**SCOPA BRIEFING NOTES ON THE 2015/2016 ANNUAL REPORT**

**WATER TRADING ENTITY**

**STATUS ON THE MANAGEMENT OF IRREGULAREXPENDITURE**

* The Irregular Expenditure incurred in the financial year 2015/2016 amounts to **R 54 565 053, 29** which is made up of **97** transactions.
* This amount has increased from the previous financial year by **R50 414 053, 29** as only **R4 151 000, 00** was incurred in **2014/2015.**
* **10** cases out of the **97**cases reported have still have to be condoned, charges for 16 cases were issued to the transgressor.
* **1** case amounting to **R30 000 000.00** the employee who was identified as a transgressor has since resigned.
* Other cases indicated for condonment, employees are either issued with letters of warning of which some have even been suspended
* Other cases as indicated below have already been adjusted from the prior year irregular expenditure report and some will be removed from the irregular expenditure register and the financial report be adjusted accordingly as they do not qualify for the definition of irregular expenditure.
* The condonation of other transactions is in process

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| **Incident** | **Disciplinary steps taken/criminal proceedings** | **2015/16** |
| Expenditure exceeding original approved contract or quoted amount or no contract in place or contract expired | Transaction ready to be condoned | R 97 291,17 |
| The method of procurement is inconsistent with those prescribed in terms of PN 8 of 2007/2008. Goods or services of a transaction value of R10 000 to R500 000 were procured without inviting at least three written price quotations from prospective suppliers and the deviation was not approved by delegated person. | Transaction ready to be condoned | R 240 522,22 |
| Goods and Service were rendered by the supplier and paid for without a valid written signed contract | Transaction ready to be condoned | R 778 013,34 |
| Goods and Service were rendered by the supplier and paid for without a valid written signed contract - RBAC submission was send through to DBAC for approval - Critical Service pertaining to Water Testing | Transaction ready to be condoned | R 792 487,83 |
| Unfair elimination of bidder | Transaction ready to be condoned | R 429 401,00 |
| No current contract in place - RBAC submission was send through to DBAC for approval - Critical Service pertaining to Water Testing | Transaction ready to be condoned | R 6 968,00 |
| Extension of scope and payment of invoices without the approval of DBAC | Charges were issued to the transgressor and the disciplinary hearing still to be scheduled. | R 18 686 251,76 |
| Advanced payment was done whereas provision was not made for such in the conditions of contract. Officials did not have delegations to approve payments. | Chairperson of the disciplinary committee has been identified and will be appointed officially after consultation with the Labour Relation. | R 30 655 170,00 |
| Contracts awarded to supplier who should have been disqualified | Members of both Sub-bid Evaluation and Sub adjudication Committee were both verbally warned and made aware of the implications of their mistake. | R 359 863,80 |
| Awards to bidders who did not meet all the specification requirements | Transaction ready to be condoned | R 1 987 227,00 |
| Suppliers to whom awards were made did not submit declarations to declare that a close family member/ partner/ associate of the supplier or of a director/ member/ principal shareholder/ stakeholder of the supplier is in the service of the institution. | Chairperson of the disciplinary committee has been identified and will be appointed officially after consultation with the Labour Relation. | R 531 856,17 |
| **Total** |  | **R54 565 052,29** |
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**SUMMARY: IRREGULAR EXPENDITURE CONDONED - WTE**

**CONSTRUCTION WEST AREA OFFICE**

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| **Financial year 2010/2011** | | | | | |  |
| **Ref** | **Supplier** | **Amount (R)** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 1 | SNZN Construction Catering and Cleaning | 69 973.20 | Supply of water stop splicing platern | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| 2 | SNZN Construction Catering and Cleaning | 14 400.00 | Erection of stock fence | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| 3 | SNZN Construction Catering and Cleaning | 79 800.00 | Supply of hardboard tempered | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| 4 | SNZN Construction Catering and Cleaning | 29 500.50 | Supply of DurajointCenterbulbWaterstop | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| 5 | SNZN Construction Catering and Cleaning | 29 500.50 | Supply of DurajointCenterbulbWaterstop | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| **Net Total** | | **223 174.20** |  | | |  |

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| **Financial year 2012/2013** | | | | | |  |
| **Ref** | **Supplier** | **Amount (R)** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 6 | SNZN Construction Catering and Cleaning | 29413.44 | Supply of construction materials | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | S. Ningiza | ***Condone – Official suspended*** |
| **Net Total** | | **29 413.44** |  | | |  |

| **Financial year 2014/2015** | | | | | |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ref** | **Supplier** | **Amount (R)** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 7 | SNZN Construction Catering &Cleaning | 25 422.00 | Supply of binding wire | Employee participated in the contract by a company owned by his spouse in contravention of TR 16A8.4 | S. Ningiza | ***Condone – Official suspended*** |
| 8 | SNZN Construction Catering &Cleaning | 29384.64 | Supply of construction materials | Employee participated in the contract by a company owned by his spouse in contravention of TR 16A8.4 | S. Ningiza | ***Condone – Official suspended*** |
| 9 | SNZN Construction Catering 7 Cleaning | 17 955.00 | Supply of construction materials | Employee participated in the contract by a company owned by his spouse in contravention of TR 16A8.4 | S. Ningiza | ***Condone – Official suspended*** |
| 10 | SNZN Construction Catering &Cleaning | 12 540.00 | Supply of Gypsum Boards | Employee participated in contract by a company owned by his spouse in contravention of TR 16A8.4 | S. Ningiza | ***Condone – Official suspended*** |
| 11 | Zenzele Projects | 26757.40 | Supply of chemical and mould releasing agent | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | FM Ngwenya | ***Condone – Official resigned from the department*** |
| 12 | Zenzele Projects | 25812.15 | Supply of construction materials | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | FM Ngwenya | ***Condone – Official resigned from the department*** |
| 13 | Zenzele Projects | 28603.88 | Supply of construction materials | Non declaration of interest by employee in business owned by spouse which conducted business with the Department | FM Ngwenya | ***Condone – Official resigned from the department*** |
| 14 | Zenzele Projects | 28 000.00 | Supply of roofing sheets | ***Does not meet definition of irregular expenditure*** | N/A | ***Remove from list of irregular expenditure*** |
| 15 | Zenzele Projects | 15 850.00 | Supply of Gaskets | ***Does not meet definition of irregular expenditure*** | N/A | ***Remove from list of irregular expenditure*** |
| 16 | Zenzele Projects | 12 972.00 | Supply of barrier red tape | ***Does not meet definition of irregular expenditure*** | N/A | ***Remove from list of irregular expenditure*** |
| **Net Total** | | **223 297.07** |  | | |  |

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| **Financial year 2015/2016** | | | | | |  |
| **Ref** | **Supplier** | **Amount (R)** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 17 | SNZN Construction Catering and Cleaning | 29 127.00 | Supply of Grating open ended system | Employee participated in the contract by a company owned by his wife in contravention of TR 16A8.4 | S. Ningiza | ***Condone – Official suspended*** |
| **Net Total** | | **29 127.00** |  | | |  |

**TZANEEN AREA OFFICE**

| **Financial year 2014/2015** | | | | | |  |
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| **Ref** | **Supplier** | **Amount (R)** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 1 | AltechAutopage | 9 889.49 | Cellular services | ***Expenditures do not meet the definition of irregular expenditure*** | N/A | ***Remove from list of irregular expenditure*** |
| 2 | 5 195.18 |
| 3 | 5 346.25 |
| 4 | 10 071.25 |
| 5 | 2 902.31 |
| 6 | 5 144.17 |
| 7 | 5 160.95 |
| 8 | 2 311.19 |
| 9 | 10 242.86 |
| 10 | 4 884.40 |
| 11 | 8 196.41 |
| 12 | 9 875.15 |
|  | | **79 219.61** |  | | |  |

**CONSTRUCTION SOUTH**

| **Financial year 2015/16** | | | | | | |
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| **Ref** | **Supplier** | **Amount** | **Services/Goods** | **Description of deviation** | **Transgressor** | **Recommendation** |
| 1 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 9 120.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 2 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 9 975.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 3 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 2 565.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 4 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 11 685.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 5 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 3 078.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 6 | RENTOKILL INITIAL (PTY) | R 73.53 | HIRE OF SANITARY DISPOSAL UNIT | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 7 | MAFOKO SECURITY PATROLS PTY LTD | R 29 682.70 | HIRE OF SECURITY AT CLANWILLIAM | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 8 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 9 975.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 9 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 4 788.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 10 | ASH JONK T/A TARKA ENVIRO CHEM CC | R 11 685.00 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 11 | BOLAND TOILET SERVICES | R 14 246.20 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| 12 | BOLAND TOILET SERVICES | R 7 123.10 | HIRE OF TOILETS | Services rendered without purchase order | ES Mbalula | ***Warning Letter and Condone*** |
| **Net Total** | | **R 113 996.53** |  |  |  |  |

**SOUTHERN OPERATIONS**

| **Financial year 2015/16** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Ref** | **Supplier** | **Amount** | **Services/Goods** | **Description of deviation** | **Transgressor(s)** | **Recommendation** |
| 1 | Phakisaworld | R 28 258.40 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 2 | Phakisaworld | R 4 953.99 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 3 | Phakisaworld | R 19 327.62 | Lease of vehicles | Services rendered without purchase order | BARRY P | ***Warning Letter and Condone*** |
| 4 | Phakisaworld | R 22 440.68 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 5 | Phakisaworld | R 4 599.82 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 6 | Phakisaworld | R 14 004.06 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 7 | Phakisaworld | R 631.59 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 8 | Phakisaworld | R 8 072.19 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 9 | Phakisaworld | R 7 883.85 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 10 | Phakisaworld | R 1 971.64 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 11 | Phakisaworld | R 9 178.07 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 12 | Phakisaworld | R 14 871.49 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 13 | Phakisaworld | R 570.27 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 14 | Phakisaworld | R 1 974.10 | Lease of vehicles | Services rendered without purchase order | ERASMUS P | ***Warning Letter and Condone*** |
| 15 | Phakisaworld | R 14 564.24 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 16 | Phakisaworld | R 4 762.61 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 17 | Phakisaworld | R 744.63 | Lease of vehicles | Services rendered without purchase order | DANIEL G | ***Warning Letter and Condone*** |
| 18 | Phakisaworld | R 1 380.25 | Lease of vehicles | Services rendered without purchase order | DANIEL G | ***Warning Letter and Condone*** |
| 19 | Phakisaworld | R 1 100.09 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 20 | Phakisaworld | R 2 911.35 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 21 | Phakisaworld | R 818.22 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 22 | Phakisaworld | R 3 938.29 | Lease of vehicles | Services rendered without purchase order | BARRY P | ***Warning Letter and Condone*** |
| 23 | Phakisaworld | R 342.52 | Lease of vehicles | Services rendered without purchase order | BARRY P | ***Warning Letter and Condone*** |
| 24 | Phakisaworld | R 480.92 | Lease of vehicles | Services rendered without purchase order | BARRY P | ***Warning Letter and Condone*** |
| 25 | Phakisaworld | R 390.90 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 26 | Phakisaworld | R 1 655.08 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 27 | Phakisaworld | R 1 962.78 | Lease of vehicles | Services rendered without purchase order | ERASMUS P | ***Warning Letter and Condone*** |
| 28 | Phakisaworld | R 2 009.15 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 29 | Phakisaworld | R 246.55 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 30 | Phakisaworld | R 1 357.59 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 31 | Phakisaworld | R 2 202.71 | Lease of vehicles | Services rendered without purchase order | VILJOEN MJ | ***Warning Letter and Condone*** |
| 32 | Phakisaworld | R 3 636.96 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 33 | Phakisaworld | R 3 432.49 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 34 | Phakisaworld | R 1 607.46 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 35 | Phakisaworld | R 1 462.40 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 36 | Phakisaworld | R 1 374.58 | Lease of vehicles | Services rendered without purchase order | POSTHUMUS G | ***Warning Letter and Condone*** |
| 37 | Duma travel | R 5 230.00 | Travel & Accommodation | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 38 | Duma travel | R 1 155.00 | Travel & Accommodation | Services rendered without purchase order | DANIEL G | ***Warning Letter and Condone*** |
| 39 | MTN Service Provider | R 331.90 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 40 | MTN Service Provider | R 413.99 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 41 | MTN Service Provider | R 695.78 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 42 | MTN Service Provider | R 668.99 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 43 | MTN Service Provider | R 668.99 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 44 | MTN Service Provider | R 649.28 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 45 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 46 | MTN Service Provider | R 188.67 | 3G contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 47 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 48 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 49 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 50 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 51 | MTN Service Provider | R 210.17 | 3G contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 52 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 53 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 54 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 55 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 56 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 57 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 58 | MTN Service Provider | R 599.99 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 59 | MTN Service Provider | R 598.35 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 60 | MTN Service Provider | R 611.60 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 61 | MTN Service Provider | R 611.47 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 62 | MTN Service Provider | R 9.26 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 63 | MTN Service Provider | R 472.17 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 64 | MTN Service Provider | R 542.18 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 65 | MTN Service Provider | R 542.18 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 66 | MTN Service Provider | R 544.84 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 67 | MTN Service Provider | R 542.18 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 68 | MTN Service Provider | R 583.74 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 69 | MTN Service Provider | R 564.03 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 70 | MTN Service Provider | R 583.74 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 71 | MTN Service Provider | R 560.19 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 72 | MTN Service Provider | R 583.74 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 73 | MTN Service Provider | R 413.75 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 74 | MTN Service Provider | R 499.00 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 75 | MTN Service Provider | R 918.81 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 76 | MTN Service Provider | R 103.88 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 77 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 78 | MTN Service Provider | R 194.62 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 79 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 80 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 81 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 82 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 83 | MTN Service Provider | R 96.36 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 84 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 85 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 86 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 87 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 88 | MTN Service Provider | R 80.41 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 89 | MTN Service Provider | R 193.42 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 90 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 91 | MTN Service Provider | R 95.54 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 92 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 93 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 94 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 95 | MTN Service Provider | R 216.12 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 96 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 97 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 98 | MTN Service Provider | R 80.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 99 | MTN Service Provider | R 210.17 | Cellphone contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 100 | MTN Service Provider | R 668.99 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 101 | MTN Service Provider | R 599.00 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 102 | MTN Service Provider | R 603.99 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 103 | MTN Service Provider | R 592.49 | Cellphone contract | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 104 | MTN Service Provider | R 592.49 | Cellphone contract | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 105 | MTN Service Provider | R 584.27 | Cellphone contract | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 106 | MTN Service Provider | R 565.77 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 107 | MTN Service Provider | R 513.99 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 108 | MTN Service Provider | R 514.00 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 109 | MTN Service Provider | R 513.99 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 110 | MTN Service Provider | R 483.99 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
|  | MTN Service Provider | R 483.99 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 111 | MTN Service Provider | R 483.99 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 112 | MTN Service Provider | R 483.99 | Cellphone contract | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 113 | MTN Service Provider | R 455.50 | Cellphone contract | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 114 | Phakisaworld | R 6 827.55 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 115 | Phakisaworld | R 11 498.15 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 116 | Phakisaworld | R 8 351.82 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
|  | Phakisaworld | R 12 577.43 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 117 | Phakisaworld | R 10 641.54 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 118 | Phakisaworld | R 7 643.45 | Lease vehicle | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 119 | Phakisaworld | R 2 382.00 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 120 | Phakisaworld | R 264.83 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 121 | Phakisaworld | R 1 107.89 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 122 | Phakisaworld | R 885.75 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 123 | Phakisaworld | R 2 080.63 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 124 | Phakisaworld | R 623.19 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 125 | Phakisaworld | R 4 485.50 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 126 | Phakisaworld | R 8 253.57 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 127 | Phakisaworld | R 8 364.85 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 128 | Phakisaworld | R 9 241.22 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 129 | Phakisaworld | R 8 416.49 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 130 | Phakisaworld | R 4 012.89 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 131 | Phakisaworld | R 1 885.48 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 132 | Phakisaworld | R 1 284.79 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 133 | Phakisaworld | R 8 138.36 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 134 | Phakisaworld | R 8 322.48 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 135 | Phakisaworld | R 8 255.88 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 136 | Phakisaworld | R 8 313.86 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 137 | Phakisaworld | R 8 225.94 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 138 | Phakisaworld | R 5 831.64 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 139 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 140 | Phakisaworld | R 665.12 | Lease vehicle | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 141 | Phakisaworld | R 807.26 | Lease vehicle | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 142 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 143 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 144 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 145 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 146 | Phakisaworld | R 451.00 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 147 | Phakisaworld | R 14 110.35 | Lease vehicle | Services rendered without purchase order | SMITH B | ***Warning Letter and Condone*** |
| 148 | Phakisaworld | R 13 657.13 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 149 | Phakisaworld | R 28.66 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 150 | Phakisaworld | R 234.84 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 151 | Phakisaworld | R 9 525.95 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 152 | Phakisaworld | R 8 842.11 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 153 | Phakisaworld | R 8 406.15 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 154 | Phakisaworld | R 11 084.57 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 155 | Phakisaworld | R 8 386.99 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 156 | Phakisaworld | R 2 793.94 | Lease vehicle | Services rendered without purchase order | SMITH B | ***Warning Letter and Condone*** |
| 157 | Phakisaworld | R 3 321.95 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 158 | Phakisaworld | R 10 768.16 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 159 | Phakisaworld | R 399.82 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 160 | Phakisaworld | R 13 524.20 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 161 | Phakisaworld | R 2 546.10 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 162 | Phakisaworld | R 547.54 | Lease vehicle | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 163 | Phakisaworld | R 9 275.75 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 164 | Phakisaworld | R 13 748.74 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 165 | Phakisaworld | R 9 749.73 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 166 | Phakisaworld | R 8 556.03 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 167 | Phakisaworld | R 8 140.13 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 168 | Phakisaworld | R 8 208.01 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 169 | Phakisaworld | R 10 503.10 | Lease vehicle | Services rendered without purchase order | RAATS JJ | ***Warning Letter and Condone*** |
| 170 | Phakisaworld | R 8 382.14 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 171 | Phakisaworld | R 3 208.45 | Lease vehicle | Services rendered without purchase order | THERON W | ***Warning Letter and Condone*** |
| 172 | Phakisaworld | R 8 325.43 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 173 | Phakisaworld | R 7 705.53 | Lease vehicle | Services rendered without purchase order | VAN ZYL B | ***Warning Letter and Condone*** |
| 174 | Phakisaworld | R 12 624.45 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 175 | Phakisaworld | R 6 877.78 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 176 | Phakisaworld | R 2 695.67 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 177 | Phakisaworld | R 5 649.87 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 178 | Phakisaworld | R 1 443.86 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 179 | Phakisaworld | R 4 339.95 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 180 | Phakisaworld | R 1 045.51 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 181 | Phakisaworld | R 968.91 | Lease vehicle | Services rendered without purchase order | FOURIE T | ***Warning Letter and Condone*** |
| 182 | Phakisaworld | R 3 241.99 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 183 | Phakisaworld | R 2 064.46 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 184 | Phakisaworld | R 1 610.40 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 185 | Phakisaworld | R 1 484.68 | Lease vehicle | Services rendered without purchase order | TOM M | ***Warning Letter and Condone*** |
| 186 | Phakisaworld | R 1 833.81 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 187 | Phakisaworld | R 9 666.96 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 189 | Phakisaworld | R 2 786.21 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 190 | Phakisaworld | R 2 962.11 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 191 | Phakisaworld | R 1 505.74 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 192 | Phakisaworld | R 930.65 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 193 | Phakisaworld | R 2 737.81 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| 194 | Phakisaworld | R 3 382.83 | Lease vehicle | Services rendered without purchase order | WEIDEMANN E | ***Warning Letter and Condone*** |
| **Net Total** | | **663 127.61** |  |  |  |  |

**Annexure A**

Following were neither irregular expenditure nor non-compliance to the Delegation of Authority. The amounts was previously disclosed and classified as irregular expenditure which over stated the irregular expenditure reported during the financial years that ended in 2011 and 2012. The external auditors have revisited the disclosed population and revised their conclusion of some of the transactions to no longer being irregular in nature. This revised conclusion indicates that variation orders with the total value of R384 015 666 were in fact neither irregular expenditure nor non-compliance with the laws and regulations. Therefore these variation orders and bids advertised may be excluded from reported irregular expenditure disclosed in the annual financial statements for the year ending 31 March 2016.

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Details of variation** | **Variation value per client schedule** | **Variation Value as audited** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | WP8847 | Appointment of Professional Service Provider BKS (Pty) Ltd for the relocation of graves and investigation of archaeological sites for the proposed De Hoop Dam was awarded on 15 November 2005 to the value of R3 350 000 (VAT included). | 1 | Extension of contract period and scope of work at De Hoop Dam was approved by the Department Bid Evaluation Committee on 4 May 2007 | 3 003 000 | 1 093 000 |
| 2 | Extension of scope of work at De Hoop Dam was approved by the Chief Director: Business Development on 19 October 2007. | 540 000 |
| 3 | Extension of scope for graves to be relocated at De Hoop Dam was approved by the Department Bid Evaluation Committee 18 July 2008. | 870 000 |
| 2 | WP9728 | Appointment of Professional Service Provider Synetics Technologies to provide SAP training was awarded on 30 November 2007 to the value of R5 909 760 (VAT included) | 1 | Extension of contract with Synetics Technologies by six months was approved by the Department Bid Evaluation Committee on 22 November 2008. | 3 400 000 | 3 400 000 |
| 3 | WP8944 | Appointment of Professional Service Provider for the planning, design and supervision of the De Hoop Dam development project (Phase 2A) was awarded on 1 September 2006 to Africon Engineering International (Pty) Ltd to the value of R7 700 673 (VAT included) | 1 | Extension of work due to revised scope of work at De Hoop Dam was approved by the Department Bid Evaluation Committee on 20 April 2007. | 17 553 000 | 6 305 344 |
| 2 | Extension of work due to revised scope of work at De Hoop Dam was approved by the Department Bid Evaluation Committee on 29 September 2008. | 11 247 705 |
| 4 | W9086WTE | Realignment of provincial road R169-1 and construction of access road at De Hoop Dam was awarded on 11 May 2007 to Hillary &Liviero&Eigenbau Joint Venture to the value of R257 095 650 (VAT included). | 10 | Construction of a low level bridge to restore access to Megapa Lodge was approved by the Chief Director on 23 October 2008. | 4 713 000 | 222 130 |
| 11 | Erection of a 1.8m high game fence along sections of the re-aligned R169-1 route was approved by the Chief Director on 23 October 2008. | 4 278 188 |
| 12 | Erection of fencing on the farm of Mr J Roux to provide access to drinking points for cattle without crossing the road was approved by the Chief Director on 23 October 2008. | 180 206 |
| 13 | Erection of a stock fence to provide corridor to the river for Tshela Trust cattle on Portion 2 of the Farm De Hoop which is cut off by the dam was approved by the Chief Director on 23 October 2008. | 233 328 |
| 5 | W9086WTE | Realignment of provincial road R169-1 and construction of access road at De Hoop Dam was awarded on 11 May 2007 to Hillary &Liviero&Eigenbau Joint Venture to the value of R257 095 650 (VAT included). | 15 | Establish additional slurry and layer works to accelerate the surfacing of Road P169-1 was approved by the Chief Director on 27 February 2009. | 4 925 000 | 2 569 925 |
| 6 | WP9252WTE | The re-engineering and re-organisation of the revenue management function was awarded to The IQ Business Group and Accenture Joint Venture on 4 May 2007 to the value of R25 688 997 (VAT included). | 1 | Extension of scope for debtors clean up, organisation and people stream, business process stream, and roll-out of business processes was approved by the Department Control Committee on 18 April 2008. | 24 200 000 | 21 400 000 |
| 2 | Extension of scope and contract period to 31 December 2008 was approved by the Department Bid Adjudication Committee on 10 October 2008. | 2 800 000 |
| 7 | WP9946 WTE | Appointment of Service Provider for the verification of BBBEE status of suppliers and service providers was awarded to Bearing Management Consulting to the value of R6 500 000 (VAT included). | 1 | Additional scope of work which includes developing and updating supplier database; review BEE strategy; skills transfer; conduct a due diligence on suppliers and PSPs; monitoring and reporting; provision of ongoing technical support; proposal for development of invoicing tracking systems was approved by the Chief Director on 4 February 2009. | 2 000 000 | 2 000 000 |
| 8 | W9371WTE | Drilling and blasting of foundation excavation and river diversion at De Hoop dam was awarded on 15 June 2007 to the value of R9 039 316.50 (VAT included). | 1 | An additional excavation necessitated by founding conditions was approved by Department Bid Adjudication Committee on 6 October 2008. | 6 499 000 | 4 736 358 |
| 9 | WP9009WTE | Appointment of Professional Service Provider Manase Associates / Kwinana and Associates Joint Venture for the provision of skilled fixed asset experts to supplement the Department’s Fixed Assets Unit was awarded on 14 March 2006 to the value of R13 777 484 (VAT included). The project was 60% funded from the Water Trading Account and 40% from the Main Account. | 1 | Development of manual controls for the Trading Accounts Logistics and additional resources to assist the Department in the daily management of the Trading Account fixed assets as a result of SAP implementation was approved by the Department Bid Committee on 7 December 2006 to the value of R2 666 400 (VAT included). | 49 488 000 | 2 666 400 |
| 3 | Additional resources required to assist in the implementation of asset management strategies, policies and procedures, including completing the asset registers and appropriate skills transfer was approved by the Departmental Control Committee on 28 March 2008. | 9 600 000 |
| 4 | Provision of skilled moveable assets experts to supplement the Department’s Asset Management in daily management of moveable assets was approved in principle subject to fulfilment of certain conditions by the Departmental Bid Adjudication Committee on 30 September 2008. | 20 571 760 |
| 5 | Provision of the moveable assets project for both Main and Water Trading Account was noted by the Departmental Bid Adjudication Committee on 31 July 2009 on the basis that the Director General had approved the submission. | 11 900 000 |
| 10 | W9032 | Appointment of Professional Service Provider for the planning, design and site supervision of the rehabilitation of the Hankey, Moolman and Robert Scott Siphons was awarded to Rand Water Services Joint Venture on 29 September 2006 to the value of  R8 180 133 (VAT included). | 1 | Provision for the planning, design and site supervision of the rehabilitation of the Hankey, Moolman and Robert Scott Siphons at Gamtoos GWS was approved by the Chief Director on 21 May 2007. | 8 303 000 | 1 569 382 |
| 2 | Provision for the planning, design and site supervision of the rehabilitation of the Hankey, Moolman and Robert Scott Siphons for high pressure clean and carry out further investigation on Bodker Tunnel was approved by the Chief Director on 7 June 2011. | 181 516 |
| 3 | Additional out of scope of work for the planning, design and site supervision of the rehabilitation of the Hankey, Moolman and Robert Scott Siphons was approved by the DBAC on 22 February 2008. | 4 522 867 |
| 4 | Additional out of scope of work for the planning, design and site supervision of the rehabilitation of the Hankey, Moolman and Robert Scott Siphons was approved by the Director General on 23 October 2009 and noted by Department Bid Adjudication Committee on 13 November 2009. | 2 029 070 |
| 11 | W8523WTE | Appointment of Professional Service Provider for the development of an integrated water resources management plan for the Upper & Middle Olifants (Loskop dam) river catchment was awarded on 23 August 2004 to Golder Associates Africa to the value of R3 445 741. | 1 | Extension of scope of work subsequent to completion of the inception phase of the project was approved by the Senior Manager on 30 September 2005. | 671 000 | 341 922 |
| 3 | Provision for update of the water quality situation assessment as a result of the deterioration in the sewage treatment plant effluent qualities was approved by the Chief Director on 15 November 2007. | 329 460 |
| 12 | WP 9037 WTE | Appointment of Professional Service Providers for the provision of SAP Power Users for the accrual accounting SAP implementation project was awarded on 4 August 2006 to TIPP Focus Resourcing to the value of R6 963 840 (VAT included) | 1 | Change of scope and additional resources for the transfer of skills for the provision of SAP Power Users was approved on 11 September 2006 by the Departmental Control Committee. | 87 227 000 | 4 017 088 |
| Another variation order #1 for the pre-migration work to be performed prior to GO-Live was approved by the Chief Director on 11 September 2006. | 1 000 000 |
| 2 | Appointment of additional SAP Power Users due to additional sites identified that must go over to the SAP environment was approved by the Departmental Control Committee on 29 September 2006. | 6 894 720 |
| 3 | Appointment of additional three Project Managers, Programme Manager, travel and accommodation costs was approved by the Department Control Committee on 20 November 2006. | 1 006 400 |
| 4 | Extension of contract from 1 March 2007 to 31 May 2007 was approved by the Departmental Control Committee on 9 February 2007. | 8 035 904 |
| 6 | Extension of contract from 1 June 2007 to 31 July 2007 was approved by the Departmental Control Committee on 4 May 2007. | 5 982 720 |
| 7 | Extension of contract from 1 August 2007 to 31 January 2008 was approved by the Departmental Control Committee on 22 July 2007. | 17 630 784 |
| 8 | Extension of contract from 1 February 2008 to 31 July 2008 was approved by the Departmental Control Committee on 25 January 2008. | 17 700 000 |
| 9 | Extension of contract from 1 August 2008 to 31 March 2009 was approved by the Departmental Control Committee on 18 July 2008. | 24 959 417 |
| 13 | W9023WTE | Appointment of Professional Service Provider for the full design services and construction supervision for rehabilitation of dams to comply with dam safety standards was awarded to BKS (Pty) Ltd on 29 September 2006 to the value of R 28 644 319 (VAT included). | 1 | Extension of scope of work for the geotechnical investigations for the Elandsdrift Barrage was approved by Acting Director on 5 May 2008. | 14 078 000 | 1 279 452 |
| 2 | Change in scope of work due to the increase in the size of the rehabilitation work was approved by the Department Bid Adjudication Committee on 13 November 2009. | 12 798 407 |
| 14 | WP8946 WTE | Appointment of Professional Service Providers for the provision of Financial Managers for the implementation of the accrual based accounting system was awarded to SAB&T Consultants on 10 March 2006 on a time and cost basis with estimated costs of R10 909 197 which was subsequently noted on file as R16 038 000. | 1 | Extension of contract for a period of 12 months ending 31 March 2008 was approved by the Department Control Committee on 9 March 2007. | 92 347 000 | 19 286 000 |
| 2 | Extension of contract for a period of 12 months ending 31 March 2009 for R 46 964 800 was approved by the Department Control Committee on 11 April 2008. | 46 964 000 |
| 3 | Extension of contract for a period of 5 months ending 31 August 2009 was approved by Departmental Bid Adjudication Committee on 31 March 2009. | 10 057 781 |
| 15 | WP8842 WTE | Appointment of Professional Service Provider GOBA (Pty) Ltd / ARQ Joint Venture for the Full design services and construction supervision for the rehabilitation of nine of the eighteen dams was approved by the Department Control Committee on 12 December 2005 to the value of  R19 790 977 (VAT included). | 1 | Changes to scope of work due to extent of the rehabilitation work were approved by the Director on 25 February 2008. | 55 077 000 | 3 563 000 |
| 2 | Changes to scope of work due to increase in size of the rehabilitation work were approved by the Chief Director on 21 April 2008. | 5 936 669 |
| 3 | A change to scope of work due to increases in the size of the rehabilitation work was approved by the Department Bid Adjudication Committee on 29 August 2008. | 19 739 822 |
| 5 | Changes to scope of work due to extension of the contract period and additional work were approved by the Department Bid Adjudication Committee on 22 October 2010. | 3 934 851 |
| 16 | WP8685 WTE | Appointment of Professional Service Provider Vela VKE and MMA Joint Venture for the detailed design and construction supervision of relocated route R555 on the De Hoop Dam project was awarded on 25 April 2005 to the value of R7 224 791 (VAT \*included).  Note that R555 road is the re-aligned P169-1 road. | 1 | Implementation of traffic control measures to facilitate core drillings on R555 road shoulder at the proposed De Hoop Dam outlet works was approved by the Director on 14 December 2005. | 10 482 000 | 304 183 |
| 2 | Visualisation of project which includes the preparation of a high definition movie in MMV format, ten stills in JPG format and one PDF file format of the dam wall was approved by the Director on 29 March 2006. | 56 680 |
| 4 | The design of the retaining wall adjacent to Road P169-1 at outlet works for dam including traffic control was approved by the Chief Director on 4 October 2007. | 286 427 |
| 5 | Design of new gravel road to restore access to Telkom’s Uitvlugt mast and Portion 4 of farm Steelpoort Park was approved by the Chief Director on 4 October 2007. | 210 884 |
| 6 | Attending Public Utilities Committee meetings to report on progress and co-ordinate involvement in the project was approved by the Chief Director on 4 October 2007. | 128 599 |
| 7 | Design service culverts for Access Roads C and D for allowance installation of pipelines to pump station were approved by the Chief Director on 7 October 2007. | 28 966 |
| 8 | Re-design of storm water culverts on Portion 1 and 2 of the farm De Hoop to enable cattle to cross the realigned P169-1 road was approved by Chief Director on 4 October 2007. | 52 597 |
| 9 | Extend the design of Access Road D, make provision for raw water pipeline adjacent to the road and re-design gauging Wier bridge for higher Weir level was approved by the Chief Director on 4 October 2007. | 300 882 |
| 10 | Re-design low level bridge on Access Road F to make provision for a 1:2 year flood was approved by Chief Director on 4 October 2007. | 76 574 |
| 11 | Preparation of a way-leave for the entire affected section of road P169-1 road was approved by the Chief Director on 4 October 2007. | 20 704 |
| 13 | Extension of contract period to supervise the construction of the  re-alignment of the P169-1 road was approved by the Department Control Committee on 28 March 2008. | 8 932 354 |
| 17 | WP8924 WTE | Appointment of Professional Service Provider for the provision of documentation and training specialist for SAP Implementation was awarded to Faranani IT Services on 3 February 2006 to the value of R11 755 200 (VAT included). | 1 | Variation for flights, accommodation, transport and 10% administration costs was approved by the Director on 12 April 2006. | 29 512 000 | 43 115 |
| 2 | Additional 133 hours worked on the project was approved by the Director on 7 June 2006. | 61 382 |
| 3 | Additional 69 hours worked on the project was approved by the Director on 7 June 2006. | 32 082 |
| 4 | Extension of contract with Faranani IT services for 6 months from 31 August 2006 until 28 February 2007 was approved by the Department Bid Committee on 9 September 2006. | 10 250 880 |
| 5 | Additional 52 hours worked on the project was approved by the Department Control Committee on 20 June 2006. | 537 788 |
| 6 | Additional nine SAP Trainers for construction schemes was approved by the Department Control Committee on 20 June 2006. | 3 306 000 |
| 7 | Extension of contract from 1 March 2007 to 30 April 2007 was approved by the Department Control Committee on 9 February 2007. | 4 379 094 |
| 8 | Extension of contract from 1 May 2007 to 31 July 2007 was approved by Director General approved on 10 April 2007 and noted by the Department Control Committee on 4 May 2007. | 7 100 442 |
|  | 9 | Extension of contract from 1 August 2007 to the 30 September 2007 was approved by the Department Control Committee on 27 July 2007. | 3 800 924 |
| 18 | WP9197 | Design and implementation of the enterprise risk management was awarded to Ramathe Chartered Accountants on 12 March 2007 to the value still to be negotiated with the PSP. The budgeted fee for the project was R4 500 000. | 1 | Extension of the contract for two months from 1 April 2009 to 31 May 2009 due to insufficient skills within the department, complexity of the risk management framework and other projects running concurrently with the project, which led to delays in this project. Approved by DBAC on 25 March 2009. | 2 190 000 | 720 000 |
| 2 | Extension of the contract for ten months from 1 June 2009 to 31 May 2010 due to insufficient skills within the department, complexity of the risk management framework and other projects running concurrently with the project, which led to delays in this project. Approved by the DBAC on 14 April 2009. | 1 470 000 |
| 19 | WP9052WTE | Appointment of Professional Service Providers De Hoop Consultants for the site supervision of the De Hoop Dam to the value of R70 879 876 (VAT included). | 2 | Budget for engineering geologist was approved by the Acting Director general on 3 June 2008. | 15 735 000 | 991 435 |
| 3 | Special conditions of contract work for all electrical work was approved by the Acting Director on 10 December 2007. | 62 700 |
| 4 | Review of structural design of coffered roof slabs for the emergency date and outlet control room was approved by Chief Director on 3 April 2008. | 45 600 |
| 5 | Inspection of purpose made pipe work and pipe specials for outlet works was approved by the Chief Director on 29 July 2009. | 1 799 478 |
| 6 | Provision of alternate site staff accommodation for De Hoop Dam Consultants operation and maintenance was approved by the Chief Director on 29 July 2009. | 12 640 320 |
| **TOTAL** | | | | | | **384 015 666** |

**ANNEXURE B**

The following variation orders were noted to be correctly classified as irregular expenditure. This has been investigated and will be condoned following the normal process of dealing with irregular expenditure.

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Details of variation and reasons for the transgression** | **Variation value per client schedule** | **Variation Value as audited** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | W9086WTE | Realignment of provincial road R169-1 and construction of access road at De Hoop Dam was awarded on 11 May 2007 to Hillary &Liviero&Eigenbau Joint Venture to the value of R257 095 650 (VAT included). | 14 | Appointment of Land Surveyor, MPA Coetsee to carry out the cadastral survey of property beacons for road reserve of realigned road P169-1 as well as property beacons for the De Hoop Dam was approved on 9 February 2005.  The variation order was not awarded to the same contractor as the initial contractor. Although three quotations were obtained, the variation should have been placed on tender as the awarded amount was greater than R500,000. | 4 925 000 | 678 728 |
| 16 | Purchase of site facilities previously erected by Hillary &Liviero&Eigenbau Joint Venture which were needed by Directorate Construction West to use as offices and storage facility was approved by the Department Bid Adjudication Committee on 7 August 2009. Per Circular 8 of 2009, the variation order should have been approved by the Director General. | 1 676 373 |
| 2 | W9371WTE | Drilling and blasting of foundation excavation and river diversion at De Hoop dam was awarded on 15 June 2007 to the value of R9 039 316.50 (VAT included). | 1 | Additional excavations necessitated by founding conditions noted were approved by the Director on 19 August 2008. The variation order value was in excess of 20% of the initial contract and should have been approved by the Chief Director. | 6 499 000 | 1 762 667 |

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Details of variation and reasons for the transgression** | **Variation value per client schedule** | **Variation Value as audited** |
| --- | --- | --- | --- | --- | --- | --- |
| 3 | WP8842 WTE | Appointment of Professional Service Provider BKS Pty Ltd for the Full design services and construction supervision for the rehabilitation of the following dams:   * Vaalkop dam * Wentzel dam * Klipdrift dam * Kalkfontein dam * Goedertrouw dam * Albert Falls dam * Gcuwa, Majola dam * Toleni dam   The contract was approved by the Department Control Committee on 12 December 2005 to the value of R21 724 265. | 1 | Rehabilitation of six additional dams was approved by the Chief Director on 26 November 2007, i.e.:   * Makotswane dam * Piet Gouws dam * Midmar dam * Taung dam * Magwa dam * Duivenshiks dam   The above dams were not included in the list of dams to be rehabilitated under the initial contract. These are considered new projects that should have been put out on a tender. | 55 077 000 | 10 274 369 |
| 3 | Additions to scope of work for the rehabilitation work to the following dams was approved by the Department Bid Adjudication Committee on 13 November 2009:   * Vaalkop dam (incl in initial contract) * Klipdrift dam (incl in initial contract) * Wentzel dam (incl in initial contract) * Toleni dam (incl in initial contract) * Gcuwa dam (incl in initial contract) * Albert Falls dam (incl in initial contract) * Piet Gouws dam (not part of initial contract)   The variation included additional scope of work on a dam that was not included in the initial contract, i.e. Piet Gouws dam. The work on this dam should have been put out on a tender. | 2 334 402 |

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Details of variation and reasons for the transgression** | **Variation value per client schedule** | **Variation Value as audited** |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | 4 | Extension of the contract period and additional tasks to be undertaken was approved by Department Bid Adjudication Committee on 13 November 2009. Per Circular 8 of 2009, the variation order should have been approved by the Director General. |  | 13 228 438 |
| 4 | WP9009WTE | Appointment of Professional Service Provider Manase Associates / Kwinana and Associates Joint Venture for the provision of skilled fixed asset experts to supplement the Department’s Fixed Assets Unit was awarded on 14 March 2006 to the value of R13 777 484 (VAT included). The project was 60% funded from the Water Trading Account and 40% from the Main Account. | 2 | Additional resources required in the daily management of the Trading Account fixed assets to meet an urgent deadline for the 2007/2008 financial year was approved by the Chief Director: Financial Management on 9 February 2008.  The variation order, taking into account prior variation orders exceeded 50% of the initial contract value. The variation order should have been approved by the Department Bid Committee. | 49 488 888 | 4 749 783 |
| 5 | WP8685 WTE | Appointment of Professional Service Provider Vela VKE and MMA Joint Venture for the detailed design and construction supervision of relocated route R555 on the De Hoop Dam project was awarded on 25 April 2005 to the value of R7 224 791 (VAT \*included).  Note that R555 road is the re-aligned P169-1 road. | 3 | The appointment of Ecorex plant specialist for the rescue of rare indigenous plants from the construction area for the realigned P169-1 and the dam prior to construction was approved by the Director on 7 March 2007. A different contractor other than the initial appointed contractor was awarded the variation order. No quotations were obtained prior to awarding the contract. | 10 482 000 | 83 000 |

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Details of variation and reasons for the transgression** | **Variation value per client schedule** | **Variation Value as audited** |
| --- | --- | --- | --- | --- | --- | --- |
| 6 | W0032 WTE | Supply and delivery of two 45 ton excavators was awarded to Komatsu SA (Pty) Ltd on 09 October 2009 to the value of R5 078 396.76. (VAT included). | 1 | Purchase of an additional 45 ton excavator from Komatsu SA (Pty) Ltd without putting the purchase on a bid process was approved as a variation order by the Department Bid Adjudication Committee on 27 November 2009. The reason for the approval was that the bid process would have resulted in delays in the rehabilitation of the Vlakfontein Canal on the Usutu Vaal Scheme.  The quantity on the original tender was increased with a value above 20% of the original contract value. The purchase of the additional excavator should have been put on bid process. Practice Note 8 was applicable at the time. | 2 539 000 | 2 539 198 |
| 7 | WP8847 | Appointment of Professional Service Provider BKS (Pty) Ltd for the relocation of graves and investigation of archaeological sites for the proposed De Hoop Dam was awarded on 15 November 2005 to the value of R3 350 000 (VAT included). | 4 | Extension of scope of graves to be relocated at De Hoop Dam as approved by the Department Bid Evaluation Committee on 12 February 2010. Per Circular 8 of 2009, the variation order should have been approved by the Director General. | 3 003 000 | 500 000 |
| 8 | W9220 | Rehabilitation of S196 Canal at Riet River (Kalkfontein Dam) was awarded on 30 March 2007 to Penny Farthing Engineering SA (Pty) Ltd to the value of R25 551 705 (VAT included). | 1 | Additional work on the S196 Canal and extension of the contract with Penny Farthing Engineering SA (Pty) Ltd was approved by the Department Bid Evaluation Committee on 31 July 2009. Per Circular 8 of 2009, the variation order should have been approved by the Director General.  The difference between the amount reported by management and the audited amount is the VAT. | 9 644 000 | 10 995 029 |
| **TOTAL** | | | | | | **48 821 987** |

**ANNEXURE C**

The following variation orders were noted to be correctly classified as irregular expenditure. This has been investigated and will be condoned following the normal process of dealing with irregular expenditure.

| **Nr** | **Tender #** | **Details of original contract** | **Variation #** | **Variation value per client schedule** |
| --- | --- | --- | --- | --- |
| 1 | WP9052WTE | Appointment of Professional Service Providers De Hoop Consultants for the site supervision of the De Hoop Dam to the value of R70 879 876 (VAT included). | 1 | 195 000 |
| 2 | WQ0604 | Survey of properties in Hazelmere Dam. | Unknown | 162 000 |
| 3 | Unknown | Unknown – No adequate details available to trace to specific tender files at the time of audit. | Unknown | 37 222 000 |
| **TOTAL** | | | | **37 579 000** |

**ANNEXURE D**

Thesetransactionhave been investigated andare ready to be condoned following the normal process of dealing with irregular expenditure.

| **Nr** | **Tender #** | **Details of original contract** | **Transgression** | **Variation value per client schedule** |
| --- | --- | --- | --- | --- |
| 1 | WP10412 WTE | WP10412 WTE: Emergency appointment of PSP for the detail and construction supervision of the pipelines to lay parallel to the problematic glass fibre re-in forced polyester pipes: Levuvhu River Government Water Scheme | Tax certificate not included | 27 590 000.00 |
| 2 | W0117 WTE | W0117 WTE: The refurbishment of the spherical valve at Bloemhof Dam Free State | Declaration for past SCM SBD 8 treasury regulations 16A9.2 w0117wte the refurbishment of the specialised valve at Bloemhof dam free state | 524 000.00 |
| 3 | WQ2149 WTE | WQ2149 WTE: World Power Product | Exceeded contract value without prior approval by delegated authority | 281 000.00 |
| 10 | Various bids | Various bids | Bids advertised for a period shorter that 21 days as prescribed by Treasury Regulations 16A 6.3: | 15 273 000.00 |
| 11 | Various bids | Various bids | The SBD 9 (Certification of Independent Bid Determination) were not completed and signed by the winning bidders for the tenders were advertised after 21st July 2010. The Circular and the SBD 9 template were placed in the National Treasury website on 21st July 2010: | 64 107 000.00 |
| 12 | Various bids |  | Procurement from suppliers that were locked for procurement (internal process contravention | 7 000.00 |
| 13 | Various bids | Purchase orders approved by an official without delegations | Purchase order approved by an official without any written authority/delegation for the approval of purchase order | 75 000.00 |
| **TOTAL** | | | | 107 857 000.00 |