

Figures in Rand	2017	2016
34. Fruitless and Wasteful Expenditure		
Opening balance	2 379 855	2 330 226
Written off	(2 379 855)	-
Penalties and interest	42 268	49 629
	42 268	2 379 855

2017: During the financial year, the Board of Directors of JPC wrote off the historical fruitless and wasteful expenditure of R2 379 855.

Disputes with creditors over contracts and invoices resulted in interest being levied on overdue accounts in the 2016/17 financial year amounting to R42 268.

2016: Disputes with creditors over contracts and invoices resulted in interest being levied on overdue accounts in the 2014/15 financial year amounting to R49 629

35. Irregular Expenditure

Opening balance	-	3 513 933
Written off	-	(3 513 933)
	-	-

2017: JPC incurred no irregular expenditure during the 2016/17 financial year.

2016: During the 2015/16 financial year, the board of JPC resolved that the irregular expenditure from previous financial years be written off.

36. Reconciliation Between Budget and Statement of Financial Performance

Reconciliation of budget surplus with the surplus in the statement of financial performance:

Net deficit per the statement of financial performance	(58 125 574)	5 570 983
Adjusted for:		
Revenue	52 732 000	14 805 336
Operating expenses	(19 576 918)	(23 271 907)
Taxation	24 970 492	2 895 588
Net surplus per approved budget	-	-

37. Deviation from Supply Chain Management Regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the directors and includes a note to the financial statements.

Rental of premises and cleaning services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the directors.

Additional deviations that have transpired during the 2016/17 financial year have been listed below. The deviations listed below are a continuation of those listed in the 2015/16 financial year. The deviations are as follows:

Extensions - Contracted Cleaning

Khulani Makhosikazi Khulani	-	780 000
Green Sweep	-	432 000
	-	1 212 000

Figures in Rand	2017	2016
Extensions - Operating Lease Rentals		
Sanlam/JHI	8 278 860	9 340 469
Redefine Properties	33 123 991	34 628 992
Investec Ltd	7 925 325	5 981 722
Germiston Bronze	5 029 893	6 498 123
CEZ Investments	2 836 423	3 508 965
6 Plein Street CC	7 824 480	8 695 886
Liberty Group Property Management	-	11 422 548
Zenprop	-	14 351 278
Orion Property	5 718 574	7 400 597
Hermans and Romans	9 499 366	10 042 797
Mutodo	21 725 733	-
Abzubix	14 086 807	-
Blend Property	809 251	-
Accelerate	177 515	-
City Property	656 228	-
Lakeside	48 474	-
Lodestone	25 534	-
Malvern Plaza	88 721	-
Eurefin	1 133 763	-
	118 988 938	111 871 377

Extensions - Other Expenditure

Document Warehouse	191 549	242 127
Nicor Prosys	843 745	694 484
Softline VIP	-	573 752
Telkom	1 221 589	1 646 137
Infra-Sol	-	4 783 951
Schindler Lifts	-	2 307 409
Vodacom	-	738 146
Abzubros	-	383 494
	2 256 883 1	11 369 500

Extensions - Security

Mabotwane Security	-	4 721 795
Mafoko Security Patrols	-	1 431 114
Marshall Knights	-	572 844
MC Security	-	2 156 597
Peak Security	-	132 347
Sihlangane Security	-	2 077 338
SOS Protecsure	-	1 508 230
Venus Security Solutions	-	2 695
Vimsire Security Protection	-	1 699 762
	-	14 302 722