding (R2 million) has been received as at the previous reporting period resulting in 99% under collection (R5 million).

Employee Costs

Employee costs for the month of December 2018 reflect an under-expenditure of 28.8% (R1,6 million). This is as a result of non-filled budgeted vacant. An acting CFO has been seconded by the parent Municipality during the month of December 2018.

Other Expenditure

Other expenditure for the month of December 2018 reflect an under-expenditure of 65% (R7.2

million). This is as a result of limited expenditure incurred on major project items (Alice transport Hub project; mSCOA implementation and technical assistance funding).

Capital expenditure

The only capital expenditure, though not to be capitalized in ASPIRE books as we are only an implementing agent relates to the R7 million budget for the Alice Transport Hub Project. There has been no expenditure incurred during the month ended 31 December 2018.

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	2017/18	Current Year 2018/19							
	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	181	160	-	22	179	80	99	123,8%	716
Interest earned - outstanding debtors	-	-	-	-	-	-	-		-
Dividends received	-	-	-	-	-	-	-		-
Fines	-	-	-	-	-	-	-		-
Licences and permits	-	-	-	-	-	-	-		-
Agency services	-	-	-	-	-	-	-		-
Transfers recognised - operational	13 500	21 526	-	-	5 331	10 763	(5 432)	-50,5%	21 323
Other revenue	10 164	17 492	-	4	2 071	8 746	(6 675)	-76,3%	8 284
Gains on disposal of PPE	-	-	-	10	20	-	20	#DIV/0!	81
								-61,2%	
Total Revenue (excluding capital transfers and contributions)	23 846	39 178	-	36	7 601	19 589	(11 988)		30 405
Expenditure By Type									
Employee related costs	9 623	11 050	-	575	3 936	5 525	(1 589)	-28,8%	15 744
Remuneration of Directors	717	900	-	92	474	450	24	5,4%	1 898
Debt impairment	-	-	-	-	-	-	-		-
Collection costs	-	-	-	-	-	-	-		-
Depreciation & asset impairment	87	150	-	-	19	75	(56)	-75,0%	75
Finance charges	71	-	-	-	-	-	-		-
Bulk purchases	-	-	-	-	-	-	-		-
Other materials	-	-	-	-	-	-	-		-
Contracted services	-	-	-	-	-	-	-		-
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	11 481	22 125	-	132	3 825	11 063	(7 237)	-65,4%	15 301
Loss on disposal of PPE	-	-	-	-	-	-	-		-
Total Expenditure	21 979	34 225	-	799	8 255	17 113	(8 858)	-51,8%	33 018
Surplus/(Deficit)	1 866	4 953	-	(763)	(653)	2 477	(3 130)	-126,4%	(2 613)
Transfers recognised - capital	-	(4 953)	-	-	-	-	-		-
Contributions recognised - capital	-	-	-	-	-	-	-		-
Contributions of PPE	-	-	-	-	-	-	-		-
Surplus/(Deficit) before taxation	1 866	-	-	(763)	(653)	2 477	(3 130)	-126,4%	(2 613)
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year	1 866	-	-	(763)	(653)	2 477	(3 130)		(2 613)

4.2. Capital Expenditure

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

Vote Description	2017/18	Current Year 2018/19							
	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									
<i>Insert single year budgets and indicative estimates</i>							-		
NDPG									
Adopt a Spot	-	-	-	-	1	-	1	#DIV/0!	-
Waste Management	-	-	-	-	-	-	-		-
Idutywa CBD Upgrade	-	-	-	-	-	-	-		-
Alice Transport Hub	7 003	7 080	-	-	2 606	3 540	(934)	-26,4%	7 080
ICT Rollout	-	4 500	-	-	156	2 250	(2 094)	-93,1%	4 500
ASPIRE building	-	453	-	-	-	227	(227)	-100,0%	453
Rural Development/Agriculture	-	-	-	-	-	-	-		-
Heritage, Culture and Tourism	-	-	-	-	-	-	-		-
Natural Resource Management	-	-	-	-	-	-	-		-
Capital single-year expenditure sub-total	7 003	12 033	-	-	2 763	6 017	(3 254)	-54,1%	12 033
Total Capital expenditure	7 003	12 033	-	-	2 763	6 017	(3 254)	-54,1%	12 033
Funded by:									
National Government	7 003	7 080	-	-	2 763	3 540	(777)	-22,0%	7 080
Provincial Government	-	-	-	-	-	-	-		-
Parent Municipality	-	4 953	-	-	-	2 477	(2 477)	-100,0%	4 953
District Municipality	-	-	-	-	-	-	-		-
Transfers recognised - capital	7 003	12 033	-	-	2 763	6 017	(3 254)	-54,1%	12 033
Public contributions & Donations									
Borrowing									
Internally generated funds									
Total Capital Funding	7 003	12 033	-	-	2 763	6 017	(3 254)	-54,1%	12 033

4.3. Financial Position

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

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	178	-	-	573	-
Call investment deposits	9 538	-	-	11 383	-
Consumer debtors	-	-	-	-	-
Other debtors	170	-	-	341	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	9 885	-	-	12 297	-
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	55	-	-	163	-
Agricultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	0	-	-	28	-
Total non current assets	55	-	-	192	-
TOTAL ASSETS	9 940	-	-	12 489	-
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	-	-
Consumer deposits	-	-	-	-	-
Trade and other payables	7 079	-	-	9 551	-
Provisions	673	-	-	574	-
Total current liabilities	7 752	-	-	10 125	-
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities	-	-	-	-	-
TOTAL LIABILITIES	7 752	-	-	10 125	-
NET ASSETS	2 188	-	-	2 364	-
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	321	-	-	2 048	-
Reserves	-	-	-	-	-
Share capital	1	-	-	1	-
TOTAL COMMUNITY WEALTH/EQUITY	322	-	-	2 049	-

4.4. Cash Flows

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

Description	2017/18	Current Year 2018/19							
	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	72 938	32 098	-	1 499	52 877	16 049	36 828	229,5%	32 098
Government - capital	-	7 080	-	-	-	3 540	(3 540)	-100,0%	7 080
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(71 848)	(39 178)	-	2 995	44 364	(19 589)	63 953	-326,5%	(39 178)
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 090	-	-	4 495	97 241	-	(30 664)	#DIV/0!	-
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-	-	-	-	-	-
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	1 090	-	-	4 495	97 241	-	97 241	#DIV/0!	-
Cash/cash equivalents at the year begin:	16 311	16 311	16 311	4 495	97 241	-	97 241	#DIV/0!	16 311
Cash/cash equivalents at the year end:	17 401	16 311	16 311	4 495	97 241	-	97 241	#DIV/0!	16 311

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 2018/19									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				
Debtors Age Analysis By Revenue Source													
Rates	1200	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Water	1400	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage / Sanitation	1500	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	1600	-	-	-	-	-	-	-	-	-	-	-	-
Housing (Rental Revenue)	1700	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	385	-	-	385
Total By Income Source	2000	-	-	-	-	-	-	-	-	385	385	-	385
Debtors Age Analysis By Customer Group													
Government	2200	-	-	-	-	-	-	-	-	-	-	-	-
Business	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	-	-	-	-	-	-	-	-	-	-	-	-

SUNDRY DEBTORS

Deposits R 44 000

Sundry Debtors R 341 085

The entity only has debtors totaling **R385 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 2018/19								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	
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	(0)	0	(7)	(2)	22	-	-	-	14
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	10 125	-	-	-	-	-	-	-	10 125
Total By Customer Type	2600	(0)	0	(7)	(2)	22	-	-	-	10 139

CREDITORS

Sundry Creditors: R 275 784

Provisions: R 565 420

Unspent Grants: R 9 410 354

The entity has creditors totaling **R10, 1 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 the municipal entity has no significant investments. Only call accounts opened on behalf of unspent conditionals grants exist. The Natural Resource Management Call Account will be closed during the month of January 2019.

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 2018/19							
	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
	Months					Begin	Change	End
Adopt a Spot Call		Call						
BCM Waste Call		Call						
NRM Call		Call						2 777
AEDA Call		Call						3 542
NDPG Call		Call						5 064
Total investments								11 383

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

An amount of R198 thousand was received in support of the implementation of mSCOA for the purchase of computer hardware and software.

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	2017/18		Current Year 2018/19						
	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	-	-	-	-	-	-	-		-
Board Fees	717	900	-	92	474	450	24	5,4%	5 694
Sub Total - Board Members of Entities	717	900	-	92	474	450	24	5,4%	5 694
% increase		25,6%							694,5%
Senior Managers of Entities									
Basic Salaries	3 139	6 158	-	352	1 757	3 079	(1 322)	-42,9%	21 083
Pension Contributions	-	-	-	-	-	-	-		-
Medical Aid Contributions	-	-	-	-	-	-	-		-
Motor vehicle allowance	225	270	-	-	-	135	(135)	-100,0%	-
Cell phone allowance	-	-	-	-	-	-	-		-
Housing allowance	-	-	-	-	-	-	-		-
Other benefits or allowances	275	-	-	-	-	-	-		-
Performance Bonus	-	-	-	-	-	-	-		-
In-kind benefits	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Entities	3 639	6 428	-	352	1 757	3 214	(1 457)	-45,3%	21 083
% increase		76,6%							479,3%
Other Staff of Entities									
Basic Salaries	5 381	4 622	-	223	2 179	2 311	(132)	-5,7%	26 150
Pension Contributions	-	-	-	-	-	-	-		-
Medical Aid Contributions	-	-	-	-	-	-	-		-
Motor vehicle allowance	144	-	-	-	-	-	-		-
Cell phone allowance	-	-	-	-	-	-	-		-
Housing allowance	-	-	-	-	-	-	-		-
Overtime	-	-	-	-	-	-	-		-
Performance Bonus	-	-	-	-	-	-	-		-
Other benefits or allowances	84	-	-	-	-	-	-		-
In-kind benefits	-	-	-	-	-	-	-		-
Sub Total - Other Staff of Entities	5 609	4 622	-	223	2 179	2 311	(132)	-5,7%	26 150
% increase		-17,6%							366,2%
Total Municipal Entities remuneration	9 965	11 950	-	667	4 411	5 975	(1 564)	-26,2%	52 926
Unpaid salary, allowances & benefits in arrears:									

Section 11 - SCM Report for the month ended 31 December 2018

The following report will focus on the following key topics:

- Contracts awarded for the month, active contracts and their performance
- Formal written price quotations
- Contracts terminated for the month
- Operational Contracts
- Infrastructure Contracts
- Irregular Expenditure
- Fruitless & Wasteful Expenditure
- Deviations and Breaches

CONTRACTS AWARDED DURING THE MONTH OF DECEMBER 2018, ACTIVE CONTRACTS AND PERFORMANCE

For the month of December 2018, **no** contracts were awarded.

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

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R0 - R30 000)	11
Competitive Bidding (Above R200 000)	Nil
Limited Bidding (Single Source/Multiple Source/Sole Provider)	Nil
Section 32	Nil
TOTAL	11

The following table reflects the types of procurement:

PROCUREMENT METHOD	NO.
Goods	1
Services	10
Infrastructure	Nil
TOTAL	11

SERVICE PROVIDER PERFORMANCE FOR THE MONTH ENDED 31 DECEMBER 2018

Please note that no rating for performance can be allocated as the projects have only recently been awarded.

Financial Year	Number of Awards	% Poor	% Acceptable	% Excellent
2018/2019	Nil	N/A	N/A	N/A

FORMAL WRITTEN PRICE QUOTATIONS FOR THE MONTH ENDED 31 DECEMBER 2018

SUPPLY CHAIN MANAGEMENT REPORT - DECEMBER 2018			
RANGE : >R 0 <R30 000 (FORMAL WRITTEN PRICE QUOTATIONS)			
Date	Doc No	Name of Supplier	Total Cost
04/12/2018	PO102488	JUS001 Just Write_Chерene Thompson	1 235,25
04/12/2018	PO102489	KEM001 Kempston Car Rental	986,96
05/12/2018	PO102490	HAR002 Harvery World Travel	12 111,93
05/12/2018	PO102491	AVIS Avis Rent a Car	1 068,35
GRAND TOTAL			15 402,49

CONTRACTS TERMINATED FOR THE MONTH ENDED 31 DECEMBER 2018

During the month of December 2018, one contract was terminated namely H2O TRUST t/a AVANTE WATER as the contract reached its termination date.

OPERATIONAL CONTRACTS

The following table reflects the existing operational tenders established in the 2018/2019 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	

OPERATIONAL TENDERS/PANELS			
CONTRACT NO / PURCHASE ORDER NO#.	PROJECT DESCRIPTION	START DATE	END DATE
PO102367/8	Hygiene Service - Bidvest Steiner East London	01-Nov-18	31-Jan-19
PO102126	Provision of Water Dispenser - H2O TRUST t/a AVANTE WATER	01-Nov-2016	31-Octo-18
	Lease PABX - TELKOM	23-Jan-2017	23-Jan-2022
	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	Active	Active
ASPIRE 007 - 2018	First Technology Distribution	Awaiting SLA Agreement	Awaiting SLA Agreement

INFRASTRUCTURE CONTRACTS/PROJECTS

The following table reflects the Entity's Infrastructure projects that are still active.

TENDER/ PROJECT NUMBER	PROJECT NAME	SUPPLIER PROVIDER	TOTAL CONTRACTUAL VALUE	CLOSING COMMITMENTS	ASPIRE COMMENTS
Regulation 32	Consulting company for the Alice Regeneration project Public Transport Hub upgrade	Siviwe Jayiya Construction	R13 526 113.68	R5 443 112.53	Active project

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 2018/19 financial year:

FINANCIAL YEAR	AMOUNT DEEMED AS IRREGULAR EXPENDITURE
2017/2018	R5 319 133
2018/2019	R2 606 249
TOTAL	R7 925 382

An amount of R5.3 million has been deemed irregular during the financial year ended 30 June 2018. This is resulting from a contract entered into utilising Regulation 32 where the AG found that there was no declaration of interest from the contractor being MBD4 form. The Alice Transportation Hub project is still under way. Treasury has been consulted to seek advise on how to ensure that such irregular expenditure is avoided going forward.

FRUITLESS AND WASTEFUL EXPENDITURE

The following table is a summary of the register for Fruitless and Wasteful Expenditure for the month ended 31 December 2018.

FINANCIAL YEAR	NATURE OF FRUITLESS AND WASTEFUL EXPENDITURE	AMOUNT DEEMED AS FRUITLESS AND WASTEFUL EXPENDITURE
2018/2019	Nil	Nil
TOTAL		R 0.00

DEVIATIONS AND BREACHES

DEVIATIONS (INCLUDING EMERGENCY PROCUREMENT) FOR THE MONTH OF DECEMBER 2018

There were no deviations approved for the month of December 2018.

Section 12 - Asset Management Report for the sixth month ended 31 DECEMBER 2018

During the month of December 2018 two laptops of the eleven were stolen in the possession of employees namely:

- Dell Inspiron 3567 i5 7200U - OTH0006346 - DJK4WN2
- Dell Inspiron 3567 i5 7200U - OTH0006347 - 7VJ4WN2

There have been no asset disposals during the month ending 31 December 2018.

INSURANCE CLAIMS FOR THE MONTH OF DECEMBER 2018

Two claims have been lodged during the sixth month ended 31 December 2018. The claims lodged consist of two laptops (Dell) that were stolen in the possession of employees.

CHIEF EXECUTIVE OFFICER'S QUALITY CERTIFICATION

I, N. Klaas, the Chief Executive Officer of Amathole Economic Development Agency, hereby certify that -

- the monthly budget statement

for the month of December (M05) of 2018/ 2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: **N. KLAAS**

Amathole Economic Development Agency

Signature:



Date: 09 January 2018