

## **ANNEXURE A**

## IRREGULAR EXPENDITURE SCHEDULE 2017 / 2018

#	Description	Amount (R)	Root cause	Non- compliance with?	Responsible Employee/s (alleged)	PFMA section 38 (1) (h) – matters to consider when disciplinary action is taken	Consequence mgt: Offence (category and charge)	Approved /Not Approved
1	AMD CENTRAL BASIN OPERATIONS AND MAINTENANCE: Contract - 08 - 030, Intelligent Water Solutions (IWS) Appointment of IWS to operate the AMD Central Basin.	42 571 905	Single sourcing within TCTA's DOA, however subsequently linked to irregular IWS appointment. See item 2, below.	N/A (Fraudulent)	Former CEO (JN)     Former SCM  (responsible people, as per item 2 below)	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>	Final written warning: CFO (oversight since Board was not informed in terms of NT circular 24 Apr 2012)  See item 2, below re Former CEO and former SCM Manager.	Not Approved
2	AMD CENTRAL BASIN OPERATIONS AND MAINTENANCE: Contract – 08 – 030, Intelligent Water Solutions (IWS)	40 474 856	Irregular letter of award by former SCM Manager.	N/A (Fraudulent)	Former CEO (JN)     Former SCM     Manager	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>	Dismissal of former SCM Manager.  Laid criminal charges against former CEO and former SCM Manager.	Not Approved

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3	AMD CENTRAL BASIN	22 246 073	Board and NT approved,	N/A	Board	Circumstance of	Annexure B3, B4 and B5 -	Not
	OPERATIONS AND		however linked to irregular	(Irregular by	Former CEO (LR)	transgression:	consequence	Approved
	MAINTENANCE:		letter of award by former	association)	• Exco	Extent of	management report,	
	Contract - 08 - 030,		SCM Manager.			expenditure:	mediation report and list	
	Intelligent Water Solutions					Nature and	of employees served with	
	(IWS)					seriousness of	sanction letters.	
	The December 2016					transgression:		
	settlement agreement							
	provided for the							
	continued operations with							
	revised costs to operate the							
	plant							
	from 1 January 2017 until 30							
	June 2017 to allow for an							
	operator							
	to be appointed through an							
	open tender process.							
	The irregular expenditure							
	declared is for the period 1							
	January							
	2017 to 31 March 2017.							
4	AMD CENTRAL BASIN	49 823 227	Board approved.	N/A	Board	Circumstance of	Annexure B3, B4 and B5 -	Not
	OPERATIONS AND			(Irregular by	Former CEO (LR)	transgression:	consequence	Approved
	MAINTENANCE:			association)	• Exco		management report,	

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	Contract - 08 - 030, Intelligent Water Solutions (IWS)		NT approved until 30 June 2017.			<ul><li>Extent of expenditure:</li><li>Nature and</li></ul>	mediation report and list of employees served with sanction letters.	
			However, linked to irregular letter of award by former SCM Manager.			seriousness of transgression:		
5	AMD EASTERN BASIN & 22 CENTRAL BASIN OPERATIONS AND MAINTENANCE: Suppliers of Consumables and Spares Contracts	2 499 489	Delay in award of contract by accounting authority.  Resulted in emergency single sourcing.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	Former CEO (LR)     Exco	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
6	AMD EASTERN BASIN OPERATIONS AND MAINTENANCE: Contract – 08 – 030, CMC- PG Mavundla	978 031	Operated plant without NT prior approval for single sourcing.	Legislation	Former CEO (LR)     Exco	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved

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7	AMD EASTERN BASIN OPERATIONS AND MAINTENANCE: Contract – 08 – 032, Tecroveer Thanda Manzi JV	14 433 840	Delay in award of contract by accounting authority.  Resulted in emergency single sourcing and subsequent extension.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	<ul><li>Former CEO (LR)</li><li>Exco</li></ul>	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
8	AMD CENTRAL BASIN OPERATIONS AND MAINTENANCE: Contract – 08 – 030, Proxa Propriety Limited	12 549 173	Delay in award of contract by accounting authority.  Resulted in emergency single sourcing and subsequent extension.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	Former CEO (LR)     Exco	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
9	CLAIMS: AMD STI, MCWAP 1 and ORWRDP 2C	96 257 051	Failure to obtain NT prior approval for the expansion of a contract in excess of 20% or R20 million.	Legislation	No employee responsible.  (Outcome of the independent contractual adjudication process)	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>	Annexure B3, B4 and B5 - consequence management report, mediation report and list of employees served with sanction letters.	Not Approved

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10	CONSTRUCTION OF THE MMTS-2 WATER TRANSFER SYSTEM: CONTRACT NO. TCTA 04-005, WBHO Construction (Pty) Ltd.	12 956 427	Failure to obtain NT prior approval for the expansion of a contract in excess of 20% or R20 million.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	EM: PMID Project Manager MMTS- 2.	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
11	VARIATIONS ORDERS: AMD STI and MMTS-2	9 112 754	Failure to obtain NT prior approval for the expansion of a contract in excess of 20% or R20 million or 15% or R15 million.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	EM: PMID  Project Managers AMD  and MMTS-2.	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
12	MOKOLO PIPELINE: Contract 007-001, AVENG (AFRICA) LTD/ UMBUTHO CIVIL & ELECTRICAL JV:	5 682 360	Failure to obtain NT prior approval for the expansion of a contract in excess of 20% or R20 million.	Legislation (PFMA section 51, NT instruction	EM: PMID Project Manager	Circumstance of transgression:     Extent of expenditure:	Annexure B3, B4 and B5 - consequence management report, mediation report and list of employees served with sanction letters.	Not Approved

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13	MMTS-2: Contract 004- 041, AECOM SA (FORMERLY BKS) FOR CONSULTANCY SERVICES FOR MOOI MGENI TRANSFER SCHEME, PHASE 2.	4 533 309	Failure to obtain NT prior approval for the expansion of a contract in excess of 15% or R15 million.	note 3 of 2016/2017)  Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	EM: PMID Project Manager	<ul> <li>Nature and seriousness of transgression:</li> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
14	Olifants River Water Resource Development Project: Contract 005- 084	2 323 912	Failure to obtain NT prior approval for the expansion of a contract in excess of 20% or R20 million.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	EM: PMID Acting Project Manager	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved

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15	MOOI MGENI TRANSFER SCHEME PHASE 1 (MMTS-1): CONTRACT NO. TCTA 04-003, REFURBISHMENT OF MEANS PUMP STATION.	878 036	Failure to obtain NT prior approval for the expansion of a contract in excess of 15% or R15 million.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	EM: PMID Project Manager	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>	Annexure B3, B4 and B5 - consequence management report, mediation report and list of employees served with sanction letters.	Not Approved
16	Variation Orders	280 020 107	Failure to comply with TCTA Operational DOA.	Internal Policy	EM: PMID	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>		Not Approved
17	Appointment of Edward Nathan Sonnenberg (ENS) through single souring to provide labour law advisory services to TCTA with regards to investigation and institution of disciplinary action. Request for	10 426 126	Failure to obtain NT prior approval for a deviation.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	Audit Committee ACEO (LR) CFO	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression:</li> </ul>	Annexure B3, B4 and B5 - consequence management report, mediation report and list of employees served with sanction letters.	Not Approved

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	deviation was rejected by							
	National Treasury.							
18	The budget for legal fees	3 417 686	The budget was exceeded	Internal	CRO	Circumstance of	Annexure B3, B4 and B5 -	Not
	for MMTS-2 and AMD		as a result of several legal	Policy	Head of Legal	transgression:	consequence	Approved
	was exceeded as a result		matters that needed			Extent of	management report,	
	of new legal matters		attention.			expenditure:	mediation report and list	
	which did not form part					Nature and	of employees served with	
	of the initial budget.					seriousness of	sanction letters.	
						transgression:		
19	Appointment of	1 320 047	Failure to obtain NT prior	Legislation	CRO	Circumstance of		Not
	Tshisevhe Gwina		approval for a deviation.	(PFMA	Head of Legal	transgression:		Approved
	Ratshimbilani			section 51,		Extent of		
	Incorporated through			NT		expenditure:		
	single sourcing to render			instruction		Nature and		
	legal advisory services on			note 3 of		seriousness of		
	fund raising activities for			2016/2017)		transgression:		
	LHWP. Request for							
	deviation was rejected							
	by National Treasury.							
20	Lesotho Highlands	1 224 474	Failure to comply with the	Legislation	EM: PMID	Circumstance of		Not
	Operations and		NT instruction note on	(PFMA	Head of Engineering	transgression:		Approved
	Maintenance:		open ended contracts.	section 51,		Extent of		
	Continuous use of Lifton			NT		expenditure:		
	communication are or entering			instruction				

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	Construction to provide			note 3 of		Nature and		
	services to TCTA for the			2016/2017)		seriousness of		
	operation and					transgression:		
	maintenance of the							
	LHWP on an open-ended							
	contract basis, which							
	contravenes National							
	Treasury Instruction							
	Number 3of 2017/2016.							
21	DENTONS KAPDITWALA	1 217 488	The legal budget was	Internal	CRO	Circumstance of	Annexure B3, B4 and B5 -	Not
	Inc. was appointed		exceeded and there were	Policy	Head of Legal	transgression:	consequence	Approved
	through a quotation		no funds available.			Extent of	management report,	
	process for R 404 408.00.					expenditure:	mediation report and list	
	This amount was then					Nature and	of employees served with	
	exceeded, given the					seriousness of	sanction letters.	
	extent of the matter.					transgression:		
22	Lesotho	685 251	Failure to comply with the	Legislation	EM: PMID	Circumstance of		Not
	Highlan		NT instruction note on	(PFMA	ACEO (LR)	transgression:		Approved
	ds		open ended contracts.	section 51,	CFO	Extent of		
	Operati			NT	Head of Engineering	expenditure:		
	ons and			instruction		Nature and		
	Mainten			note 3 of		seriousness of		
	ance: PV			2016/2017)		transgression:		

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	Enginee							
	ring							
23	Appointment of Selomo	531 198	Failure to obtain NT prior	Legislation	EM: HR	Circumstance of		Not
	Attorneys through a		approval for a deviation.	(PFMA	ACEO	transgression:		Approved
	single sourcing to			section 51,		Extent of		
	represent and advise			NT		expenditure:		
	TCTA in labour disputes			instruction		Nature and		
	and disciplinary			note 3 of		seriousness of		
	actions. Request for			2016/2017)		transgression:		
	deviation was rejected							
	by National							
	Treasury.							
24	Procurement for goods	439 557	Failure to obtain NT prior	Legislation	EM: ESS	Circumstance of	Annexure B3, B4 and B5 -	Not
	and services with a		approval for a deviation.	(PFMA	Facilities Manager Shared Services Manager	transgression:	consequence	Approved
	value under R30 000			section 51,	SCM	Extent of	management report,	
	was followed expiry of			NT	Front of House	expenditure:	mediation report and list	
	the contract with two			instruction		Nature and	of employees served with	
	travel agencies, whilst			note 3 of		seriousness of	sanction letters.	
	the tender process was			2016/2017)		transgression:		
	being finalised.							
	However, majority of							
	travel agencies did not							

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	respond on time. This							
	resulted in the							
	following travel							
	agencies being							
	awarded work in							
	excess of the R30 000							
	limit.							
25	Appointment of Ellen of	411 582	Failure to obtain NT prior	Legislation	Acting CEO (LR)	Circumstance of		Not
	Overy law firm on a single		approval for a deviation.	(PFMA		transgression:		Approved
	source to represent TCTA			section 51,		Extent of		
	on a dispute with			NT		expenditure:		
	Tecroveer.			instruction		Nature and		
				note 3 of		seriousness of		
				2016/2017)		transgression:		
26	Appointment of Fluxman's	387 481	Failure to obtain NT prior	Legislation	Board/ ACEO (LR)	Circumstance of		Not
20	attorneys on a single	307 401	approval for a deviation.	(PFMA	Boardy ACLO (LK)	transgression:		Approved
	source to represent TCTA		approvarior a deviation.	section 51,				Approved
	on a legal matter.			NT		Extent of		
	on a legal matter.			instruction		expenditure:		
						Nature and		
				note 3 of		seriousness of		
				2016/2017)		transgression.		

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27	Appointment of Corporate	222 620	Failure to obtain NT prior	Legislation	EM: HR	Circumstance of	Annexure B3, B4 and B5 -	Not
	Executive Board on a single		approval for a deviation.	(PFMA	ACEO (LR) CFO	transgression:	consequence	Approved
	source.			section 51,	EXCO	Extent of	management report,	
				NT		expenditure:	mediation report and list	
				instruction		Nature and	of employees served with	
				note 3 of		seriousness of	sanction letters.	
				2016/2017)		transgression:		
					/ -			
28	Appointment of VUMA	189 810	Failure to obtain NT prior	Legislation	Former ACEO (MC) Board	Circumstance of		Not
	Reputation Management		approval for a deviation.	(PFMA	Board	transgression:		Approved
	on a single source to			section 51,		Extent of		
	manage an urgent media			NT		expenditure:		
	matter.			instruction		Nature and		
				note 3 of		seriousness of		
				2016/2017)		transgression:		
29	Extension of Banqobi	184 680	Failure to obtain NT prior	Legislation	EM: HR	Circumstance of		Not
	Consulting for the		approval for a deviation.	(PFMA		transgression:		Approved
	placement of a Senior			section 51,		Extent of		
	Manager: Company			NT		expenditure:		
	Secretary for a period of six			instruction		Nature and		
	months.			note 3 of		seriousness of transgression		
				2016/2017)		ti aliogi essivii		

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30	Appointment of M2TD to	55 751	Failure to comply with SCM	Internal Policy	Acting SCM Manager (MS) Procurement Specialist (N M-M)	Circumstance of	Annexure B3, B4 and B5 -	Not
	provide Adobe license.		policies.			transgression:	consequence	Approved
	Three (3) Authorisation					Extent of	management report,	
	quotations not obtained.					expenditure:	mediation report and list	
						Nature and	of employees served with	
						seriousness of transgression	sanction letters.	
31	Appointment of	27 379	Failure to obtain NT prior	Legislation	Board	Circumstance of		Not
	Werksmans on a single		approval for a deviation.	(PFMA		transgression:		Approved
	source basis to advise TCTA			section 51,		Extent of		
	Board on a labour matter.			NT		expenditure:		
				instruction		Nature and		
				note 3 of		seriousness of transgression		
				2016/2017)		<b>6</b>		
22	Lacatha Hisblanda	10 469 993	Failura ta aaraah ith tha	l a sialatia a	EM: PMID	6:		Net
32	Lesotho Highlands	10 469 993	Failure to comply with the	Legislation		Circumstance of		Not
	Operations and		NT instruction note on	(PFMA	Head of Engineering	transgression:		Approved
	Maintenance: Lifton		open ended contracts.	section 51,		Extent of		
	Authorisation			NT 		expenditure:		
	Construction not yet			instruction		Nature and		
	initiated. Continuous use			note 3 of		seriousness of		
	of Lifton Construction to			2016/2017)		transgression		
	provide services to TCTA							
	for the operation and							
	maintenance of the LHWP							

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33	on an open-ended contract basis which contravenes National Treasury Instruction Number 3 of 2017/2016.  Provision of Disaster Recovery services with Continuity SA after the contract had expired.	58 965	Failure to obtain NT prior approval for an expansion of a contract.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	Former CEO (JN) EM: ESS CRO CFO	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> <li>Nature and seriousness of transgression</li> </ul>	Annexure B3, B4 and B5 - consequence management report, mediation report and list of employees served with sanction letters.	Not Approved
34	Irregular appointment of Ernst & Young to conduct forensic investigation on the appointment of three executives and awarding of a photocopier tender.	749 721	Failure to obtain NT prior approval for a deviation.	Legislation (PFMA section 51, NT instruction note 3 of 2016/2017)	Audit Committee Former Head of Internal Audit (TM)	Circumstance of transgression:     Extent of expenditure:     Nature and seriousness of transgression		Not Approved
35	Irregular changing of the evaluation criteria for the photocopier tender.	1 033 065	Contravention of the PFMA, PPPFA	Legislation	BAC Exco	<ul> <li>Circumstance of transgression:</li> <li>Extent of expenditure:</li> </ul>		Not Approved

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						<ul> <li>Nature and seriousness of transgression</li> </ul>		
	Total	650 298 024						