

Special Council (OPEN) Meeting

25 August 2025

Addendum 1 (Items moved from In-Committee to Open Agenda):

SECTION 2: FINANCE			
ITEM NO	SUBJECT	FILE REF	PG
C/2/303/08/25	REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE – THE OUTSTANDING ITEMS CONTAINED IN THE FRUITLESS AND WASTEFUL EXPENDITURE FROM 2018/19 TO 2024 / 25 FINANCIAL YEAR	5/15/5/1	3
C/2/304/08/25	REPORT ON IRREGULAR EXPENDITURE – FOR THE PERIOD OF 2015 TO 2025 FINANCIAL YEARS	5/15/5/1	25

SECTION 2

FINANCE

Section 2: Financial Services

ITEM C/2/303/08/25

REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE – THE OUTSTANDING ITEMS CONTAINED IN THE FRUITLESS AND WASTEFUL EXPENDITURE FROM 2018/19 TO 2024 / 25 FINANCIAL YEAR

Department: Finance
File Ref: 5/15/5/1

Demarcation: All Wards
Delegation: Council

Attachments: Annexure 1: The fruitless and wasteful expenditures for 2024/25 fin year,
Annexure 2: The expenditures for 2023 / 2024 referred to the Disciplinary Board
Annexure 3: The expenditures for 2020 / 2021 not yet reported to Council and MPAC
Annexure 4: The expenditures for 2019 / 2020 not yet reported to Council and MPAC
Annexure 5: The expenditures for 2018 / 2019 referred to the Disciplinary Board

Report from: Chief Financial Officer

Author: Manager: Supply Chain Management

Date: 12 August 2025

PURPOSE OF THE REPORT

To submit a report to Council on Fruitless and Wasteful Expenditures, since 2018/19 till 2024 / 2025 Financial Year.

BACKGROUND

Fruitless and wasteful expenditure is defined in section 1 of the MFMA as follows: “fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised (National Treasury, 2021). Such expenditures are referred to the Municipal Public Accounts Committee (MPAC) for investigation in line with Section 32 of the Municipal Finance Management Act (MFMA).

ANNEXURE 1 (Table 1): The table below depicts the fruitless and wasteful expenditure incurred during the 2024 / 2025 Financial Year.

The municipality incurred the expenditure amounting to R171 035,41 due to penalties and other charges imposed during the renewal of motor vehicle licenses. These expenditures were not yet reported to Council. The amount of R151 618.01 were incurred for the workmen’s compensation for interest and penalties charged for late payment for the assessment conducted in 2024/25 financial year. The reasons for these late payments emanated from the late submission of 2021/2022, 2022/2023 and 2023/2024 financial years. The reflected Assessments were only submitted during the

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2024/2025 Financial Year. There was also an amount incurred for R19 417,74 relating to penalties charged on vehicle renewal. Furthermore, there was an amount of R570,54 that was charged for interest on overdue account. This was for a late payment against an invoice for PetroSA for the landfill Site in Mossel Bay.

ANNEXURE 1 (Table 1): FRUITLESS AND WASTEFUL EXPENDITURE INCURRED IN 2024 / 2025 FINANCIAL YEAR				
Date of Payment	Description of Incident	Department	Amount	General Comments
25 Apr 2025	Motor Vehicle License renewal: Penalties and other charges were required to be paid which otherwise prohibited the renewal of licenses. Order 900012049	Fleet Management	6 853,20	
08 May 2025	Motor Vehicle License renewal: Penalties and other charges were required to be paid which otherwise prohibited the renewal of licenses. Order 900012138	Fleet Management	12 564,20	
23 Apr 2025	Mossel Bay Landfill Invoice - Payment made inclusive of interest charge on invoice. Order 900011912	Waste Management	570,54	
25 Jul 2025	Penalties: Compensation Commissioner: penalties raised because assessments for previous financial year only submitted in the 2024/2025FY.	Human Resource Management	151 618,01	
			171 605,95	

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ANNEXURE 2 (Table 2.1): The table below depicts the fruitless and wasteful expenditure incurred during the 2023 / 2024 Financial Year and were referred to the Disciplinary Board by Council.

The municipality incurred expenditure of R858 008,59 for the airport substation. The matter was tabled before council as per the Council Resolution C/4/101/06/23, where the expenditures were referred to the Disciplinary Board (DCB) for evaluation and assessment and for the DCB to provide a recommendation to Council. However, for these expenditures, there is no trace that the DCB has dealt with the items neither their recommendations were provided to Council for a decision.

ANNEXURE 2 (Table 2.1): FWE incurred during the 2023 / 2024 FY and referred to the Disciplinary Board by Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
25 Apr 2017	Airport Substation: SCM/2017/86/COMM	Fire Division	248 524,75	Identified by AGSA during audit
18 May 2017	Airport Substation: SCM/2017/86/COMM	Fire Division	467 204,38	Identified by AGSA during audit
26 Jun 2017	Airport Substation: SCM/2017/86/COMM	Fire Division	142 279,46	Identified by AGSA during audit
			858 008,59	

ANNEXURE 2 (Table 2.2): The table below depicts the fruitless and wasteful expenditure incurred during the 2023 / 2024 Financial Year and were referred to Council for write-off. (To be dealt with later)

In the previous council resolution: C1/311/03/25 an amount of R409 019,42 was tabled before Council a write-off . This amount was related to the penalties of SARS for the late payment for the EMP201 dated Based on the council resolution, it was resolved to write off the R 380 068.58 from the R409 019,42 and the balance of R28 950,84 was not written off. Therefore, the balance of R28 950,84 requires Council to resolved on this expenditure which was also related to the penalties of SARS for the EMP201 dated This item recommends Council to write off the amount of R28 950,84. It should be stated that the referred amount should not be confused with the R19 000,00 that is still due for consequence management.

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ANNEXURE 2 (Table 2.2): FWE incurred during the 2023 / 2024 FY and referred to Council for Write-Off				
Date of Payment	Description of Incident	Department	Amount	General Comments
22 Sept 2023	PAYE, SDL & UIF Penalties & Interest. The EMP 201 was submitted in August 2023 before the due date of the 07th September 2023 but the actual payment to SARS was not processed. Only processed on the 22nd of September 2023. A request for suspension of paymnet was lodged with SARS and in July 2024 and it was declined by SARS so the reason why paymnet only done in 2024FY financial year.	Finance	28 950,84	Municipality paid the amount as it was reflected on the Fruitless & Wasteful Expenditure (40 019.42) and SARS reversed the whole amount in which it was offset against the February 2025 EMP201 PAYMENT. The R 380 068.58 is the penalties as per the SARS Statement of Account on the submitted amount. In other words the whole amount of R409 019.42 was supposed to have been reversed. However, only the amount of R380 068,58 was written off by Council.
			28 950,84	

ANNEXURE 2 (Table 2.3): The table below depicts the fruitless and wasteful expenditure incurred during the 2023 / 2024 Financial Year and referred to the Municipal Manager for consequence management.

The municipality incurred expenditure amounting to R5 500,00 relating to storage fees for the council's a motorbike that was not collected timeously after repairs were completed. The expenditure was tabled to Council, where it was resolved that the Municipal Manager to implement consequence management per Council Resolution C/1/274/12/24. From these expenditures, there is no trace that the consequence management have been implemented, where applicable, with a report back to Council.

ANNEXURE 2 (Table 2.2): FWE incurred during the 2023 / 2024 FY and referred to the Municipal Manager for Consequence Management				
Date of Payment	Description of Incident	Department	Amount	General Comments
18 May 2017	Storage Fees for the meter reading motorbike	Fire Division	5 500,00	Identified by AGSA during audit
			5 500,00	

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ANNEXURE 3 (Table 1): The table below depicts the fruitless and wasteful expenditure incurred during the 2020 / 2021 Financial Year and not reported to Council and MPAC.

The municipality incurred an expenditure of R102 577,12 for services rendered to the municipality without the procurement processes being followed. The expenditure of R64 558,12 was incurred on storage fees following a municipal vehicle that was taken in for service and not collected timeously. The expenditure of R38 019,00 was incurred following a late payment against PowerHouse Strategies account. The Item recommends that Council should refer the below expenditures to MPAC for further investigation.

ANNEXURE 3 (Table 1): FWE incurred during the 2020 / 2021 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
22 Jan 2021	Interest charged by Powerhouse Strategies for late payment of account. The service provider conducted a workshop for the municipality without payment being effected.	Office of the Municipal Manager	38 019,00	Powerhouse Strategies conducted a workshop for the municipality without payment being effected.
19 Feb 2021	Chev Aveo, CX 31495 was taken to Knysna Nissan for repairs due to engine problem. The strip and quote was performed on the engine and was discovered to be irreparable.	Fleet Management	64 558,12	The vehicle left at Knysna Nissan where the workshop started charging R150 per day for storage. The initial invoice amounted to R88 377.47 but adjusted to R64 558.12 on condition that payment is effected on/before 28 Feb 2021
			102 577,12	

ANNEXURE 4 (Table 4.1): The table below depicts the fruitless and wasteful expenditure incurred during the 2019 / 2020 Financial Year and not reported to Council and MPAC.

The municipality incurred the expenditure of R103 326,83 and R54 438,35 on the secondment payments of, and time or hours not worked by Mr Van Rooyen, respectively. According to Human Resource Management Division, an investigation was conducted on/about May 2019. However, no evidence could be demonstrated that the municipality attempted to recover the referred debt within the prescribed period. With reference to the Prescription Act, No 68 of 1969, the law states that sets out various timeframes within which legal claims must be pursued for a debt to remain enforceable. According to the referred Act, a debt is prescribed if during the past three years, the debtor (i) did not admit to owing on the debt, either verbally or in writing; or (ii) have not made payment towards the outstanding amount; or (iii) summons not issued and served. The latter connotes that if a creditor doesn't take the necessary steps to recover a debt within the prescribed period, the debt can become legally unenforceable.

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It is on those bases that Council should consider to write-off the debt of R103 326,83 and R54 438,35 registered under Mr Manfred Van Rooyen.

ANNEXURE 4 (Table 4.1): FWE incurred during the 2019 / 2020 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
	Salary payments for Secondments of Mr Manfred Van Rooyen	Office of the Municipal Manager	103 326,83	Investigation Report dated 14 May 2019 and implemented about Oct 2019. Funds under recovery process.
22 Nov 2019	Salary payment for time not worked of Mr Manfred Van Rooyen	Fleet Management	54 438,35	Investigation Report dated 14 May 2019 and implemented about Oct 2019. Funds under recovery process.
			157 765,18	

ANNEXURE 4 (Table 4.2): The table below depicts the fruitless and wasteful expenditure incurred during the 2019 / 2020 Financial Year and not reported to Council and MPAC.

The municipality incurred the expenditure of R8 198,42 following the termination of temporary contracts of both Mrs B September and Mr T.E Van Wyk. The matter was referred to Bargaining Council, where the employees were permanently and retrospectively reinstated with interest charged on their settlement amounts. The referred interest charged against the settlement amount were calculated at R4 063,59 for Mrs September and R4 134,83 for Mr T.E Van Wyk. The Item recommends that Council to write-off the interest as the decision toward the termination of contracts were neither that of Human Resource Management nor Expenditure Management.

The municipality incurred expenditure relating to the late payment of PetroSA to the amount of R7 275.23, where the municipality is utilizing the services of PetroSA Landfill Site in Mossel Bay for refuse disposal. It is unfortunate that the Project Manager has already left the employment of Bitou, where the recovery process might be a challenge. The Item recommends that Council should consider writing-off the interest of R7 275,23.

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ANNEXURE 4 (Table 4.2): FWE incurred during the 2019 / 2020 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
20-Jan-20	Interest charged per Bargaining Council's Award – Ms Beverley September	HRM	4 063,59	Salary Instruction dated 20 Aug 2019
20-Jan-20	Interest charged per Bargaining Council's Award – Mr T Van Wyk	HRM	4 134,83	Salary Instruction dated 20 Aug 2019
01-Apr-20	Interest charged on PetroSA account – Invoice #90293381 dd 14/02/2020	Waste Management	7 275,23	Interest charged on Nov & Dec 2019 overdue accounts
			15 473,65	

ANNEXURE 4 (Table 4.3): The table below depicts the fruitless and wasteful expenditure incurred during the 2019 / 2020 Financial Year and not reported to Council and MPAC.

The municipality incurred the expenditure of R17 017,97 following a late payment against the rental of a motor vehicle. From the records, it is submitted that there was a huge misunderstanding between Fleet Management and the Office of the Municipal Manager as to who should budget for said vehicle. This resulted in the account being not timeously paid and subsequently an interest being charged on the overdue account.

The municipality incurred the expenditure of R451,97 following late payments against the electricity accounts for municipal Flats, No. 1 and No. 2, located above Shoprite in the Main Street. During the month of June 2020, the electricity account reflected interest of R311,43 for Flat #1 and R140,54 for Flat #2. However, the referred interest had to be paid to avoid electricity being disconnected by the service provider. Even though the referred amounts are trivial, they had to be reported in line with MFMA Circular 68 issued on 10 May 2023. The Item recommends that Council to consider referring the matter to MPAC for further investigation.

ANNEXURE 4 (Table 4.3): FWE incurred during the 2019 / 2020 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
26-Jun-20	Interest charged on Avis Car Rental account – Statement #BITMUNTEN dd 01/06/2020.	Fleet	17 017,97	Interest paid to clear account. Service contract terminated.
28-Jul-20	Interest charged on Vula Energy account – #6918, Flat 01 dd 28/06/2020.	Property Management	311,43	Interest paid to avoid electricity services being terminated.
28-Jul-20	Interest charged on Vula Energy account – #8418, Flat 02 dd 28/06/2020.	Property Management	140,54	Interest paid to avoid electricity services being terminated.
			17 469,94	

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ANNEXURE 4 (Table 4.4): The table below depicts the fruitless and wasteful expenditure incurred during the 2019 / 2020 Financial Year and not reported to Council and MPAC.

The municipality incurred the expenditure of R2 552 322,00 following an Arbitration Award in favour of Mkon Construction, in the matter between Mkon Construction and Bitou Municipality. The information relating to the expenditure has been attached. For additional information, both Legal and Integrated Human Settlement Divisions can be consulted. It should be noted that the expenditure was classified by AGSA as a Fruitless and Wasteful Expenditure during audit per ComAF #9. It is on those bases that the transaction had to be included in the Fruitless and Wasteful Expenditure. The Item recommends that Council should refer the matter on hand to MPAC for further investigation.

ANNEXURE 4 (Table 4.3): FWE incurred during the 2019 / 2020 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
28-Aug-20	Payment to Mkon Construction classified as Fruitless and Wasteful Expenditure by AGSA per ComAF #9	Legal	2 552 322,00	Arbitration Award against Bitou Municipality in relation to the construction of Top Structures in Kwanokuthula Phase 4 with a possible of 441 Units.
			2 552 322,00	

ANNEXURE 4 (Table 4.5): The table below depicts the fruitless and wasteful expenditure identified that is relating to the prior years but not reported (referred to as COMAF 36 information):

As per the register there is an expenditure amounting to R974 218,00 that was identified during the audit per ComAF #9. However, with reference to the referred finding, AGSA has observed that the municipality has awarded contract, number SCM/2020/48/COMM for the Clearing of Illegal Dumps, to the supplier under investigation. It needs to be pointed out that the referred contract was a panel where the affected was no trace that this transaction has served before Council as there is no Council Resolution for confirmation.

ANNEXURE 4 (Table 4.4): FWE incurred during the 2019 / 2020 FY and not reported (referred to as COMAF 36 information)				
Date of Payment	Description of Incident	Department	Amount	General Comments
	COMAF 36 information		974 218,00	Identified by the AGSA
			974 218,00	

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ANNEXURE 5 (Table 5.1): The table below depicts the fruitless and wasteful expenditure of 2018 / 2019 referred to Disciplinary Board by MPAC but were never tabled to Council with Recommendations.

The below amount of R287 733,02 was reported to MPAC, where MPAC referred to Disciplinary Board for evaluation and assessment to provide recommendations to Council. However, for these expenditures, there is no trace that the Disciplinary Board have dealt with them neither their recommendations were provided to Council for a decision.

ANNEXURE 5 (Table 5.1): FWE incurred during the 2018 / 2019 FY and referred to Disciplinary Board by Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
19 Nov 2018	Payment to Urshie's Enterprises after the cancellation of Heritage Day Celebration of 24 Sept 2018, Invoice 27 dated 25/09/2018.	Office of the Municipal Manager	16 399,80	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
15 Jan 2019	Payment to SARS due to USB drive being deactivated. This resulted to payments not being able to be processed and approved on Nedbank.EMPISA dated 15/01/2019	Expenditure (Payroll)	261 332,53	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
28 May 2019	Payment to SARS as a result of the Bargaining Council ruling over the reinstatement of airport personnel. The amount was journalized by SARS into the municipality's account. A call was logged as per Reference Number: 314177331 but turned down.EMPISA dated 28/05/2019 - (capital amount R9 190.87 plus interest amounts R103.24+203.58).	Expenditure (Payroll)	9 497,69	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
14 Jun 2019	SABC TV License not paid timeously. Acc #: 430609743	Libraries	503,00	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
			287 733,02	

ANNEXURE 5 (Table 5.2): The table below depicts the fruitless and wasteful expenditure incurred during the 2018 / 2019 Financial Year and not reported to Council and MPAC.

The expenditure was identified by the Auditor-General SA during audit. The municipality sourced the assistance of a management expert to assist in reconciling the Housing Project Reconciliation. A final account reconciliation has not been received from the expert yet. A report will be tabled in Council once the reconciliation exercise has been completed.

ANNEXURE 5 (Table 5.2): FWE incurred during the 2018 / 2019 FY and not reported to Council and MPAC				
Date of Payment	Description of Incident	Department	Amount	General Comments
	Housing Project – the amount was picked up by AGSA during audit, as a result, no documentation exists the specific balance except for the Management Report. AGSA Management Report of 2018/19	Housing	357 949,00	Identified by the AGSA - Management Report of 2018 / 2019
			357 949,00	

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Financial Implication

The expenditure to be submitted to Council are as follows: -

Activity	Reference	Amount
Matters referred to the Municipal Manager for consequence management	ANNEXURE 2, TABLE 2.3 ABOVE	R5 500,00
Matters referred to Disciplinary Board but not reported back to Council with the recommendations.	ANNEXURE 2, TABLE 2.1, AND ANNEXURE 5, TABLE 5.1	R1 145 741,61
Matters reported to Council for write-off	ANNEXURE 2, TABLE 2.2, AND ANNEXURE 4, TABLE 4.1 & 4.2 ABOVE	R219 659,61
Matters identified for prior years but not reported to Council.	ANNEXURE 3, AND ANNEXURE 4, TABLE 4.3 & 4.4 ABOVE	R2 857 079,23

The above expenditure will form part of the municipality's action plan towards addressing the outstanding Fruitless and Wasteful Expenditure.

LEGISLATIVE FRAMEWORK

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003),
Municipal Supply Chain Management Regulations,
Bitou Municipality's Supply Chain Management Policy,
National Treasury, Circular Number 68 updated 13 Oct 2021.

RECOMMENDED BY THE ACTING MUNICIPAL MANAGER

1. That Council notes the attached Fruitless and Wasteful Expenditure amounting to R171 605,95 for the period under review of 2024/25 financial year. Council refers the matter to MPAC for further investigations. **[Refer to Annexure 1 (Table 1)].**
2. That Council notes the attached Fruitless and Wasteful Expenditure amounting to R2 857 079,23 for the prior financial years. **Council to refer the matters to MPAC for further investigations. [Refer to Annexure 3 and Annexure 4 (Table 4.3 and 4.4)].**
3. That Council notes the attached Fruitless and Wasteful Expenditure amounting to R219 659,61 for the prior years. **The recommendation is made for the referred amount to be written off. [Refer to Annexure 2 (Table 2.2 and Annexure 4 (Table 4.1 and 4.2)].**
4. That Council notes the attached Fruitless and Wasteful Expenditure amounting to R1 145 741,61 that were referred to Disciplinary Boards but never reported back to Council with recommendations.

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5. That Council refers the matters in recommendation 4 above to the Disciplinary Board for consideration and recommendations. The Municipal Manager to implement the instruction within sixty (60) days after the date of the Council resolution. **[Refer to Annexure 2 (Table 2.1) and Annexure 5 (Table 5.1)]**.
6. Council referred to the Fruitless and Wasteful Expenditure amounting to R5 500,00 to the Municipal Manager to implement consequence management. The Municipal Manager to implement the instruction within thirty days (30) days after the date of the Council resolution. **[Refer to Annexure 2 (Table 2.3)]**.

ANNEXURE 1 (Table 1): FRUITLESS AND WASTEFUL EXPENDITURE INCURRED IN 2024 / 2025 FINANCIAL YEAR				
Date of Payment	Description of Incident	Department	Amount	General Comments
25 Apr 2025	Motor Vehicle License renewal: Penalties and other charges were required to be paid which otherwise prohibited the renewal of licenses. Order 900012049	Fleet Management	6 853,20	
08 May 2025	Motor Vehicle License renewal: Penalties and other charges were required to be paid which otherwise prohibited the renewal of licenses. Order 900012138	Fleet Management	12 564,20	
23 Apr 2025	Mossel Bay Landfill Invoice - Payment made inclusive of interest charge on invoice. Order 900011912	Waste Management	570,54	
25 Jul 2025	Penalties: Compensation Commissioner: penalties raised because assessments for previous financial year only submitted in the 2024/2025FY.	Human Resource Management	151 618,01	

171 605,95

Annexure 2

ANNEXURE 2 (Table 2.1): FWE incurred during the 2023 / 2024 FY and referred to the Disciplinary Board by Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
25 Apr 2017	Airport Substation: SCM/2017/86/COMM	Fire Division	248 524,75	Identified by AGSA during audit
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ANNEXURE 2 (Table 2.2): FWE incurred during the 2023 / 2024 FY and referred to the Municipal Manager for Consequence Management				
Date of Payment	Description of Incident	Department	Amount	General Comments
18 May 2017	Storage Fees for the meter reading motorbike	Fire Division	5 500,00	Identified by AGSA during audit

5 500,00

ANNEXURE 3 (Table 1): FWE incurred during the 2020 / 2021 FY and not reported to Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
22 Jan 2021	Interest charged by Powerhouse Strategies for late payment of account. The service provider conducted a workshop for the municipality without payment being effected.	Office of the Municipal Manager	38 019,00	Powerhouse Strategies conducted a workshop for the municipality without payment being effected.
19 Feb 2021	Chev Aveo, CX 31495 was taken to Knysna Nissan for repairs due to engine problem. The strip and quote was performed on the engine and was discovered to be irreparable.	Fleet Management	64 558,12	The vehicle left at Knysna Nissan where the workshop started charging R150 per day for storage. The initial invoice amounted to R88 377.47 but adjusted to R64 558.12 on condition that payment is effected on/before 28 Feb 2021

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Date of Payment	Description of Incident	Department	Amount	General Comments
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ANNEXURE 4 (Table 4.2): FWE incurred during the 2019 / 2020 FY and not reported to Council				
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17 469,94

ANNEXURE 4 (Table 4.4): FWE incurred during the 2019 / 2020 FY and not reported to Council				
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2 552 322,00

ANNEXURE 4 (Table 4.5): FWE incurred during the 2019 / 2020 FY and not reported (referred to as COMAF 36 information)				
Date of Payment	Description of Incident	Department	Amount	General Comments
	COMAF 36 information		974 218,00	Identified by the AGSA

974 218,00

ANNEXURE 5 (Table 5.1): FWE incurred during the 2018 / 2019 FY and referred to Disciplinary Board by Council				
Date of Payment	Description of Incident	Department	Amount	General Comments
19 Nov 2018	Payment to Urshie's Enterprises after the cancellation of Heritage Day Celebration of 24 Sept 2018, Invoice 27 dated 25/09/2018.	Office of the Municipal Manager	16 399,80	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
15 Jan 2019	Payment to SARS due to USB drive being deactivated. This resulted to payments not being able to be processed and approved on Nedbank.EMPSA dated 15/01/2019	Expenditure (Payroll)	261 332,53	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
28 May 2019	Payment to SARS as a result of the Bargaining Council ruling over the reinstatement of airport personnel. The amount was journalized by SARS into the municipality's account. A call was logged as per Reference Number: 314177331 but turned down.EMPSA dated 28/05/2019 - (capital amount R9 190.87 plus interest amounts R103.24+203.58).	Expenditure (Payroll)	9 497,69	MPAC recommended that the matter be referred to the disciplinary board for further investigation.
14 Jun 2019	SABC TV License not paid timeously. Acc #: 430609743	Libraries	503,00	MPAC recommended that the matter be referred to the disciplinary board for further investigation.

287 733,02

ANNEXURE 5 (Table 5.2): FWE incurred during the 2018 / 2019 FY and not reported to Council and MPAC				
Date of Payment	Description of Incident	Department	Amount	General Comments
	Housing Project – the amount was picked up by AGSA during audit, as a result, no documentation exists the specific balance except for the Management Report. AGSA Management Report of 2018/19	Housing	357 949,00	Identified by the AGSA - Management Report of 2018 / 2019

357 949,00

ITEM C/2/304/08/25

**REPORT ON IRREGULAR EXPENDITURE –FOR THE PERIOD OF 2015 TO 2025
FINANCIAL YEARS**

Department: Finance

Demarcation: All Wards

File Ref: 5/15/5/1

Delegation: Council

Attachments: Annexure A: The irregular expenditures for 2024/25 fin year, page 3 of the Report

Annexure B: The expenditure previously condoned by Council but never written off, page 4 – 6 of the Report

Annexure C: The expenditures referred to Disciplinary Board, page 6 – 7 of the Report

Annexure D: The expenditures referred to Disciplinary Board but no trace that they were brought back Council, page 7 – 12 of the Report

Annexure E: The expenditures referred to Authorities such as SAPS etc, page 13 – 13 of the Report

Annexure F: The expenditures referred by the Municipal Manager to Authorities such as SAPS etc, page 13 – 14 of the Report

Annexure G: The expenditures identified for recoveries from affected employees, page 14 – 16 of the Report

Annexure H: The expenditures identified for reporting during this period that relates to prior years, page 16 – 31 of the Report

Annexure I: The expenditures referred by Council to MPAC, page 31 – 33 of the Report

Report from: Chief Financial Officer

Author: Manager Supply Chain Management

Date: 22 August 2025

PURPOSE OF THE REPORT

To submit a report to Council for the Irregular Expenditure, in lieu of 2015 to 2025 Financial Years.

BACKGROUND/DISCUSSION

According to Section 1(a) of the Municipal Finance Management Act (Act No 53) of 2003, “Irregular Expenditure is defined as expenditure incurred in contravention of, or that is not in accordance with, a requirement of this act, and which has not been condoned in terms of section 170 of the MFMA. Such expenditures occurs when the following regulatory frameworks are not followed when making

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any procurements: procurement regulation, the Bitou Supply Chain Management Policies, National Treasury SCM Regulations, as well as the Preferential Procurement Policy Framework Act (Act No 5) of 2000 (National Treasury, 2000).

On 27 June 2025, the WC Provincial Treasury's Supply Chain Management Section conducted their Mid-Year Assessment on the Bitou Municipality. Additionally, both Treasury and CoGTA facilitated an UIFWE and Consequence Management Training for MPAC and Disciplinary Board that was held in the Bitou Council Chambers on 22 July 2025. In both the referred sessions, the municipality's escalated Irregular Expenditure was discussed. Furthermore, the municipality was urged to prioritize on its Irregular Expenditure and report on the progress (to both National and Provincial departments).

Exposition of Facts

The irregular expenditure is historical since 2016/17 till the 2022/23 financial year. These items were dealt with till 2015/16 financial year the opening balance was only R45 075. These additional expenditures started to increase drastically and there were never dealt adequately to resolved them completely through all the processes of reporting to Council and investigations by MPAC and concluding the matters till the annual financial statements process of writing off. This required a thorough analysis of interrogating the data and vouchers to substantiate the incidences and the resolutions from the various committees and the boards.

It should be mentioned that Bitou MPAC has outstandingly performed its functions in a manner that it facilitated a smooth process whereby Council took decisions on issues on non-performance, write-offs, recoverable, and consequence management applied toward personnel. The municipality incurred irregular expenditures for the 2024/25 financial year amounts to R431 278,75, as reflected below. These expenditures stem from the procurement of goods and services where there is no trace or evidence of any procurement process that was followed when incurring such expenditures as well as the overpayment of a service provider more than the contractual obligation.

ANNEXURE A (Table 1): The table below depicts the irregular expenditure incurred for the 2024/25 financial year:

There were irregular expenditures that were incurred for Isolomzi Security Services amounting to R394,285.55 which were paid over and above the contract rates. These expenditures were approved for payments without any evidence of amendments to the contract by both parties. The amounts for Bidvest Steiner amounting to R7 093.20 were claimed for work done as per the municipality's request, however, no procurement process was demonstrated to source these services. The amount of R29 900,00 for Laduma Sports were paid for no trace of services or goods that were delivered, and these payments were made due to litigation threats by the service provider for have delivered the goods to the municipality

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Table 1

ANNEXURE - A- IRREGULAR EXPENDITURE INCURRED FOR THE 2024/25 FINANCIAL YEAR									
Order No	Description of Incident	Supplier / Service Provider	Department	Date of payment	Tax invoice date	Tax Invoice #	Person Responsible	Amount	General Comments
29 Aug 2024	Purchasing of PPE	Laduma Sports	Corporate Services	Corporate Services	29/08/2024	7402	A. Namntu	29 900,00	Procurement of corporate clothing without SCM processes.
01 Jul 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/07/2024	GRGREIN018 3879	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Aug 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/08/2024	GRGREIN018 4890	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Sep 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/09/2024	GRGREIN018 5899	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Oct 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/10/2024	GRGREIN018 6984	J. Basson	1 773,30	Procurement of pest control without SCM processes.
May 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	156 944,56	Invoices approved for payment in excess of contract amount
June 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	128 931,03	Invoices approved for payment in excess of contract amount
July 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	108 409,96	Invoices approved for payment in excess of contract amount
								431 278,75	

ANNEXURE B (Table 2.1): The table below depicts the irregular expenditure condoned by Council but were never written off in the AFS of the previous years:

The municipality previously condoned the expenditures from 2015/16 to 2023/24 financial years. The intention of the municipal Council may have been to write off said amounts, but it was never resolved as such, as the amounts were only condoned. It should be emphasized that the condonement of irregular expenditures can only be done by National Treasury in terms of section 170 of the MFMA. Council is required to correct the wording used as per the previously council resolutions to effect the write offs of these expenditures be approved. These expenditures amounting to R2 118 213,00 are still not written off in the Annual Financial Statements. Only after the council has corrected the resolution, can these balances be written off.

Annexure B (2.1) - Irregular expenditure condoned by Council but were never written off

Incident	Status of Disciplinary Steps / Criminal Proceedings	Amount
Legal Fees for Property Transfer Fees of Low-Cost Houses in favour of Nandi BulaBula	Condoned by Council	56 210,00
The procurement of Pest Control and Hygiene Services to all Municipal departments without following a competitive bidding process	Condoned by Council	145 022,04
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	10 409,70
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	51 925,08
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	5 239,80
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	9 078,70
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	3 552,00
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	2 467,50
The procurement of forensic investigation services without complying with Section 19 of the SCM Policy or the Regulations on Financial Misconduct from DE SWART VOGEL MYAMBO ATTORNEYS.	Condoned by Council	1 729 097,03
The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	98 781,55
SOUTHERN CAPE FIRE PROTECTION ASS. Procurement without following due process.	Condoned by Council	6 429,60
		2 118 213,00

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ANNEXURE B (Table 2.2): The table below depicts the irregular expenditure reported to Council and condoned but were never written off in the AFS of the previous years:

The Bitou Council per the resolution C/1/97/08/18 has written-off Irregular Expenditure that was initially referred as ‘Condoned’. However, the below transactions amounting to R719 264 were included in the irregular expenditure register and included in amounts taken to council for the write-offs as per resolution C/1/97/08/18. It should be mentioned that these amounts were not written off like the ones resolved by council for a write-off. Additionally, they were not even resolved for any referrals. Therefore, these amounts should be treated on the same basis as the previously written-off amounts contained in the council resolution C/1/97/08/18.

POTENTIAL IRREGULAR EXPENDITURE INCURRED AND CONDONED BY COUNCIL								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
The procurement of funeral services for the Late Councillor NC Jacob	Uviwe Funeral Services	Corporate Services	Cllr. Jacob	G. Groenewald	33 208,70	4 981,30	38 190,00	Condoned by Council. The expenditure still needs to be written off.
Car Rental	Avis Rent a Car	Various Departments	Various	G. Groenewald	46 647,83	6 997,17	53 645,00	Condoned by Council. The expenditure still needs to be written off.

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Comaf 35-non-compliance with Section 18(c) of the MSCMR	Tolo N Miles	Community Services		M Siko	31 666,00	-	31 666,00	Condoned by Council. The expenditure still needs to be written off.
Provision of additional Catering Services for Traffic Chief Forum 5&6 December 2019, after the scope of the procurement process was extended without following due process	Gcanga Event & Décor	Community Services	64	Sakati A	3 043,48	456,52	3 500,00	Condoned by Council. The expenditure still needs to be written off.
Section 32:SCM/2019/83/ENG-Strip and Repair of Pumps, Mixers and Electric Motors, Contract: 75-17/18 awarded by Mossel Bay Municipality	Coastal Armature Winders and Suppliers cc	Engineering Services	185248, 185249, 185250, 185251, 185501	Cupido J			587 502,00	Condoned by Council. The expenditure still needs to be written off.
Section 32: SCM/2019/82/ENG-Perform Electrical and Associated works, Contract: T52: 2017/18 awarded by Knysna Municipality	Coalition Trading 879 cc t/a B Spark Electrical	Engineering Services	185151, 185152, 185153, 186566, 389139	Cupido J				Condoned by Council. The expenditure still needs to be written off.
Container Hire for April- May 2020 for Revenue Section	Ravenswood Trading and Investment	Finance	123724, 123921, 123725, 123922	S Daniels	4 140,00	621,00	4 761,00	Condoned by Council. The expenditure still needs to be written off.
							719 264,00	

ANNEXURE C (Table 3): The table below depicts the irregular expenditure referred to Disciplinary Board by Council but were never brought back to Council for a Recommendations:

The above amount of R900 251.49 was tabled before council as per the resolution C/1/156/06/23, these expenditures were referred to the disciplinary board for evaluation and assessment for the DC to provide a recommendation to Council. However, for these expenditures, there is no trace that the DC Board have dealt with them neither their recommendations were provided to Council for a decision.

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Annexure C (Table 3) IRREGULAR EXPENDITURE INCURRED AND REFERRED TO THE DISCIPLINARY BOARD								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	956	L. Loliwe	375 182,61	56 277,39	431 460,00	Must be referred to disciplinary board C/1/156/06/23
Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	968	M.P Mpahlwa	121 913,04	18 286,96	140 200,00	Must be referred to disciplinary board C/1/156/06/23
Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	6934	M.P Mpahlwa	96 716,70	14 507,50	111 224,20	Must be referred to disciplinary board C/1/156/06/23
Legal fees for professional services: Section 19- Competitive Bidding not followed	Boqwana Burns	Corporate Services	1769	Loliwe L	22 320,00	3 348,00	25 668,00	Must be referred to disciplinary board C/1/156/06/23
Legal fees for professional services: Section 19- Competitive Bidding not followed	Boqwana Burns	Corporate Services	1827	Loliwe L	20 520,00	3 078,00	23 598,00	Must be referred to disciplinary board C/1/156/06/23
Land use planning application, Erf 156, Plettenberg Bay, Section 62(1) Appeal: Section 19- Competitive Bidding not followed	De Swardt Myambo Attorneys	Corporate Services	6939	L Loliwe	146 175,03	21 926,26	168 101,29	Must be referred to disciplinary board C/1/156/06/23
							900 251,49	

ANNEXURE D (Table 4.1): The table below depicts the irregular expenditure reported to Council but no trace of any preceding action to follow afterwards:

The below amount of R1 493 816.85 was tabled before council as per the resolution C/1/97/08/18. However, there is no evidence of appropriate action to be followed after the report was tabled to Council. The Bitou Council needs to provide with instruction after the submission of these expenditures.

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Annexure D (Table 4.1) - Irregular expenditure condoned by Council but were never written off		
Incident	Status of Disciplinary Steps / Criminal Proceedings	Amount
Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	8 939,10
Rental of Office Accommodation beyond the contract end date without extending the contract in terms of MFMA Section 116(3) in favour of Home Plett Properties	Reported to Council	31 035,00
Procurement of Rental Vehicle for M van Rooyen without following due SCM Process from Avis	Reported to Council	16 936,45
Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	16 819,90
Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	1 378,96
The procurement of a rental vehicle from Eco Car Hire for the Executive Mayor, repeatedly on a two-week cycle for longer than 12 weeks, after undue delays experienced with the processing of an insurance claim. The expenditure incurred in terms of weeks 9-10 (12-26 October 2017) deemed irregular expenditure as the delays lead to the splitting of procurement in order to avoid a Formal Written Price Quotation process.	Reported to Council	27 538,00
Attending a Fraud & Corruption Conference without following a Procurement Process, hosted by Spectacular Training & Conferences in Cape Town over 09-10 November 2017	Reported to Council	7 968,60
The procurement of Catering Services for the Provincial Public Participation & Communication Forum Meeting, at The Dunes without following the appropriate procurement processess.	Reported to Council	19 200,00
The procurement of Catering Services for the Provincial Public Participation & Communication Forum Meeting, at The Dunes without following the appropriate procurement processess.	Reported to Council	14 700,00
The procurement of Catering Services for the Ward Committee Workshop and End of Year Function, at The Dunes without following the appropriate procurement processess.	Reported to Council	25 600,00
The procurement of a rental vehicle from Eco Car Hire for the Executive Mayor, repeatedly on a two-week cycle for longer than 12 weeks, after undue delays experienced with the processing of an insurance claim. The expenditure incurred in terms of weeks 11-12 (27 October to 10 November 2017) deemed irregular expenditure as the delays lead to the splitting of procurement in order to avoid a Formal Written Price Quotation process.	Reported to Council	27 538,00
Transfer of Grant Funding to Plett Tourism for Local Events & Initiatives Support in contravention of 67 of the MFMA and without Approval by Council	Reported to Council	325 000,00
The procurement of Legal Services in various legal matters from Hutchinson, Du Plessis, Robin & Stoloff without following a competitive bidding process	Reported to Council	171 651,91
Placing of Municipal Notice regarding the Removal of Restrictive Conditions of Erf 181, Natures Valley without obtaining 3 quotations in the What's New in Plett, published by the Printshop	Reported to Council	2 975,40

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The appointment of a Legal Advisor in the matter of BLM vs Municipal Manager, TC Ndlovu, and Head of Corporate Services, VJ Mbelani without following a competitive bidding process as required in terms of Section 19 Supply Chain Policy. Due to the limited timeframe allowed by the Regulations, it was impractical and impossible to follow the authorised procurement process	Reported to Council	234 493,87
Conversion of fixed frame windows into open windows for ventilation of Offices 65, 66, 67 & 68 at Melville's Corner without obtaining 3 quotations as required per Section 17 of the SCM Policy, from Kuyakhana Glass (Pty) Ltd	Reported to Council	15 892,90
Repair of window frame and glazing at Kranshoek Library without obtaining 3 quotations as required per Section 16 of the SCM Policy from Shauna's Glass	Reported to Council	2 670,89
Grant transfer for the Mayoral Easter Tournament to the Bitou Sports Council without complying with Section 67 of the MFMA	Reported to Council	400 000,00
The procurement of a rental car for M Gqodwana for the period 18 July to 18 August 2017 without obtaining 3 quotations as required per Section 17 of the SCM Policy, from Avis Rent A Car	Reported to Council	18 679,14
Legal Services in the matter BLM vs T Ndlovu without following a competitive bidding process in terms of Section 19 of the SCM Policy	Reported to Council	88 404,77
The Project Manager failed to ensure that the service provider, Shorts Nissan, adhere to the terms of the contract by sub-contracting works. Also that the Project Manager failed to ensure that the service provider only provide parts from an OEM and only added the mark-up to any price that the BLM might have paid if we had direct dealings with such an OEM.	Reported to Council	11 616,94
Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 869,02
Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	3 398,00
Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 600,00
Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 460,00
Procurement of construction services without obtaining 3 quotations and failing to apply the contractors appointed for the purpose	Reported to Council	13 450,00
		1 493 816,85

ANNEXURE D (Table 4.2): The table below depicts the irregular expenditure referred to for investigations, but no recommendations were provided back to Council:

The below amount of R15 048 619,30 was tabled before council as per the resolution C/1/97/08/18, these expenditures were referred to administration for investigation. However, for these expenditures, there is no trace that the matters were dealt with, and recommendations provided to Council for a decision

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Annexure D (Table 4.2) IRREGULAR EXPENDITURE INCURRED AND UNDER INVESTIGATION								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
Section 17- Competitive bidding processes not followed	Kuaco Group (Pty) Ltd	Community Services	111245	J. Sijama	117 388,00	17 608,20	134 996,20	
Section 17- Competitive bidding processes not followed	Kuaco Group (Pty) Ltd	Community Services	240322	J. Sijama	152 834,50	22 925,17	175 759,67	
Section 17- Competitive bidding processes not followed	Kuaco Group (Pty) Ltd	Community Services	280422	J. Sijama	214 813,00	32 221,95	247 034,95	
Non-compliance with Section 13(b) and Section 43 of the MSCMR	Kuaco Group (Pty) Ltd	Engineering Services		L. Notshokovu- J.Sijama	3 288 085,91	493 212,89	3 781 298,80	
Section 19- Competitive bidding processes not followed	Macgregor Erasmus Attorneys	Corporate Services	HDR1/0006-008	L. Loliwe	1 045 000,00	156 750,00	1 201 750,00	
Section 19- Competitive bidding processes not followed	Macgregor Erasmus Attorneys	Corporate Services	HDR1/0006-0001	L. Loliwe	512 194,03	76 829,10	589 023,13	
Section 19- Competitive bidding processes not followed	Chauke Quantity Surveyors	Community Services	P1157	A. Sakati	1 734 081,01	260 112,15	1 994 193,16	
Section 19- Competitive bidding processes not followed	Chauke Quantity Surveyors	Community Services	P1149	A. Sakati	387 489,84	58 123,48	445 613,32	
Section 38(1)(g): Cancel a contract awarded to a person	LRV Sales & Services	Community Services		M. Siko	19 632,70	-	19 632,70	
Section 16- Processes for Written Price Quotations - Removal of debris and building materials	Ukhana Projects	Community Services	11456	A. Fourie	5 340,00	801,00	6 141,00	
Legal Services rendered: Section 19- Competitive bidding processes not followed	HDRS Attorneys	Corporate Services	HDRS0003	L. Loliwe	337 607,60	50 641,14	388 248,74	
Legal Services rendered: Section 19- Competitive bidding processes not followed	HDRS Attorneys	Corporate Services	HDRS0007	L. Loliwe	229 630,97	34 444,64	264 075,61	
Legal Services: Section 19- Competitive bidding processes not followed	Siyathemba Sokutu	Corporate Services	502162	L. Loliwe	676 207,50	-	676 207,50	
Legal Services: Section 19- Competitive bidding processes not followed	Siyathemba Sokutu	Corporate Services	502251	L. Loliwe	288 615,58	-	288 615,58	

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Legal Services: Section 19- Competitive bidding processes not followed	Mosdell, Pama & Cox	Corporate Services	82950	L. Loliwe	23 880,08	3 582,01	27 462,09	
Legal Services: Section 19- Competitive bidding processes not followed	BMH Attorneys	Corporate Services	INV-780	G. Groenewald	1 256 604,50	188 490,67	1 445 095,17	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA001	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA002	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA003	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA004	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA005	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA006	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA007	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA008	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA009	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0010	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0011	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0012	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0013	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0014	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0015	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0016	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0017	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	

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Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0018	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0019	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0020	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0021	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0022	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0023	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA0024	A. Sakati / M. Fourie / T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA32	T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA33	T. Sompani	6 000,00	900,00	6 900,00	
Storage of Emergency Housing Units Material: Section 19- Competitive bidding processes not followed	Nzuzo Yolo Trading	Community Services	RTA34	T. Sompani	6 000,00	900,00	6 900,00	
Covid-19 Fencing at Robberg 5: Section 19- Competitive Bidding not followed	RS & S Construction	Community Services	60	S. Vandala	189 840,00	-	189 840,00	
Covid-19 Fencing at Keurbooms The Wave: Section 19- Competitive Bidding not followed	RS & S Construction	Community Services	59	S. Vandala	197 870,00	-	197 870,00	
Covid-19 Fencing opposite Palm Trees: Section 19- Competitive Bidding not followed	RS & S Construction	Community Services	53	S. Vandala	190 000,00	-	190 000,00	
Covid-19 Fencing opposite Palm Trees: Section 19- Competitive Bidding not followed	RS & S Construction	Community Services	52	S. Vandala	194 780,00	-	194 780,00	
Covid-19 fencing at Hobie Beach: Section 19- Competitive Bidding not followed	Kukhanya company (Pty) Ltd	Community Services	33	S. Vandala	151 000,00	-	151 000,00	
Covid-19 Fencing at Poortjies: Section 19- Competitive Bidding not followed	Kukhanya company (Pty) Ltd	Community Services	34	S. Vandala	196 000,00	-	196 000,00	
Covid-19 fencing of lagoon at Central Beach: Section 19- Competitive Bidding not followed	Kholie and Sons Enterprises	Community Services	13	S. Vandala	28 000,00	-	28 000,00	
Covid-19 fencing of lagoon at Central Beach: Section 19- Competitive Bidding not followed	Kholie and Sons Enterprises	Community Services	9	S. Vandala	149 500,00	-	149 500,00	
Legal Services rendered - Bitou Municipality Irregular Expenditure - Phase 2 & 3 Report	Dyushu & Majebe Attorneys	Corporate Services	240/2020	L. Loliwe	7 826,09	1 173,91	9 000,00	
COMAF 46: Tax Matters - Non-compliance with Section 13(b) and Section 43 of the MSCMR	Kuaco Group (Pty) Ltd	Community Services		J. Sijama	1 899 377,50	-	1 871 181,68	As identified by AG 2020/21

15 048 619,30

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ANNEXURE E (Table 5): The table below depicts the irregular expenditure referred to authorities such as SAPS and where no update on the progress of the case:

The below amount of R1,430,370 was for irregular expenditures incurred and these were reported to SAPS for investigation. These expenditures are still under the investigation process and no outcome or update being shared by SAPS. The updates will be sourced by the Municipal Manager.

Annexure E (Table 5) IRREGULAR EXPENDITURE INCURRED AND UNDER SAPS INVESTIGATION								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
Business Advisory service: COMAF 26 - Non-compliance with MSCM Regulations 19(a)/12(1)(d)_ A competitive bidding process was not followed	GG & G Consulting	Office of the CFO	GG2107103	B Ngubo	487 500,00	73 125,00	560 625,00	Under SAPS Investigation
Business Advisory service: COMAF 26 - Non-compliance with MSCM Regulations 19(a)/12(1)(d)_ A competitive bidding process was not followed	GG & G Consulting	Office of the CFO	GG2107104	B Ngubo	756 300,00	113 445,00	869 745,00	Under SAPS Investigation
							1 430 370,00	

ANNEXURE F (Table 6): The table below depicts the irregular expenditure referred by the Municipal Manager to authorities such as SAPS:

The below amount of R773 490,00 was for irregular expenditures incurred and the Municipal Manager was requested to report these incidences to SAPS. The R747 500,00 were costs related to the consultation fees for a survey that was conducted for two weeks on the implementation of emergency housing project : establishing stands and erection of modular light steel framed temporary housing units in Pine Trees, Zawa-Zawa, Zawa-Zawa Ramp Camp, Zawa-Zawa Vlei , Zawa-Zawa Bloekom, Zawa-Zawa Vark Plaas, Bossiesgif TRA 1, Bossiesgif TRA 2, Qolweni, Qolweni Cuba, Green Valley, Forestview Harkerville, Kranshoek, Covie and Kwanokuthula Tambo Street. According to the records, a service provider was appointed, and the payment was made through a memorandum and there was no trace any procurement processes that were followed. This expenditure occurred under the COVID-19 pandemic era. Covid-19. The remaining expenditures of R25 990,00 was referred to internal audit for investigations.

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Annexure F (Table 6) IRREGULAR EXPENDITURE INCURRED AND REFERRED TO OFFICE OF THE MUNICIPAL MANAGER								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
Consultancy fee for Survey: Section 19- Competitive Bidding not	Bowie Lifts Elevators and Escalation	Community Services	21892	S. Nyangaza	650 000,00	97 500,00	747 500,00	MM Open Criminal Charges - C/1/167/10/23
Replace toilet Coral white: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	2 550,00	-	2 550,00	Referred to internal audit for investigation - C/1/167/10/23
Supply and Install Toilet: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	1 350,00	-	1 350,00	Referred to internal audit for investigation - C/1/167/10/23
Repairs to damaged kitchen: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	390,00	-	390,00	Referred to internal audit for investigation - C/1/167/10/23
Wood to be used melamine o: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	6 700,00	-	6 700,00	Referred to internal audit for investigation - C/1/167/10/23
Kitchen Cupboards 2.8 X 1: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	5 500,00	-	5 500,00	Referred to internal audit for investigation - C/1/167/10/23
Supply and Install buglar: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	9 500,00	-	9 500,00	Referred to internal audit for investigation - C/1/167/10/23

773 490,00

ANNEXURE G (Table 7): The table below depicts the irregular expenditure referred for recoveries from the affected employees:

The above amount of R176 301.76 was dealt with as per the council resolution: C/1/311/03/25, Council resolved that these amounts be recovered in line with the MPAC recommendations. There is no trace that these amounts were recovered from the affected employees.

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Annexure G (Table 7) IRREGULAR EXPENDITURE AND DUE FOR RECOVERY					
Description of Incident	Department	Person Responsible	Amount	STATUS	General Comments
Remuneration exceeds the maximum allowed: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Economic Development & Planning	T Wildeman	44 914,06	Reported to MPAC	Recommended for possible recovery C/1/311/03/25
Remuneration exceeds the maximum allowed: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Office of the MM	R Links	94 009,50	Reported to MPAC	Recommended for possible recovery C/1/311/03/25
Subsistence and travel claim, over and above the travel allowance: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Office of the MM	R Links	37 378,20	Reported to MPAC	Recommended for possible recovery C/1/311/03/25
			176 301,76		

ANNEXURE H (Table 8.1): The table below depicts the irregular expenditure identified that are relating to the prior years but not reported:

The below items were reflected on the register since 2015/16 to 2023/24 financial years. The nature of these expenditures relates to the expired contracts, rendering of a service that were not covered by the contract, no deviation process followed, supplier providing a service without an order, identified by AGSA during the audits etc. However, it needs to be mentioned that most goods and services procured against these expenditures were communal based. These included contracts in lieu of copier machines and printers, as well as service delivery procurements such as Jet-Fuel, fleet monitoring system, vehicle rentals, licensing for software, publications, and professional medical services for injured personnel whilst on duty. These expenditures amount to R5 870 621.65 and recommended for possible write-off.

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Annexure H (Table 8.1) IRREGULAR EXPENDITURE INCURRED AND NOT REPORTED TO COUNCIL								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
Jet fuel/AVGAS	BP South Africa	Finance	ANP01210010	P Peters	224 870,66	33 730,60	258 601,26	No contract in place with service provider, last contract signed 2015 and work done without request
Jet fuel/AVGAS	BP South Africa	Finance	ANP01208551	P Peters	210 677,41	31 601,61	242 279,02	No contract in place with service provider, last contract signed 2015
Jet fuel/AVGAS	BP South Africa	Finance	ANP01212424	P Peters	251 943,70	37 791,55	289 735,25	No contract in place with service provider, last contract signed 2015
Jet fuel/AVGAS	BP South Africa	Finance	ANP01213451, ANP01213712, ANP01213966	P Peters	780 884,17	117 132,62	898 016,79	No contract in place with service provider, last contract signed 2015
Jet fuel/AVGAS	BP South Africa	Finance	ANP01208057	P Peters	311 609,88	46 741,48	358 351,36	No contract in place with service provider, last contract signed 2015
Rental of printers & Copies - Various	Copy X Business Solutions	Finance	various	various	69 920,94	10 488,14	80 409,08	No contract in place with service provider
Vehicle Tracking Payment - July 2018	Altech Netstar	Engineering Services	IN-INVAIR-021218958	S Sunkar	26 678,68	4 001,80	30 680,48	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent
Vehicle Tracking Payment - August 2018 to October 2018	Altech Netstar	Engineering Services	IN-INVAIR-021556175, IN-INVAIR-021898462, IN-INVAIR-022237165	S Sunkar	80 036,03	12 005,41	92 041,44	No contract in place with service provider, expired June 2018
Vehicle Tracking Payment - Nov 2018	Altech Netstar	Engineering Services	NV 022578949	M. Rhode	30 359,99	4 554,00	34 913,99	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent
Vehicle Tracking Payment - December 2018	Altech Netstar	Engineering Services	AN-INVAIR-022924505	M. Rhode	30 359,99	4 554,00	34 913,99	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent

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Vehicle Leases	Avis Fleet Services	Engineering Services	INV72018	S Sunkar	187 713,18	28 156,98	215 870,16	No contract in place with service provider, expired June 2018
Termination Repair Charges for CX 56272	Avis Fleet Services	Engineering Services	N07S100-6933	S Sunkar	3 968,00	595,20	4 563,20	No contract in place with service provider, expired June 2018
Rentals for Sept, Oct, Nov 2018	Avis Fleet Services	Engineering Services	INV 82018, INV 92018, INV 102018	M Rhode	336 253,64	50 438,05	386 691,69	No contract in place with service provider, expired June 2018
Ford Kuga Repairs CX56272	Avis Fleet Services	Engineering Services	SIN07S100-691329	M Rhode	152 979,40	22 946,91	175 926,31	No contract in place with service provider and work done before request was issued
Rental of Bulldozer & TLB - July 2018 - September 2018	Bitou Civils	Community Services	INA11569,58 3,571,573,61 3,604,600,60 5,582,	D Baartman	499 517,21	74 927,58	574 444,79	User department used service provider before conclusion of contract 27/09/20
Collaborator Support	Business Engineering	Corporate Services	INV 6963, INV 7030, INV 7077, INV 7127, INV 7175	A Greyling	208 425,00	31 263,75	239 688,75	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00230415, INV 00232332	V Mkhafa	524,90	78,73	603,63	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00231548, INV 00230819, INV 00233280, INV 00233279, INV 00233013	M Fourie	1 550,06	232,51	1 782,57	No contract in place with service provider
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00231099	G Groenewald	175,39	26,31	201,70	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00234476	A Greyling	526,85	79,03	605,88	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00219083	V Cunningham	2 240,12	336,02	2 576,14	No contract in place with service provider and work done before request was issued

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Rental of printers & Copies - Various	Ricoh Garden Route	Human Resources	INV 00230416	V Cunningham	377,04	56,56	433,60	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00216170, INV 00216465, INV 00216664, INV 00216463, INV 00216466, INV 00216464, INV 00216467	M Fourie	1 537,10	230,56	1 767,66	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679944, INV 679945	M Johnston	1 403,96	210,59	1 614,55	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679942	M Johnston	1 058,35	158,75	1 217,10	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678216, INV 678217	T Sompani	1 150,96	172,64	1 323,60	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678218, INV 678219	T Sompani	1 140,87	171,13	1 312,00	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678214, INV 678215	T Sompani	1 183,04	177,46	1 360,50	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681678, INV 681680	T Sompani	1 073,91	161,09	1 235,00	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679947	M Johnston	1 306,43	195,97	1 502,40	No contract in place with service provider and request sent after work was done

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Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679943, INV 679946	M Johnston	1 291,83	193,77	1 485,60	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676752	T Sompani	1 598,17	239,73	1 837,90	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676750, INV 676751	T Sompani	1 363,13	204,47	1 567,60	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676747	T Sompani	869,57	130,43	1 000,00	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679942	M Johnston	1 058,35	158,75	1 217,10	No contract in place with service provider and request sent after work was done
Leadership Programme for IAT - WC x 5 Modules	Leadership Academy for Guardianship of Governance	Corporate Services	INV 20000846; INV 200001118; INV 200001237, INV 200001466	G Groenewald	107 830,00	16 174,50	124 004,50	The service was provided without an SCM process followed (request/order sent after service was provided)
Prorata Portion of new KVV Switchgear Panel at SS-Ferdinand	VE Reticulation Company	Engineering Services	INV 6518	M Rhode	49 016,00	7 352,40	56 368,40	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Copy X Business Solutions	Finance	various	various	143 057,74	21 458,66	164 516,40	No contract in place with service provider
Compliance, Support, Individual Performance Software Management Support Fees	Ignite Advisory Services	Strategic Services	INV 0001270	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request
Compliance, Support, Individual Performance Software Management Support Fees	Ignite Advisory Services	Strategic Services	INV0001411	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request. Quotation obtained from 1 supplier
Hands on support SDBIP	Ignite Advisory Services	Strategic Services	INV0001363	D Friedman	56 000,00	8 400,00	64 400,00	Service provided without a request. Quotation obtained from 1 supplier
Compliance User Fees, SDBIP Subscription Fees, Performance Management Support Fee	Ignite Advisory Services	Corporate Services	INV0001318	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request. Quotation obtained from 1 supplier

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SCM/2018/194 INVOICES 1580, 1460, 1523, 1508	Ignite Advisory Services	Corporate Services	INV0001460, INV0001508, INV0001523 , INV0001580,	D Friedman	104 900,00	15 735,00	120 635,00	Service provided with out a request. Quotation obtained from 1 supplier
Compliance User Fees, SDBIP Subscription Fees, Performance Management Support Fee	Ignite Advisory Services	Corporate Services	INV0001167 INV0001690, INV0001754, INV0001797, INV0001815, INV0001857	G Groenewald	234 035,00	35 105,25	269 140,25	goods procured are not contract related
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00226616	A Greyling	308,11	46,22	354,33	No contract in place with service provider and work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 01237134, INV 01237132, INV 01237133	T Sompani	854,43	128,17	982,60	No contract in place with service providerand work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00229637, INV 00229278, INV 00230423, INV 00229279, INV 00230559	M Fourie	1 348,85	202,33	1 551,18	No contract in place with service provider
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 1236660	A Greyling	387,94	58,19	446,13	No contract in place with service providerand work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services-HRM	INV 01236589, INV 01236821, INV 01236453, INV 01236559	V Cunninham	2 657,12	398,57	3 055,69	No contract in place with service providerand work done before request was issued
Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 01236662, INV 01236663, INV 01236664, INV 01236763, INV 01236976	M Fourie	2 250,83	337,62	2 588,45	No contract in place with service providerand work done before request was issued
VCAM Bureau Billing Adv Jan 2019	Altech Netstar	Engineering Services	VBB001860	S Sunkar	1 820,00	273,00	2 093,00	No contract in place with service provider, expired June 2018, service provided before request was sent
Vehicle Tracking System Payment - January 2019	Altech Netstar	Engineering Services	AN-INVAIR- 023616569	M Rhode	31 304,95	4 695,74	36 000,69	No contract in place with service provider, expired June 2018, service provided before request was sent

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Vehicle Tracking System Payment - March 2019	Altech Netstar	Engineering Services	AN-INVAIR-023965279,	M Rhode	31 379,95	4 706,99	36 086,94	No contract in place with service provider, expired June 2018, service provided before request was sent
Vehicle Tracking System Payment - April 2019	Altech Netstar	Engineering Services	INV 024316974	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent
Vehicle Tracking System Payment - May 2019	Altech Netstar	Engineering Services	INV 024682424	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent
Vehicle Tracking System Payment - June 2019	Altech Netstar	Engineering Services	INV 0252494	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent
Lease for December 2018	Avis Fleet Services	Engineering Services	INV 12019	S Sunkar	88 378,04	13 256,71	101 634,75	No contract in place with service provider, expired 30 June 2018
Lease for various vehicles	Avis Fleet Services	Engineering Services	INV122018	S Sunkar	88 378,04	13 256,71	101 634,75	No contract in place with service provider, expired June 2018
CX28440 - Speed sticker, Tail light left, LED lights	Avis Fleet Services	Engineering Services	SIN08S100-233228	S Sunkar	714,36	107,15	821,51	No contract in place with service provider, expired June 2018 and service delivered before request was sent
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681681	M Johnston	853,39	128,01	981,40	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Finance	685351,51,52,53,54,55,56	M Johnston	398,26	59,74	458,00	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681678, INV 681680	M Johnston	1 073,91	161,09	1 235,00	No contract in place with service provider and request sent after work was done

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Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681676, INV 681677	M Johnston	1 385,48	207,82	1 593,30	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681679	M Johnston	1 161,04	174,16	1 335,20	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683441	M Johnston	1 537,22	230,58	1 767,80	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 381681	M Johnston	853,39	128,01	981,40	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683438, INV 683439	M Johnston	1 341,13	201,17	1 542,30	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683440	M Johnston	985,74	147,86	1 133,60	No contract in place with service provider and request sent after work was done
Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683436, INV 683437	M Johnston	1 318,43	197,77	1 516,20	No contract in place with service provider and request sent after work was done
Pauper burial of Patrick Philander	Bezuidenhout Funeral Services	Community Services	INV 55	J Basson	3 913,04	586,96	4 500,00	Supplier provided service before order
Cleaning alien vegetation at Harkerville	Chris Manual Maintenance cc	Community Services	INV 70 & 76	T Sompani	172 173,91	25 826,09	198 000,00	No SCM process followed and User department motivated this as an emergency even though advised by SCM to it was not an emergency
Photography for pensioner's lunch 18 July 2019	Vinthe Neufeld	Corporate Services	327	Sijama J	1 730,43	259,57	1 990,00	Served previously at MPAC with recommendation of Consequence Management
Catering	Gladys's Supplier and Cleaning Services	Corporate Services	403	V. Cunningham	5 300,00	-	5 300,00	

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SCM/2019/40/ENG: Supply & Delivery of Construction Material: Section 16- Processes for Written Price Quotations	Robberg Readymix	Engineering Services	IN023468	Dietzch P.	3 811,13	571,67	4 382,80	As identified by AG 2018/19 - Follow it up with Municipal Manager if all companies have declared.
Printing of advertisement - Section 16- Processes for Written Price Quotations	Group Editors	Corporate Services	GE01- QG010162	A Namntu	2 547,20	382,08	2 929,28	
Advert vacancy: Argus Weekend and Cape Times - Section 16- Processes for Written Price	Ayanda Mbanga Communications		SCH52878	V Cunningham	17 178,48	2 576,77	19 755,25	
Recruitment Advert - Sunday Times: Argus Weekend and Cape Times - Section 16- Processes for Written Price Quotations	Ayanda Mbanga Communications		SCH52878	V Cunningham	37 872,00	5 680,80	43 552,80	
COMAF 23: Deviations - Section 36 (1) (a) (v)	Robberg Trust	Community Services		D Baartman	30 500,87	4 575,13	35 076,00	As identified by AG 2019/30
COMAF 23: Deviations - Section 36 (1) (a) (v)	Sidomela Trading cc	Community Services		F Maki	249 998,96	-	249 998,96	As identified by AG 2019/31
COMAF 23: Deviations - Section 36 (1) (a) (v)	HV Test Engineering	Engineering Services		J Cupido	13 780,53	2 067,08	15 847,61	As identified by AG 2019/32
COMAF 47: Contract Management - Section 12(3) and 19(a)	Kukhanya Company (Pty) Ltd	Community Services		S Vandala	30 000,00	-	30 000,00	As identified by AG 2019/33
COMAF 13: Procurement and contract management – Quotations process - Regulation 17(1)(c) of the Municipal Supply Chain Management Regulations Issue 2: Deviation not justifiable (not sole supplier)	HV Test Repairs and Calibrations				13 780,53	-	13 780,53	As identified by AG 2019/34

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Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	25577	L Nkentsha	389,25	58,39	447,64	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26910	L Nkentsha	1 370,08	205,51	1 575,59	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26937	L Nkentsha	427,17	64,08	491,25	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27259	L Nkentsha	411,00	61,65	472,65	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27338	L Nkentsha	430,46	64,57	495,03	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27396	L Nkentsha	466,27	69,94	536,21	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27425	L Nkentsha	822,00	123,30	945,30	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27523	L Nkentsha	420,99	63,15	484,14	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27535	L Nkentsha	684,29	102,64	786,93	

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Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27543	L Nkentsha	665,76	99,86	765,62	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27599	L Nkentsha	426,94	64,04	490,98	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27791	L Nkentsha	411,00	61,65	472,65	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27898	L Nkentsha	567,73	85,16	652,89	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27425	L Nkentsha	1 233,00	184,95	1 417,95	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27355	L Nkentsha	1 353,75	203,06	1 556,81	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26997	L Nkentsha	2 717,03	407,55	3 124,58	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26997	L Nkentsha	1 233,00	184,95	1 417,95	
Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27370	L Nkentsha	789,84	118,48	908,32	
							5 870 621,65	

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ANNEXURE H (Table 8.2): The table below depicts the irregular expenditure identified that are relating to the prior years but not reported:

The below items were reflected on the register since 2015/16 to 2023/24 financial years. The referred amounts to R18 223 167,53 and requires MPAC to conduct investigation against the submitted expenditure.

Annexure H (Table 8.2) - IRREGULAR EXPENDITURE INCURRED FOR MPACs INVESTIGATION								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
Repair of Mayors Vehicle	Apollo Panelbeaters	Engineering Services	INV 18525	S Sunkar	7 553,51	1 133,03	8 686,54	Insurance Claim but supplier used not the cheapest quote received
Fuel Cards	Absa Bank Ltd	Engineering Services	INV 939483	S Sunkar	440 325,09	66 048,76	506 373,85	No contract in place with service provider, expired June 2018. New contract with Nedbank
Fuel Cards	ABSA Bank	Engineering Services	INV 930140	S Sunkar	417 585,77	62 637,87	480 223,64	work done without without request and No contract in place with service provider, expired June 2018. New contract with Nedbank
Bitou Municipality/Metroviancial Property-Court Matter	Mosdell Pama & Cox	Corporate Services	INV 78596	A Greyling	25 744,85	3 861,73	29 606,58	Due to unavailability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability, however, the service provided before request was issued
Bitou Municipality Arbitration Award	Mvana & Associates	Corporate Services: Legal	INV 170	L Loliwe	39 208,70	5 881,30	45 090,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability

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Bitou Municipality Delegation Register	Mvana & Associates	Corporate Services	INV 171	L Loliwe	32 643,48	4 896,52	37 540,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
Matter Democratic Alliance/Bitou Municipality Case No 6508/23018 and 7343/2018;	Siyathemba Sokutu Attorneys	Corporate Services	M201802	L Loliwe	453 575,93	68 036,39	521 612,32	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
Disciplinary Hearing- A Croutz	Siyathemba Sokutu Attorneys	Corporate Services	OT201801	L Loliwe	102 782,61	15 417,39	118 200,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
Legal fees	Nandi Bulabula Attorneys	Corporate Services	INV 01/2018	L Loliwe	161 239,13	24 185,87	185 425,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
Legal fees	MS Shaik Attorneys	Corporate Services: Legal	INV 222598(1), INV 222598(2), INV 222591(1), INV 222591(2), INV 222591(3)	G Groenewald	26 175,00	3 926,25	30 101,25	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability, No contact in plac and request issued after service was concluded
The procurement of a legal service provider, appointed for a forensic investigation, without following a competitive bidding process.	Boqwana Burns Inc	Corporate Services	1720, 1735, 1749	L Loliwe	186 788,04	28 018,21	214 806,25	
The procurement of a legal service provider, appointed for a forensic investigation, without following a competitive bidding process.	Boqwana Burns Inc	Corporate Services	1689	L Loliwe	206 000,00	30 900,00	236 900,00	
Car Rental Services	Bidvet Car Hire	Various Departments	various	Various	303 180,00	45 477,00	348 657,00	MPAC Invetigation and DC proceedings to be done
Security Services procured after the expiry of the contract. The contract was not extended in terms of Section 116(3) of the MFMA.	Shelf Plett 40 cc t/a Isolomzi Security	Community Services	Various	SVandala	8 237 318,38	1 235 597,76	9 472 916,14	MPAC Invetigation and DC proceedings to be done

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Comaf 2-In the Service of the State	Leeqhawe Trading (Pty) Ltd	Community Services		M Kalipha	47 250,00	-	47 250,00	MPAC Invetigation and DC proceedings to be done - As identified by AG 2019/20
Car rental for Mayor for July-September 2019	Avis Fleet Services	Municipal Manager	591085, 722454, 641622	G Groenewald	69 630,40	10 444,56	80 074,96	MPAC Invetigation and DC proceedings to be done
Legal fees up to 31 May 2022 and disbursements	Kemp & Associates	Corporate Services	683/2022	A Croutz	4 103,23	615,48	4 718,71	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	1	V. Cunningham	1 749,57	262,43	2 012,00	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	2	V. Cunningham	1 749,57	262,43	2 012,00	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	3	V. Cunningham	349,57	52,43	402,00	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	4	V. Cunningham	700,00	105,00	805,00	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	5	V. Cunningham	1 050,00	157,50	1 207,50	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	6	V. Cunningham	1 400,00	210,00	1 610,00	
Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	8	V. Cunningham	1 749,57	262,43	2 012,00	

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Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	10	V. Cunningham	1 445,22	216,78	1 662,00	
Car rental - S Gcabayi: Section 19- Competitive Bidding not followed	Bidvest Car Rental	Office of the MM	GD02657F01	A. Gungubele	18 074,61	2 711,19	20 785,80	
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	2020/08	M Siko	82 243,10	-	82 243,10	As identified by AG 2019/20
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	3/45	M Siko	175 402,00	-	175 402,00	As identified by AG 2019/21
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Sep-20	M Siko	48 419,45	-	48 419,45	As identified by AG 2019/22
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	4	M Siko	14 250,00	-	14 250,00	As identified by AG 2019/23
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Jan-20	M Siko	25 900,00	-	25 900,00	As identified by AG 2019/24
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	34	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/25
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Feb-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/26
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	March-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/27
SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	May-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/28

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SCM/2018/154/ENG : Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	June-21	M Siko	48 419,45	-	48 419,45	As identified by AG 2019/29
Emergency Housing at Kurland Community and Qolweni	Nzuzo Yalo Trading	Community Services	RTA 02	M Siko	3 443 652,17	516 547,82	3 960 199,99	No SCM process followed and User department motivated this as an emergency even though advised by SCM to advertise for shorter period of time
Site Preparation and Transportation	Nzuzo Yalo Trading	Community Services	RTA 04	M Siko	1 243 167,83	186 475,17	1 429 643,00	No SCM process followed and User department motivated this as an emergency even though advised by SCM to advertise for shorter period of time
							18 223 167,53	

ANNEXURE H (Table 8.3): The table below depicts the irregular expenditure identified that are relating to the prior years but not reported (referred to as SCM Matters):

As per the register there were expenditures amounting to R34 269 984,09 identified during the audit. There was no trace that these matters have served before council as no council resolution could found for confirmation. These are related to prior years and are to be tabled before Council.

Annexure H (Table 8.3) IRREGULAR EXPENDITURE INCURRED FOR SCMs INVESTIGATION					
Description of Incident	Activity	Amount	STATUS	SCM Policy Transgression	General Comments
COMAF 8: Non-Reporting of Section 17	Amount Quantified	2 693 835,09	Section 17 (1)(a)	As identified by AG	SCM process was followed however RFQs received were below 3 quotations.
COMAF 21: False Declarations	Amount Quantified	22 112 257,00	Section 17 (1)(a)	As identified by AG	SCM process was followed however RFQs received were below 3 quotations.
COMAF 27: Winning Bidder was afforded with a second opportunity	Amount not quantified as the 2018/19 population could not be quantified within short space of time	40 654,00	Section 17 (1)(a)	As identified by AG	The bids did not meet the minimal functionality criteria

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COMAF 25: Winning Bidder did not meet functionality criteria	Amount not quantified as the 2018/19 population could not be quantified within short space of time	139 120,00	Section 17 (1)(a)	As identified by AG	The bids did not meet the minimal functionality criteria
COMAF 16: Winning Bidder did not meet functionality criteria	Amount not quantified as the 2018/19 population could not be quantified within short space of time	155 080,00	Section 28 (1)(b)	As identified by AG	The bids did not meet the minimal functionality criteria
COMAF 19: Winning Bidder did not meet functionality criteria	Amount not quantified as the 2018/19 population could not be quantified within short space of time	133 400,00	Section 28 (1)(b)	As identified by AG	The bids did not meet the minimal functionality criteria
COMAF 18: Winning Bidder did not meet functionality criteria	Amount not quantified as the 2018/19 population could not be quantified within short space of time	520 615,00	Section 21 (1)(f)	As identified by AG	The bids did not meet the minimal functionality criteria
COMAF 30: Remuneration of Councilors		577 200,00		As identified by AG	
Comaf 24: Regulation 32	Amount Quantified - various suppliers	7 897 823,00		As identified by AG	
		34 269 984,09			

ANNEXURE I (Table 9): The table below depicts the irregular expenditure referred to MPAC by Council:

These expenditures were identified by the AGSA during the audits and are for prior years as per the registers. However, there is no trace that these were tabled before Council, based on the total amount only R6,994,094.39 served before Council [(R7 039 169.39 less R45 075 (served at council and referred to MPAC))]. Therefore, these are to serve before Council and MPAC.

Annexure I (Table 9): IRREGULAR EXPENDITURE INCURRED FOR THE 2017/18 FINANCIAL YEAR		
Contract Awarded to a contractor in which a newly appointed member of staff had an interest	Council referred to MPAC	45 075,00
Procurement from service providers who did not submit full declarations of disclosures as per SCM Regulation 13. Non-Compliance identified by the AG	Identified by the AG to be reported to MPAC	714 789,47
The tender awarded to TMT was based on a fixed rate of R 77.90 per fine paid. The Project Manager allowed a Contract Price Adjustment, which was subsequently paid to TMT. Furthermore an additional Convenience Fee not included in the contract terms were also charged and paid to TMT.	Identified by the AG to be reported to MPAC	147 760,26
Procurement from a service provider in the employee of the Btoui Municipality. Ms C Ngemtu-Sonjani did not declare her shareholding before the transactions and subsequently misrepresented her shareholding in the company, Southern Ambitions 1660 CC, by failing to disclose.	Identified by the AG to be reported to MPAC	3 869,95

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Procurement from a service provider in the employee of the Btou Municipality. Mr P Sebezo for Khula Africa did not declare his shareholding before the transactions and subsequently misrepresented his shareholding in the company by failing to disclose.	Identified by the AG to be reported to MPAC	17 500,00
Procurement from service providers where the requirements were split in order to avoid the Formal Written Price Quotations which require advertisement of at least 7 days on the Website and Notice Boards.	Identified by the AG to be reported to MPAC	211 034,95
The RFQ SCM/2018/59/FIN for the Review of the AFS was evaluation and recommendation was performed without confirming the quoted amount on the RFQ Submission of R 19 152 Including VAT @ 14%. The final award and payment was made R 21 833.28 Including VAT @14%. The discrepancy of R 2681.28, between the quotation submission and the final award was neither identified by the Project Manager (The Senior Audit Executive) who reviewed the technical evaluation report, nor the SCM Manager who was to confirm and recommend to the Accounting Officer. The contract was drafted and signed subsequently based award letter the without verifying the amount. The service provider did not inform the Municipality of the discrepancy.	Identified by the AG to be reported to MPAC	2 681,28
Awards made to service / providers based on the Preferential Points calculation excluding VAT in contravention of the definition of "price" requirements of the Preferential Procurement Regulations, 2017	Identified by the AG to be reported to MPAC	234 847,00
Award to service provider MM Entertainment deemed to be irregular as the specifications were purportedly changed subsequent to the award by the Project Manager	Identified by the AG to be reported to MPAC	29 900,00
An award to M van der Merwe t/a Etsha - SCM/2018/171/STRAT to the value of R129 870 was approved even though it did not meet the pre-qualification requirements as stipulated in the tender documents.	Identified by the AG to be reported to MPAC	128 425,00
<p>The Bitou Municipality procured the Collaborator Foundation System in terms of a transversal procurement arrangement via the Eden District Municipality (EDM). The agreement with the EDM was duly procured in terms of the EDM SCM Policy, but only for the provision of the software and licensing of the system from Business Engineering (BE). The agreement did not include continuous system support services.</p> <p>The Administration Section requires the continuous development of the System, in-line with the BLM policies and procedures and need on-site support from the service provider BE. BE is the developer and service provider of the system and does not allow access to other service providers on their proprietary system. However, the Project Manager, will be embarking on a procurement process in order to test the market. Until such time as a service provider have been appointed appropriately, it is deemed impractical for the BLM to procure the services in terms of an approved procurement process for the period July to December 2017. Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly, the deviation have now been re-classified as Irregular Expenditure.</p>	Identified by the AG to be reported to MPAC	285 126,00

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The urgent appointment of armed close-protection service provider for the Executive Mayor for July and August 2017 after overt threats. He appointment was for 2 months and was disclosed as Irregular Expenditure from 01 September to 08 December 2017 Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly, the deviation have now been re-classified as Irregular Expenditure.	Identified by the AG to be reported to MPAC	184 680,00
During recent fires of 18th May 2018 at Craggs, Kurland, KwaNokuthula and Bossiesgeef/Qolweni areas, 66 shacks has been burned down. The affected families are currently homeless and immediate assistance is required to assist. Therefore the immediate supply of shack material to assist these families is required. There is adequate funding available for this procurement. Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly the	Identified by the AG to be reported to MPAC	291 810,45
Remuneration of Councillors found to have exceeded the Upper Limits in terms of the Government Gazette & Council Resolution	Identified by the AG to be reported to MPAC	52 018,49
		7 039 169,39

Financial Implication

The expenditure to be submitted to Council are as follows: -

Activity	Reference	Amount
Previously condoned by Council and not written off (Correction of the terminology to write-off)	ANNEXURE B AND TABLE 2.1 AND 2.2 ABOVE	R2 837 477,00
Matters referred to DC Board but not reported back to council with the recommendations.	ANNEXURE C AND D: TABLE 3 AND 4.2 ABOVE	R15 948 870.79
Matters reported to Council with no appropriate action to be followed.	ANNEXURE D: 4.1 ABOVE	R1 493 816,85
Matters reported to SAPS but no progress report on them.	ANNEXURE E AND TABLE 5 ABOVE	R1 430 370.00
Matters reported to SAPS by Municipal Manager but no progress report on them.	ANNEXURE F AND TABLE 6 ABOVE	R773 490.00
Recoveries from the affected employees.	ANNEXURE G AND TABLE 7 ABOVE	R176 301.76
Matters identified for prior years but not reported to Council.	ANNEXURE H AND TABLE 8.2; 8.3 ABOVE	R52 493 151,62
Matters identified for prior years and recommended for write-off.	ANNEXURE H 8.1 ABOVE	R5 870 621,65

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Matters referred to MPAC by Council, but no recommendations were made by MPAC to Council	ANNEXURE I AND TABLE 9 ABOVE	R6 994 094.39
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The above expenditure will form part of the municipality's action plan towards addressing the outstanding Irregular Expenditure.

LEGISLATIVE FRAMEWORK

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003),
Municipal Supply Chain Management Regulations,
Bitou Municipality's Supply Chain Management Policy,
National Treasury, Circular Number 68 updated 13 Oct 2021.

RECOMMENDED BY THE ACTING MUNICIPAL MANAGER

1. That Council notes the attached Irregular Expenditure amounting to R431 278,75 for the period under review of 2024/25 financial year. Council refers the matter to MPAC for further investigations **as per Annexure A (Table 1).**
2. That Council notes the attached Irregular Expenditure amounting to R52 493 151,62 for the prior financial years. **Council to refer the matters to MPAC for further investigations. Refer to Annexure H (Table 8.2 and 8.3).**
3. That Council notes the attached Irregular Expenditure amounting to R5 870 621,65 for the prior years. **The recommendation is made for the referred amount to be written off. Refer to Annexure H (Table 8.1).**
4. That Council to correct the wording from "condone" to write-off for an amount of R2 837,477.00 and to write-off these expenditures. **Refer to Annexure B (Table 2.1 and 2.2).**
5. That Council provides with appropriate action toward the expenditure of R1 493 816,30. **Refer to Annexure D (Table 4.1).**
6. That Council notes the attached Irregular Expenditure amounting to R15 948 870,79 that were referred to Disciplinary Boards but never reported back to Council with recommendations.
7. That Council refers the matters in recommendation 4 above to the DC Boards for consideration and recommendations. The Municipal Manager to implement the instruction within sixty (60) days after the date of the Council resolution. **Refer to Annexure C (Table 3) and Annexure D (Table 4.2).**
8. That Council notes the Irregular Expenditure amounting to R2 203 860.00 that was referred to the SAPS, but no progress was reported back to Council for a decision or finalisation. Council refers the matter to the Municipal Manager to follow up on the update or recommendations. **Refer to Annexure E (Table 5) and Annexure F (Table 6).**

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9. That Council notes the Irregular Expenditure amounting to R176 301.76 that was to be recovered from the implicated employees. Council refers the matter to the Municipal Manager to follow up on the update of the recoveries to be made. The Municipal Manager to implement the instruction within thirty (30) days after the date of the Council resolution. **Refer to Annexure G (Table 7).**
10. That Council notes the Irregular Expenditure amounting to R6 994 094.39 that was referred to MPAC, with no progress provided. Council refers the matter to the Municipal Manager for a complete report to be tabled at MPAC. **Refer to Annexure I (Table 9).**

ANNEXURE - A- IRREGULAR EXPENDITURE INCURRED FOR THE 2024/25 FINANCIAL YEAR									
Order No	Description of Incident	Supplier / Service Provider	Department	Date of payment	Tax invoice date	Tax Invoice #	Person Responsible	Amount	General Comments
29 Aug 2024	Purchasing of PPE	Laduma Sports	Corporate Services	Corporate Services	29/08/2024	7402	A. Namntu	29 900,00	Procurement of corporate clothing without SCM processes.
01 Jul 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/07/2024	GRGREIN0183879	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Aug 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/08/2024	GRGREIN0184890	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Sep 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/09/2024	GRGREIN0185899	J. Basson	1 773,30	Procurement of pest control without SCM processes.
01 Oct 2024	Rodent Treatment	Bidvest Steiner	Community Services	Community Services	01/10/2024	GRGREIN0186984	J. Basson	1 773,30	Procurement of pest control without SCM processes.
May 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	156 944,56	Invoices approved for payment in excess of contract amount
June 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	128 931,03	Invoices approved for payment in excess of contract amount
July 2024	Provision of Security Services	Isolomzi Security Services	Community Services	Community Services	Various	Various	M. Paulsen	108 409,96	Invoices approved for payment in excess of contract amount

431 278,75

Annexure B (2.1) - Irregular expenditure condoned by Council but were never written off

	Incident	Status of Disciplinary Steps / Criminal Proceedings	Amount
08	Legal Fees for Property Transfer Fees of Low-Cost Houses in favour of Nandi BulaBula	Condoned by Council	56 210,00
09	The procurement of Pest Control and Hygiene Services to all Municipal departments without following a competitive bidding process	Condoned by Council	145 022,04
10	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	10 409,70
11	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	51 925,08
12	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	5 239,80
13	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	9 078,70
14	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	3 552,00
15	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	2 467,50
16	The procurement of forensic investigation services without complying with Section 19 of the SCM Policy or the Regulations on Financial Misconduct from DE SWART VOGEL MYAMBO ATTORNEYS.	Condoned by Council	1 729 097,03
17	The procurement of events and catering services from various service providers without complying with Section 16 of the SCM Policy in terms of a Voucher Book System	Condoned by Council	98 781,55
18	SOUTHERN CAPE FIRE PROTECTION ASS. Procurement without following due process.	Condoned by Council	6 429,60
			2 118 213,00

BITOU MUNICIPALITY									
POTENTIAL IRREGULAR EXPENDITURE INCURRED AND CONDONED BY COUNCIL									
	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
01	The procurement of funeral services for the Late Councillor NC Jacob	Uviwe Funeral Services	Corporate Services	Cllr. Jacob	G. Groenewald	33 208,70	4 981,30	38 190,00	Condoned by Council. The expenditure still needs to be written off
02	Car Rental	Avis Rent a Car	Various Departments	Various	G. Groenewald	46 647,83	6 997,17	53 645,00	Condoned by Council. The expenditure still needs to be written off
03	Comaf 35-non-compliance with Section 18(c) of the MSCMR	Tolo N Miles	Community Services		M Siko	31 666,00	-	31 666,00	Condoned by Council. The expenditure still needs to be written off
04	Provision of additional Catering Services for Traffic Chief Forum 5&6 December 2019, after the scope of the procurement process was extended without following due process	Gcanga Event & Décor	Community Services	64	Sakati A	3 043,48	456,52	3 500,00	Condoned by Council. The expenditure still needs to be written off

05	Section 32:SCM/2019/83/ENG-Strip and Repair of Pumps, Mixers and Electric Motors, Contract: 75-17/18 awarded by Mossel Bay Municipality	Coastal Armature Winders and Suppliers cc	Engineering Services	185248, 185249, 185250, 185251, 185501	Cupido J			587 502,00	Condoned by Council. The expenditure still needs to be written off.
06	Section 32: SCM/2019/82/ENG-Perform Electrical and Associated works, Contract: T52: 2017/18 awarded by Knysna Municipality	Coalition Trading 879 cc t/a B Spark Electrical	Engineering Services	185151, 185152, 185153, 186566, 389139	Cupido J				Condoned by Council. The expenditure still needs to be written off.
07	Container Hire for April- May 2020 for Revenue Section	Ravenswood Trading and Investment	Finance	123724, 123921, 123725, 123922	S Daniels	4 140,00	621,00	4 761,00	Condoned by Council. The expenditure still needs to be written off.

719 264,00

BITOU MUNICIPALITY

Annexure C (Table 3) IRREGULAR EXPENDITURE INCURRED AND REFERRED TO THE DISCIPLINARY BOARD

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
01	Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	956	L. Loliwe	375 182,61	56 277,39	431 460,00	Must be referred to disciplinary board C/1/156/06/23
02	Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	968	M.P Mpahlwa	121 913,04	18 286,96	140 200,00	Must be referred to disciplinary board C/1/156/06/23
03	Section 19- Competitive bidding processes not followed	Botes Mahlobogoane Van Heerden	Corporate Services	6934	M.P Mpahlwa	96 716,70	14 507,50	111 224,20	Must be referred to disciplinary board C/1/156/06/23
04	Legal fees for professional services: Section 19- Competitive Bidding not followed	Boqwana Burns	Corporate Services	1769	Loliwe L	22 320,00	3 348,00	25 668,00	Must be referred to disciplinary board C/1/156/06/23
05	Legal fees for professional services: Section 19- Competitive Bidding not followed	Boqwana Burns	Corporate Services	1827	Loliwe L	20 520,00	3 078,00	23 598,00	Must be referred to disciplinary board C/1/156/06/23
06	Land use planning application, Erf 156, Plettenberg Bay, Section 62(1) Appeal: Section 19- Competitive Bidding not followed	De Swardt Myambo Attorneys	Corporate Services	6939	L Loliwe	146 175,03	21 926,26	168 101,29	Must be referred to disciplinary board C/1/156/06/23

900 251,49

Annexure D (Table 4.1) - Irregular expenditure condoned by Council but were never written off

	Incident	Status of Disciplinary Steps / Criminal Proceedings	Amount
07	Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	8 939,10
08	Rental of Office Accommodation beyond the contract end date without extending the contract in terms of MFMA Section 116(3) in favour of Home Plett Properties	Reported to Council	31 035,00
09	Procurement of Rental Vehicle for M van Rooyen without following due SCM Process from Avis	Reported to Council	16 936,45
10	Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	16 819,90
11	Procurement of catering services from Look-Out Deck Restaurant without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Reported to Council	1 378,96
12	The procurement of a rental vehicle from Eco Car Hire for the Executive Mayor, repeatedly on a two-week cycle for longer than 12 weeks, after undue delays experienced with the processing of an insurance claim. The expenditure incurred in terms of weeks 9-10 (12-26 October 2017) deemed irregular expenditure as the delays lead to the splitting of procurement in order to avoid a Formal Written Price Quotation process.	Reported to Council	27 538,00
13	Attending a Fraud & Corruption Conference without following a Procurement Process, hosted by Spectacular Training & Conferences in Cape Town over 09-10 November 2017	Reported to Council	7 968,60
14	The procurement of Catering Services for the Provincial Public Participation & Communication Forum Meeting, at The Dunes without following the appropriate procurement processess.	Reported to Council	19 200,00
15	The procurement of Catering Services for the Provincial Public Participation & Communication Forum Meeting, at The Dunes without following the appropriate procurement processess.	Reported to Council	14 700,00
16	The procurement of Catering Services for the Ward Committee Workshop and End of Year Function, at The Dunes without following the appropriate procurement processess.	Reported to Council	25 600,00
17	The procurement of a rental vehicle from Eco Car Hire for the Executive Mayor, repeatedly on a two-week cycle for longer than 12 weeks, after undue delays experienced with the processing of an insurance claim. The expenditure incurred in terms of weeks 11-12 (27 October to 10 November 2017) deemed irregular expenditure as the delays lead to the splitting of procurement in order to avoid a Formal Written Price Quotation process.	Reported to Council	27 538,00
18	Transfer of Grant Funding to Plett Tourism for Local Events & Initiatives Support in contravention of 67 of the MFMA and without Approval by Council	Reported to Council	325 000,00
19	The procurement of Legal Services in various legal matters from Hutchinson, Du Plessis, Robin & Stoloff without following a competitive bidding process	Reported to Council	171 651,91
20	Placing of Municipal Notice regarding the Removal of Restrictive Conditions of Erf 181, Natures Valley without obtaining 3 quotations in the What's New in Plett, published by the Printshop	Reported to Council	2 975,40
21	The appointment of a Legal Advisor in the matter of BLM vs Municipal Manager, TC Ndlovu, and Head of Corporate Services, VJ Mbelani without following a competitive bidding process as required in terms of Section 19 Supply Chain Policy. Due to the limited timeframe allowed by the Regulations, it was impractical and impossible to follow the authorised procurement process	Reported to Council	234 493,87

	Incident	Status of Disciplinary Steps / Criminal Proceedings	Amount
22	Conversion of fixed frame windows into open windows for ventilation of Offices 65, 66, 67 & 68 at Mellvilles Corner without obtaining 3 quotations as required per Section 17 of the SCM Policy, from Kuyakhana Glass (Pty) Ltd	Reported to Council	15 892,90
23	Repair of window frame and glazing at Kranshoek Library without obtaining 3 quotations as required per Section 16 of the SCM Policy from Shauna's Glass	Reported to Council	2 670,89
24	Grant transfer for the Mayoral Easter Tournament to the Bitou Sports Council without complying with Section 67 of the MFMA	Reported to Council	400 000,00
25	The procurement of a rental car for M Gqodwana for the period 18 July to 18 August 2017 without obtaining 3 quotations as required per Section 17 of the SCM Policy, from Avis Rent A Car	Reported to Council	18 679,14
26	Legal Services in the matter BLM vs T Ndlovu without following a competitive bidding process in terms of Section 19 of the SCM Policy	Reported to Council	88 404,77
27	The Project Manager failed to ensure that the service provider, Shorts Nissan, adhere to the terms of the contract by sub-contracting works. Also that the Project Manager failed to ensure that the service provider only provide parts from an OEM and only added the mark-up to any price that the BLM might have paid if we had direct dealings with such an OEM.	Reported to Council	11 616,94
28	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 869,02
29	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	3 398,00
30	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 600,00
31	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Reported to Council	2 460,00
32	Procurement of construction services without obtaining 3 quotations and failing to apply the contractors appointed for the purpose	Reported to Council	13 450,00
			1 493 816,85

BITOU MUNICIPALITY								
Annexure E (Table 5) IRREGULAR EXPENDITURE INCURRED AND UNDER SAPS INVESTIGATION								
Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
01 Business Advisory service: COMAF 26 - Non-compliance with MSCM Regulations 19(a)/12(1)(d)_ A competitive bidding process was not followed	GG & G Consulting	Office of the CFO	GG2107I03	B Ngubo	487 500,00	73 125,00	560 625,00	Under SAPS Investigation
02 Business Advisory service: COMAF 26 - Non-compliance with MSCM Regulations 19(a)/12(1)(d)_ A competitive bidding process was not followed	GG & G Consulting	Office of the CFO	GG2107I04	B Ngubo	756 300,00	113 445,00	869 745,00	Under SAPS Investigation

1 430 370,00

BITOU MUNICIPALITY									
POTENTIAL IRREGULAR EXPENDITURE INCURRED AND REFERRED TO OFFICE OF THE MUNICIPAL MANAGER									
	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
01	Consultancy fee for Survey: Section 19- Competitive Bidding not followed	Bowie Lifts Elevators and Escalation	Community Services	21892	S. Nyangaza	650 000,00	97 500,00	747 500,00	MM must open criminal charges - C/1/167/10/23
02	Replace toilet Coral white: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	2 550,00	-	2 550,00	Referred to internal audit for investigation - C/1/167/10/23
03	Supply and Install Toilet: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	1 350,00	-	1 350,00	Referred to internal audit for investigation - C/1/167/10/23
04	Repairs to damaged kitchen: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	390,00	-	390,00	Referred to internal audit for investigation - C/1/167/10/23
05	Wood to be used melamine o: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	6 700,00	-	6 700,00	Referred to internal audit for investigation - C/1/167/10/23
06	Kitchen Cupboards 2.8 X 1: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	5 500,00	-	5 500,00	Referred to internal audit for investigation - C/1/167/10/23
07	Supply and Install buglar: Section 44: Prohibition on awards to persons in the service of state	Kukhanya company (Pty) Ltd	Community Services	43838	S. Nyangaza	9 500,00	-	9 500,00	Referred to internal audit for investigation - C/1/167/10/23

773 490,00

BITOU MUNICIPALITY

Annexure G (Table 7) IRREGULAR EXPENDITURE AND DUE FOR RECOVERY

	Description of Incident	Department	Person Responsible	Amount	STATUS	General Comments
01	Remuneration exceeds the maximum allowed: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Economic Development & Planning	T Wildeman	44 914,06	Reported to MPAC	Recommended for possible recovery C/1/311/03/25
02	Remuneration exceeds the maximum allowed: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Office of the MM	R Links	94 009,50	Reported to MPAC	Recommended for possible recovery C/1/311/03/25
03	Subsistence and travel claim, over and above the travel allowance: COMAF 27 Non-compliance with Regulation 35 (1) of the Local Government: Regulations on appointments and conditions of employment of senior managers, 2014	Office of the MM	R Links	37 378,20	Reported to MPAC	Recommended for possible recovery C/1/311/03/25

176 301,76

BITOU MUNICIPALITY									
Annexure H (Table 8.1) IRREGULAR EXPENDITURE INCURRED AND NOT REPORTED TO COUNCIL									
	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
01	Jet fuel/AVGAS	BP South Africa	Finance	ANP01210010	P Peters	224 870,66	33 730,60	258 601,26	No contract in place with service provider, last contract signed 2015 and work done without request
02	Jet fuel/AVGAS	BP South Africa	Finance	ANP01208551	P Peters	210 677,41	31 601,61	242 279,02	No contract in place with service provider, last contract signed 2015
03	Jet fuel/AVGAS	BP South Africa	Finance	ANP01212424	P Peters	251 943,70	37 791,55	289 735,25	No contract in place with service provider, last contract signed 2015
04	Jet fuel/AVGAS	BP South Africa	Finance	ANP01213451, ANP01213712, ANP01213968	P Peters	780 884,17	117 132,62	898 016,79	No contract in place with service provider, last contract signed 2015
05	Jet fuel/AVGAS	BP South Africa	Finance	ANP01208057	P Peters	311 609,88	46 741,48	358 351,36	No contract in place with service provider, last contract signed 2015
06	Rental of printers & Copies - Various	Copy X Business Solutions	Finance	various	various	69 920,94	10 488,14	80 409,08	No contract in place with service provider
07	Vehicle Tracking Payment - July 2018	Altech Netstar	Engineering Services	IN-INVAIR-021218958	S Sunkar	26 678,68	4 001,80	30 680,48	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent
08	Vehicle Tracking Payment - August 2018 to October 2018	Altech Netstar	Engineering Services	IN-INVAIR-021556175, IN-INVAIR-021898462, IN-INVAIR-022237165	S Sunkar	80 036,03	12 005,41	92 041,44	No contract in place with service provider, expired June 2018
09	Vehicle Tracking Payment - Nov 2018	Altech Netstar	Engineering Services	INV 022578949	M. Rhode	30 359,99	4 554,00	34 913,99	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent
10	Vehicle Tracking Payment - December 2018	Altech Netstar	Engineering Services	AN-INVAIR-022924505	M. Rhode	30 359,99	4 554,00	34 913,99	No contract in place with service provider, expired June 2018 and works were done by supplier before request was sent
11	Vehicle Leases	Avis Fleet Services	Engineering Services	INV72018	S Sunkar	187 713,18	28 156,98	215 870,16	No contract in place with service provider, expired June 2018
12	Termination Repair Charges for CX 56272	Avis Fleet Services	Engineering Services	SIN07S100-693373	S Sunkar	3 968,00	595,20	4 563,20	No contract in place with service provider, expired June 2018
13	Rentals for Sept, Oct, Nov 2018	Avis Fleet Services	Engineering Services	INV 82018, INV 92018, INV 102018	M Rhode	336 253,64	50 438,05	386 691,69	No contract in place with service provider, expired June 2018
14	Ford Kuga Repairs CX56272	Avis Fleet Services	Engineering Services	SIN07S100-691329	M Rhode	152 979,40	22 946,91	175 926,31	No contract in place with service provider and work done before request was issued

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
15	Rental of Bulldozer & TLB - July 2018 - September 2018	Bitou Civils	Community Services	INA11569,583,571,573, 613,604,600,605,582,	D Baartman	499 517,21	74 927,58	574 444,79	User department used service provider before conclusion of contract 27/09/20
16	Collaborator Support	Business Engineering	Corporate Services	INV 6963, INV 7030, INV 7077, INV 7127, INV 7175	A Greyling	208 425,00	31 263,75	239 688,75	No contract in place with service provider and work done before request was issued
17	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00230415, INV 00232332	V Mkhafa	524,90	78,73	603,63	No contract in place with service provider and work done before request was issued
18	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00231548, INV 00230819, INV 00233280, INV 00233279, INV 00233013	M Fourie	1 550,06	232,51	1 782,57	No contract in place with service provider
19	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00231099	G Groenewald	175,39	26,31	201,70	No contract in place with service provider and work done before request was issued
20	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00234476	A Greyling	526,85	79,03	605,88	No contract in place with service provider and work done before request was issued
21	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00219083	V Cunningham	2 240,12	336,02	2 576,14	No contract in place with service provider and work done before request was issued
22	Rental of printers & Copies - Various	Ricoh Garden Route	Human Resources	INV 00230416	V Cunningham	377,04	56,56	433,60	No contract in place with service provider and work done before request was issued
23	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00216170, INV 00216465, INV 00216664, INV 00216463, INV 00216466, INV 00216464, INV 00216467	M Fourie	1 537,10	230,56	1 767,66	No contract in place with service provider and work done before request was issued
24	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679944, INV 679945	M Johnston	1 403,96	210,59	1 614,55	No contract in place with service provider and request sent after work was done
25	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679942	M Johnston	1 058,35	158,75	1 217,10	No contract in place with service provider and request sent after work was done
26	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678216, INV 678217	T Sompani	1 150,96	172,64	1 323,60	No contract in place with service provider and request sent after work was done
27	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678218, INV 678219	T Sompani	1 140,87	171,13	1 312,00	No contract in place with service provider and request sent after work was done
28	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 678214, INV 678215	T Sompani	1 183,04	177,46	1 360,50	No contract in place with service provider and request sent after work was done

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
29	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681678, INV 681680	T Sompani	1 073,91	161,09	1 235,00	No contract in place with service provider and request sent after work was done
30	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679947	M Johnston	1 306,43	195,97	1 502,40	No contract in place with service provider and request sent after work was done
31	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679943, INV 679946	M Johnston	1 291,83	193,77	1 485,60	No contract in place with service provider and request sent after work was done
32	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676752	T Sompani	1 598,17	239,73	1 837,90	No contract in place with service provider and request sent after work was done
33	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676750, INV 676751	T Sompani	1 363,13	204,47	1 567,60	No contract in place with service provider and request sent after work was done
34	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 676747	T Sompani	869,57	130,43	1 000,00	No contract in place with service provider and request sent after work was done
35	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 679942	M Johnston	1 058,35	158,75	1 217,10	No contract in place with service provider and request sent after work was done
36	Learnership Programme for IAT - WC x 5 Modules	Leadership Academy for Guardianship of Governance	Corporate Services	INV 20000846; INV 200001118; INV 200001237, INV 200001466	G Groenewald	107 830,00	16 174,50	124 004,50	The service was provided without an SCM process followed (request/order sent after service was provided)
37	Prorata Portion of new KVV Switchgear Panel at SS-Ferdinand	VE Reticulation Company	Engineering Services	INV 6518	M Rhode	49 016,00	7 352,40	56 368,40	No contract in place with service provider and work done before request was issued
38	Rental of printers & Copies - Various	Copy X Business Solutions	Finance	various	various	143 057,74	21 458,66	164 516,40	No contract in place with service provider
39	Compliance, Support, Individual Performance Software Management Support Fees	Ignite Advisory Services	Strategic Services	INV 0001270	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request
40	Compliance, Support, Individual Performance Software Management Support Fees	Ignite Advisory Services	Strategic Services	INV0001411	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request. Quotation obtained from 1 supplier
41	Hands on support SDBIP	Ignite Advisory Services	Strategic Services	INV0001363	D Friedman	56 000,00	8 400,00	64 400,00	Service provided without a request. Quotation obtained from 1 supplier
42	Compliance User Fees, SDBIP Subscription Fees, Performance Management Support Fee	Ignite Advisory Services	Corporate Services	INV0001318	G Groenewald	23 300,00	3 495,00	26 795,00	Service provided without a request. Quotation obtained from 1 supplier
43	SCM/2018/194 INVOICES 1580, 1460, 1523, 1508	Ignite Advisory Services	Corporate Services	INV0001460, INV0001508, INV0001523, INV0001580,	D Friedman	104 900,00	15 735,00	120 635,00	Service provided without a request. Quotation obtained from 1 supplier

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
44	Compliance User Fees, SDBIP Subscription Fees, Performance Management Support Fee	Ignite Advisory Services	Corporate Services	INV0001167 INV0001690, INV0001754, INV0001797, INV0001815, INV0001857	G Groenewald	234 035,00	35 105,25	269 140,25	goods procured are not contract related
45	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 00226616	A Greyling	308,11	46,22	354,33	No contract in place with service provider and work done before request was issued
46	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 01237134, INV 01237132, INV 01237133	T Sompani	854,43	128,17	982,60	No contract in place with service provider and work done before request was issued
47	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 00229637, INV 00229278, INV 00230423, INV 00229279, INV 00230559	M Fourie	1 348,85	202,33	1 551,18	No contract in place with service provider
48	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services	INV 1236660	A Greyling	387,94	58,19	446,13	No contract in place with service provider and work done before request was issued
49	Rental of printers & Copies - Various	Ricoh Garden Route	Corporate Services-HRM	INV 01236589, INV 01236821, INV 01236453, INV 01236559	V Cunninham	2 657,12	398,57	3 055,69	No contract in place with service provider and work done before request was issued
50	Rental of printers & Copies - Various	Ricoh Garden Route	Community Services	INV 01236662, INV 01236663, INV 01236664, INV 01236763, INV 01236976	M Fourie	2 250,83	337,62	2 588,45	No contract in place with service provider and work done before request was issued
51	VCAM Bureau Billing Adv Jan 2019	Altech Netstar	Engineering Services	VBB001860	S Sunkar	1 820,00	273,00	2 093,00	No contract in place with service provider, expired June 2018, service provided before request was sent
52	Vehicle Tracking System Payment - January 2019	Altech Netstar	Engineering Services	AN-INVAIR-023616569	M Rhode	31 304,95	4 695,74	36 000,69	No contract in place with service provider, expired June 2018, service provided before request was sent
53	Vehicle Tracking System Payment - March 2019	Altech Netstar	Engineering Services	AN-INVAIR-023965279,	M Rhode	31 379,95	4 706,99	36 086,94	No contract in place with service provider, expired June 2018, service provided before request was sent
54	Vehicle Tracking System Payment - April 2019	Altech Netstar	Engineering Services	INV 024316974	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
55	Vehicle Tracking System Payment - May 2019	Altech Netstar	Engineering Services	INV 024682424	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent
56	Vehicle Tracking System Payment - June 2019	Altech Netstar	Engineering Services	INV 0252494	M Rhode	31 144,95	4 671,74	35 816,69	No contract in place with service provider, expired June 2018, service provided before request was sent
57	Lease for December 2018	Avis Fleet Services	Engineering Services	INV 12019	S Sunkar	88 378,04	13 256,71	101 634,75	No contract in place with service provider, expired 30 June 2018
58	Lease for various vehicles	Avis Fleet Services	Engineering Services	INV122018	S Sunkar	88 378,04	13 256,71	101 634,75	No contract in place with service provider, expired June 2018
59	CX28440 - Speed sticker, Tail light left, LED lights	Avis Fleet Services	Engineering Services	SIN08S100-233228	S Sunkar	714,36	107,15	821,51	No contract in place with service provider, expired June 2018 and service delivered before request was sent
60	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681681	M Johnston	853,39	128,01	981,40	No contract in place with service provider and request sent after work was done
61	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Finance	685351,51,52,53,54,55,56	M Johnston	398,26	59,74	458,00	No contract in place with service provider and request sent after work was done
62	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681678, INV 681680	M Johnston	1 073,91	161,09	1 235,00	No contract in place with service provider and request sent after work was done
63	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681676, INV 681677	M Johnston	1 385,48	207,82	1 593,30	No contract in place with service provider and request sent after work was done
64	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 681679	M Johnston	1 161,04	174,16	1 335,20	No contract in place with service provider and request sent after work was done
65	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683441	M Johnston	1 537,22	230,58	1 767,80	No contract in place with service provider and request sent after work was done
66	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 381681	M Johnston	853,39	128,01	981,40	No contract in place with service provider and request sent after work was done
67	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683438, INV 683439	M Johnston	1 341,13	201,17	1 542,30	No contract in place with service provider and request sent after work was done
68	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683440	M Johnston	985,74	147,86	1 133,60	No contract in place with service provider and request sent after work was done
69	Rental of printers & Copies - Various	Zestirox t/a Nashua George	Community Services	INV 683436, INV 683437	M Johnston	1 318,43	197,77	1 516,20	No contract in place with service provider and request sent after work was done
70	Pauper burial of Patrick Philander	Bezuidenhout Funeral Services	Community Services	INV 55	J Basson	3 913,04	586,96	4 500,00	Supplier provider service before order

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
71	Cleaning alien vegetation at Harkerville	Chris Manual Maintenance cc	Community Services	INV70 & 76	T Sompani	172 173,91	25 826,09	198 000,00	No SCM process followed and User department motivated this as an emergency even though advised by SCM to it was not an emergency
72	Photography for pensioner's lunch 18 July 2019	Vinthe Neufeld	Corporate Services	327	Sijama J	1 730,43	259,57	1 990,00	Served previously at MPAC with recommendation of Consequence Management
73	Catering	Glady's Supplier and Cleaning Services	Corporate Services	403	V. Cunningham	5 300,00	-	5 300,00	
74	SCM/2019/40/ENG: Supply & Delivery of Construction Material: Section 16- Processes for Written Price Quotations	Robberg Readymix	Engineering Services	IN023468	Dietzch P.	3 811,13	571,67	4 382,80	As identified by AG 2018/19 - Follow it up with Municipal Manager if all companies have declared.
76	Printing of advertisement - Section 16- Processes for Written Price Quotations	Group Editors	Corporate Services	GE01-QG010162	A Namntu	2 547,20	382,08	2 929,28	
77	Advert vacancy: Argus Weekend and Cape Times - Section 16- Processes for Written Price Quotations	Ayanda Mbanga Communications		SCH52878	V Cunningham	17 178,48	2 576,77	19 755,25	
78	Recruitment Advert - Sunday Times: Argus Weekend and Cape Times - Section 16- Processes for Written Price Quotations	Ayanda Mbanga Communications		SCH52878	V Cunningham	37 872,00	5 680,80	43 552,80	
79	COMAF 23: Deviations - Section 36 (1) (a) (v)	Robberg Trust	Community Services		D Baartman	30 500,87	4 575,13	35 076,00	As identified by AG 2019/30
80	COMAF 23: Deviations - Section 36 (1) (a) (v)	Sidomela Trading cc	Community Services		F Maki	249 998,96	-	249 998,96	As identified by AG 2019/31
81	COMAF 23: Deviations - Section 36 (1) (a) (v)	HV Test Engineering	Engineering Services		J Cupido	13 780,53	2 067,08	15 847,61	As identified by AG 2019/32
82	COMAF 47: Contract Management - Section 12(3) and 19(a)	Kukhanya Company (Pty) Ltd	Community Services		S Vandala	30 000,00	-	30 000,00	As identified by AG 2019/33
83	COMAF 13: Procurement and contract management - Quotations process - Regulation 17(1)(c) of the Municipal Supply Chain Management Regulations Issue 2: Deviation not justifiable (not sole supplier)	HV Test Repairs and Calibrations				13 780,53	-	13 780,53	As identified by AG 2019/34
84	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	25577	L Nkentsha	389,25	58,39	447,64	

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
85	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26910	L Nkentsha	1 370,08	205,51	1 575,59	
86	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26937	L Nkentsha	427,17	64,08	491,25	
87	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27259	L Nkentsha	411,00	61,65	472,65	
88	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27338	L Nkentsha	430,46	64,57	495,03	
89	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27396	L Nkentsha	466,27	69,94	536,21	
90	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27425	L Nkentsha	822,00	123,30	945,30	
91	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27523	L Nkentsha	420,99	63,15	484,14	
92	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27535	L Nkentsha	684,29	102,64	786,93	
93	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27543	L Nkentsha	665,76	99,86	765,62	
94	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27599	L Nkentsha	426,94	64,04	490,98	
95	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27791	L Nkentsha	411,00	61,65	472,65	
96	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27898	L Nkentsha	567,73	85,16	652,89	
97	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27425	L Nkentsha	1 233,00	184,95	1 417,95	
98	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27355	L Nkentsha	1 353,75	203,06	1 556,81	

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person Responsible	Amount	VAT	Amount	General Comments
99	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26997	L Nkentsha	2 717,03	407,55	3 124,58	
100	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	26997	L Nkentsha	1 233,00	184,95	1 417,95	
101	Medical expenses for occupational injuries - Section 16- Processes for Written Price Quotations	Dr. Donald & Partners	Corporate Services	27370	L Nkentsha	789,84	118,48	908,32	

5 870 621,65

BITOU MUNICIPALITY									
Annexure H (Table 8.2) - IRREGULAR EXPENDITURE INCURRED FOR MPACs INVESTIGATION									
	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
01	Repair of Mayors Vehicle	Apollo Panelbeaters	Engineering Services	INV 18525	S Sunkar	7 553,51	1 133,03	8 686,54	Insurance Claim but supplier used not the cheapest quote received
02	Fuel Cards	Absa Bank Ltd	Engineering Services	INV 939483	S Sunkar	440 325,09	66 048,76	506 373,85	No contract in place with service provider, expired June 2018. New contract with Nedbank
03	Fuel Cards	ABSA Bank	Engineering Services	INV 930140	S Sunkar	417 585,77	62 637,87	480 223,64	work done without without request and No contract in place with service provider, expired June 2018. New contract with Nedbank
04	Bitou Municipality/Metrovical Property - Court Matter	Mosdell Pama & Cox	Corporate Services	INV 78596	A Greyling	25 744,85	3 861,73	29 606,58	Due to unavailability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability, however, the service provided before request was issued
05	Bitou Municipality Arbitration Award	Mvana & Associates	Corporate Services: Legal	INV 170	L Loliwe	39 208,70	5 881,30	45 090,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
06	Bitou Municipality Delegation Register	Mvana & Associates	Corporate Services	INV 171	L Loliwe	32 643,48	4 896,52	37 540,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
07	Matter Democratic Alliance/Bitou Municipality Case No 6508/23018 and 7343/2018;	Siyathemba Sokutu Attorneys	Corporate Services	M201802	L Loliwe	453 575,93	68 036,39	521 612,32	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
08	Disciplinary Hearing - A Croutz	Siyathemba Sokutu Attorneys	Corporate Services	OT201801	L Loliwe	102 782,61	15 417,39	118 200,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
09	Legal fees	Nandi Bulabula Attorneys	Corporate Services	INV 01/2018	L Loliwe	161 239,13	24 185,87	185 425,00	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability
10	Legal fees	MS Shaik Attorneys	Corporate Services: Legal	INV 222598(1), INV 222598(2), INV 222591(1), INV 222591(2), INV 222591(3)	G Groenewald	26 175,00	3 926,25	30 101,25	Due to availability of first ranked supplier and expertise of the firm. Appointment was done on Service provider availability, No contact in plac and request issued after service was concluded
11	The procurement of a legal service provider, appointed for a forensic investigation, without following a competitive bidding process.	Boqwana Burns Inc	Corporate Services	1720, 1735, 1749	L Loliwe	186 788,04	28 018,21	214 806,25	
12	The procurement of a legal service provider, appointed for a forensic investigation, without following a competitive bidding process.	Boqwana Burns Inc	Corporate Services	1689	L Loliwe	206 000,00	30 900,00	236 900,00	

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
13	Car Rental Services	Bidvet Car Hire	Various Departments	various	Various	303 180,00	45 477,00	348 657,00	MPAC Investigation and DC proceedings to be done
14	Security Services procured after the expiry of the contract. The contract was not extended in terms of Section 116(3) of the MFMA.	Shelf Plett 40 cc t/a Isolomzi Security	Community Services	Various	S Vandala	8 237 318,38	1 235 597,76	9 472 916,14	MPAC Investigation and DC proceedings to be done
15	Comaf 2-In the Service of the State	Leeqhawe Trading (Pty) Ltd	Community Services		M Kalipha	47 250,00	-	47 250,00	MPAC Investigation and DC proceedings to be done - As identified by AG 2019/20
16	Car rental for Mayor for July-September 2019	Avis Fleet Services	Municipal Manager	591085, 722454, 641622	G Groenewald	69 630,40	10 444,56	80 074,96	MPAC Investigation and DC proceedings to be done
17	Legal fees up to 31 May 2022 and disbursements	Kemp & Associates	Corporate Services	683/2022	A Croutz	4 103,23	615,48	4 718,71	
18	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	1	V. Cunningham	1 749,57	262,43	2 012,00	
19	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	2	V. Cunningham	1 749,57	262,43	2 012,00	
20	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	3	V. Cunningham	349,57	52,43	402,00	
21	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	4	V. Cunningham	700,00	105,00	805,00	
22	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	5	V. Cunningham	1 050,00	157,50	1 207,50	
23	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	6	V. Cunningham	1 400,00	210,00	1 610,00	
24	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	8	V. Cunningham	1 749,57	262,43	2 012,00	
25	Police clearance certificates - Section 16- Processes for Written Price Quotations	Isolomzi Security Services	Corporate Services	10	V. Cunningham	1 445,22	216,78	1 662,00	
26	Car rental - S Gcabayi: Section 19- Competitive Bidding not followed	Bidvest Car Rental	Office of the MM	GD02657F01	A. Gungubele	18 074,61	2 711,19	20 785,80	
27	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	2020/08	M Siko	82 243,10	-	82 243,10	As identified by AG 2019/20

	Description of Incident	Supplier / Service Provider	Department	Tax Invoice #	Person responsible	Amount	VAT	Amount	General Comments
28	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	3/45	M Siko	175 402,00	-	175 402,00	As identified by AG 2019/21
29	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Sep-20	M Siko	48 419,45	-	48 419,45	As identified by AG 2019/22
30	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	4	M Siko	14 250,00	-	14 250,00	As identified by AG 2019/23
31	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Jan-20	M Siko	25 900,00	-	25 900,00	As identified by AG 2019/24
32	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	34	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/25
33	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	Feb-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/26
34	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	March-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/27
35	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	May-21	M Siko	9 500,00	-	9 500,00	As identified by AG 2019/28
36	SCM/2018/154/ENG: Supply & Installation of Fencing	LRV Sales & Services Enterprises	Community Services	June-21	M Siko	48 419,45	-	48 419,45	As identified by AG 2019/29
47	Emergency Housing at Kurland Community and Qolweni	Nzuzo Yalo Trading	Community Services	RTA 02	M Siko	3 443 652,17	516 547,82	3 960 199,99	No SCM process followed and User department motivated this as an emergency even though advised by SCM to advertise for shorter period of time
48	Site Preparation and Transportation	Nzuzo Yalo Trading	Community Services	RTA 04	M Siko	1 243 167,83	186 475,17	1 429 643,00	No SCM process followed and User department motivated this as an emergency even though advised by SCM to advertise for shorter period of time

18 223 167,53

Annexure I (Table 9): IRREGULAR EXPENDITURE INCURRED FOR THE 2017/18 FINANCIAL YEAR		
Contract Awarded to a contractor in which a newly appointed member of staff had an interest	Council referred to MPAC	45 075,00
Procurement from service providers who did not submit full declarations of disclosures as per SCM Regulation 13. Non-Compliance identified by the AG	Identified by the AG to be reported to MPAC	714 789,47
The tender awarded to TMT was based on a fixed rate of R 77.90 per fine paid. The Project Manager allowed a Contract Price Adjustment, which was subsequently paid to TMT. Furthermore an additional Convenience Fee not included in the contract terms were also charged and paid to TMT.	Identified by the AG to be reported to MPAC	147 760,26
Procurement from a service provider in the employee of the Btoul Municipality. Ms C Ngemtu-Sonjani did not declare her shareholding before the transactions and subsequently misrepresented her shareholding in the company, Southern Ambitions1660 CC, by failing to disclose.	Identified by the AG to be reported to MPAC	3 869,95
Procurement from a service provider in the employee of the Btoul Municipality. Mr P Sebezo for Khula Africa did not declare his shareholding before the transactions and subsequently misrepresented his shareholding in the company by failing to disclose.	Identified by the AG to be reported to MPAC	17 500,00
Procurement from service providers where the requirements were split in order to avoid the Formal Written Price Quotations which require advertisement of at least 7 days on the Website and Notice Boards.	Identified by the AG to be reported to MPAC	211 034,95
The RFQ SCM/2018/59/FIN for the Review of the AFS was evaluation and recommendation was performed without confirming the quoted amount on the RFQ Submission of R 19 152 Including VAT @ 14%. The final award and payment was made R 21 833.28 Including VAT @14%. The discrepancy of R 2681.28, between the quotation submission and the final award was neither identified by the Project Manager (The Senior Audit Executive) who reviewed the technical evaluation report, nor the SCM Manager who was to confirm and recommend to the Accounting Officer. The contract was drafted and signed subsequently based award letter the without verifying the amount. The service provider did not inform the Municipality of the discrepancy.	Identified by the AG to be reported to MPAC	2 681,28
Awards made to service / providers based on the Preferential Points calculation excluding VAT in contravention of the definition of "price" requirements of the Preferential Procurement Regulations, 2017	Identified by the AG to be reported to MPAC	234 847,00
Award to service provider MM Entertainment deemed to be irregular as the specifications were purportedly changed subsequent to the award by the Project Manager	Identified by the AG to be reported to MPAC	29 900,00
An award to M van der Merwe t/a Etsha - SCM/2018/171/STRAT to the value of R129 870 was approved even though it did not meet the pre-qualification requirements as stipulated in the tender documents.	Identified by the AG to be reported to MPAC	128 425,00

<p>The Bitou Municipality procured the Collaborator Foundation System in terms of a transversal procurement arrangement via the Eden District Municipality (EDM). The agreement with the EDM was duly procured in terms of the EDM SCM Policy, but only for the provision of the software and licensing of the system from Business Engineering (BE). The agreement did not include continuous system support services.</p> <p>The Administration Section requires the continuous development of the System, in-line with the BLM policies and procedures and need on-site support from the service provider BE. BE is the developer and service provider of the system and does not allow access to other service providers on their proprietary system. However, the Project Manager, will be embarking on a procurement process in order to test the market. Until such time as a service provider have been appointed appropriately, it is deemed impractical for the BLM to procure the services in terms of an approved procurement process for the period July to December 2017. Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly, the deviation have now been re-classified as Irregular Expenditure.</p>	Identified by the AG to be reported to MPAC	285 126,00
<p>The urgent appointment of armed close-protection service provider for the Executive Mayor for July and August 2017 after overt threats. He appointment was for 2 months and was disclosed as Irregular Expenditure from 01 September to 08 December 2017. Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly, the deviation have now been re-classified as Irregular Expenditure.</p>	Identified by the AG to be reported to MPAC	184 680,00
<p>During recent fires of 18th May 2018 at Craggs, Kurland, KwaNokuthula and Bossiesgeef/Qolweni areas, 66 shacks has been burned down. The affected families are currently homeless and immediate assistance is required to assist. Therefore the immediate supply of shack material to assist these families is required. There is adequate funding available for this procurement.</p> <p>Unfortunately the final quantified deviation was only approved after expenditure have already being incurred. Accordingly, the deviation have now been re-classified as Irregular Expenditure.</p>	Identified by the AG to be reported to MPAC	291 810,45
<p>SCM/2018/186/COMM. According to the AG the pre-qualifying criteria of "Supplier must have at least performed 3 comparable projects" could have prevented other interested suppliers from submitting their quotes.</p> <p>Information on a supplier's own website is untested and should not be used to verify information to support pre-qualifying criteria without further substantiation. Evidence of this verification was also not included in the supporting evidence provided to audit to substantiate the award.</p>	Identified by the AG to be reported to MPAC	114 998,00
<p>Construction of Kranshoek Bulk Water Supply Pipeline Phase 1a Partion 1 - SCM/2018/11/ENG. Composition of BAC not in-line with SCM Policy requirement according to the AG</p>	Identified by the AG to be reported to MPAC	4 574 653,53
<p>Remuneration of Councillors found to have exceeded the Upper Limits in terms of the Government Gazette & Council Resolution</p>	Identified by the AG to be reported to MPAC	52 018,49
		7 039 169,39

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