**Annexure 3**

**29.       IRREGULAR EXPENDITURE**

Opening balance                                                                                                                                                             148 760               347 445

Add: Irregular Expenditure - current year                                                                                                                    1 477 599            2 348 338

Less: Amounts condoned                                                                                                                                               (812 943)         (2 547 023)

cid:image001.png@01D3393E.AF898FE0

### 813 416              148 760

cid:image002.png@01D3393E.AF898FE0

#### Details of irregular expenditure – current year

**Continuing legacy contracts                                           Description                                                                                                          Amounts**

cid:image003.png@01D3393E.AF898FE0

Inconsistency in the evaluation of functionality             The contract is on its second year of the 3 year term &                                   812 943

upon termination no extension will be done. Disciplinary

action was taken against the employees who have caused

the irregular expenditure

SCM deviation not followed                                           Extension of the printing contract deemed not in line with SCM                      664 656

process. National Treasury have been engaged to issue its opinion

and upon receiving that opinion the cidb will follow process to

ensure consequence management.

cid:image004.png@01D3393E.AF898FE0

### 1 477 599

cid:image005.png@01D3393E.AF898FE0

#### Details of current year irregular expenditure - prior year

**Legacy contracts                                                             Description                                                                                                    Amounts**

|  |  |  |  |
| --- | --- | --- | --- |
| No supporting documentation of SCM processes | Tender awarded to a new service provider. No action |  | 106 325 |
| Followed | taken as employee concerned left the organization. |  |  |
| No Contract | The contract terminated. No action taken as employee |  | 17 642 |
|  | concerned left the organization. |  |  |
| Expired contract | The contract terminated. No action taken as employee |  | 6 515 |
|  | concerned left the organization. |  |  |
| SCM process not followed in the deviation and | Internal investigation into registration of contractors in |  | 380 974 |
| extension of scope of contract | the cidb. No action taken as employee concerned left the  organization. |  |  |
|  |  |  |  |
| Inconsistency in the evaluation of functionality | The contract is on its second year of the 3 year term and |  | 764 041 |
|  | upon termination no extension will be done. Disciplinary |  |  |
|  | action was taken against the employees who have caused |  |  |
|  | the irregular expenditure. |  |  |
| No SBD forms & Tax Clearance Certificate | Disciplinary action was taken against the employee who |  | 49 290 |
|  | did not perform the administrative checks before the |  |  |
|  | service provider was awarded the contract. The contract |  |  |
|  | was consequently terminated. |  |  |
| No Valid Tax Clearance Certificate | This matter is currently under investigation and will be |  | 874 791 |
|  | reported accordingly in line with SCM policy. |  |  |
| Not following SCM process | This matter is currently under investigation and will be |  | 148 760 |
|  | reported accordingly in line with SCM policy. |  |  |
|  |  |  | **2 348 338** |