

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance *Office of the HOD*

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Departement van Finansies

Kgoro ya Matlotlo

Enquiries : Mr JB Mbatha  
Ref No : DOF 14/4/1/3

### PROVINCIAL TREASURY CIRCULAR 16 OF 2013: COMPLIANCE MONITORING ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION BY MUNICIPALITIES

TO : THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR C.A. HABILE)  
THE MUNICIPAL MANAGER: ALBERT LUTHULI LOCAL MUNICIPALITY (MR V.N. MPILA)  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR V.D. NGCOBO)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR M.F. MAHLANGU)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY: (MR L.B. TSHABALALA)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR A.N. MAHLANGU)  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY: (MR T.B.W. DLAMINI)  
THE MUNICIPAL MANAGER: PIXLEY KA-SEME LOCAL MUNICIPALITY (MR P.B. MALEBYE)  
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV. H.M. MBATHA)  
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR L.D. SHABANGU)  
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR X.C. MZOBE)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR M.D. NGWENYA)  
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR S.D. MAEBELA)  
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR P. MPELE)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MR A.G. ZIMBWA)  
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MS N.P. BUSANE)  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR G.T. MTHIMUNYE)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR O.N. NKOSI)  
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR W.D. FOUCHE)  
THE MUNICIPAL MANAGER: THEMBSILE LOCAL MUNICIPALITY (MR J.I. SINDANE)  
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MS R.M. MAREDI)

# PROVINCIAL TREASURY CIRCULAR 16 OF 2013: COMPLIANCE MONITORING ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION BY MUNICIPALITIES

## 1. INTRODUCTION

- 1.1. This circular serves to remind Municipal Managers of all the municipalities about their obligation to report information relating to the implementation of Supply Chain Management to the Provincial Treasury on a monthly basis.

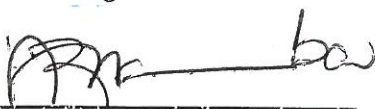
## 2. BACKGROUND

- 2.1. Part of our mandate as Provincial Treasury is to oversee and monitor the processes that are followed by public sector institutions in procuring goods, works and services in the province.
- 2.2. To achieve this objective we rely on the information which is provided by these institutions regarding the status of procurement at their respective operational levels.
- 2.3. By implication, all delegated municipalities are obliged to submit such information regarding the implementation of Supply Chain Management to the Provincial Treasury, in the format as well as at intervals as it may be determined by the Provincial Treasury, as and when necessary.

## 3. PROVINCIAL TREASURY'S DIRECTIVE TO MUNICIPALITIES

- 3.1. It has come to the attention of the Provincial Treasury that most of the municipalities in this province are failing to comply with their obligation to report information on the implementation of Supply Chain Management on a monthly basis, as it was requested by the Provincial Treasury through Circular 27 of 2012 which was forwarded to all municipalities.
- 3.2. As a result, the Provincial Treasury would like to give a directive to all municipalities in the province as follows:
  - 3.2.1. All municipalities are encouraged to comply with the required standard, by submitting information relating to the implementation of Supply Chain Management on a monthly basis, in the format as captured on the attached template. Monthly reports in this regard should be submitted to the Provincial Treasury within seven days of the end of each month, for the attention of Mr Caesar Twala at e-mail address: [ctwala@mpg.gov.za](mailto:ctwala@mpg.gov.za)
  - 3.2.2. Municipal Managers are requested to disseminate the contents of this Circular to their respective Supply Chain Management Units for implementation in order to enhance compliance.

Kind regards.



MS N.Z. NKAMBA  
HEAD OF DEPARTMENT

DATE: 1/5/2013

**MFMA COMPLIANCE MONITORING TEMPLATE ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION**

NAME OF MUNICIPALITY: .....

PERIOD OF REPORTING: .....

1. CONTRACTS AWARDED FOR PROCUREMENT OF GOODS, SERVICES AND WORKS WITH A THRESHOLD RAND VALUE EQUALS TO R30 000 AND ABOVE, UP TO R200 000 (INCLUSIVE OF ALL APPLICABLE TAXES)

SERVICE-DESCRIPTION	ORDER NUMBER	SERVICE-PROVIDERS	CONTRACT-PRICE	LOWEST PRICE	QUOTE'S	PREMIUM PAID	BBBEE - RATING
1.							
2.							
3.							
4.							
5.							
6.							

2. CONTRACTS AWARDED FOR PROCUREMENT OF GOODS , SERVICES AND WORKS WITH A THRESHOLD RAND VALUE IN EXCESS OF R200 000 (INCLUSIVE OF ALL APPLICABLE TAXES)

SERVICE-DESCRIPTION	BID NUMBER	SERVICE-PROVIDERS	CONTRACT-PRICE	LOWEST BID'S PRICE	PREMIUM PAID	BBBEE - RATING
1.						
2.						
3.						
4.						
5.						
6.						

**MEMA COMPLIANCE MONITORING TEMPLATE ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION**

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**3. PAYMENTS WITHIN THIRTY DAYS FOR SERVICES RENDERED**

**3.1. INFORMATION ON INVOICES PAID AFTER THIRTY (30) DAYS**

SERVICE- DESCRIPTION	SERVICE- PROVIDERS	FINANCIAL YEAR	MONTH	AMOUNT OWING	REASONS FOR LATE PAYMENT
1.					
2.					
3.					
4.					
5.					
6.					

**3.2. INFORMATION ON INVOICES OLDER THAN THIRTY (30) DAYS THAT HAVE NOT BEEN PAID**

SERVICE- DESCRIPTION	SERVICE- PROVIDERS	FINANCIAL YEAR	MONTH	AMOUNT OWING	REASONS FOR NON - PAYMENT
1.					
2.					
3.					
4.					
5.					
6.					

**MFMA COMPLIANCE MONITORING TEMPLATE ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION**

**4. DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES (SCM Regulation 36)**

SERVICE-DESCRIPTION	SERVICE-PROVIDERS	CONTRACT PRICE	PROCUREMENT DATE	JUSTIFIABLE DEVIATIONS	REASONS	FOR
1.						
2.						
3.						
4.						
5.						
6.						

**5. EXPENDITURE INCURRED ON CONSULTANCY SERVICES (THROUGH QUOTATIONS OR COMPETITIVE BIDDING)**

SERVICE-DESCRIPTION	CONSULTING FIRM	CONTRACT PRICE	PROCUREMENT DATE	SOURCING STRATEGY (MARK WITH X WHERE APPLICABLE)	
				OPEN TENDER	QUOTATIONS
1.					
2.					
3.					
4.					
5.					
6.					

**MFMA COMPLIANCE MONITORING TEMPLATE ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION**

**6. MODIFICATION OF CONTRACT RESULTING IN VARIATION ORDERS**

SERVICE-DESCRIPTION	SERVICE-PROVIDERS	PROCUREMENT DATE	ORIGINAL QUOTED PRICE	QUOTED PRICE ON VARIATIONS	PARTICULARS OF THE EXTENDED SCOPE OF WORK (MOTIVATION FOR VARIATIONS)
1.					
2.					
3.					
4.					
5.					
6.					

**7. PROJECTS (BIDS) ADVERTISED ON MEDIA**

SERVICE-DESCRIPTION	DATE OF ADVERTISEMENT	CLOSING DATE OF BID	NAME OF MEDIA
1.			
2.			
3.			
4.			
5.			
6.			

**MFMA COMPLIANCE MONITORING TEMPLATE ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION**

**8. WITHDRAWN BIDS**

SERVICE DESCRIPTION	NUMBER OF BIDS RECEIVED	CLOSING DATE OF BID	PROPOSED DATE OF RE-ADVERTISEMENT (if service still required)	REASONS FOR WITHDRAWAL OF BID
1.				
2.				
3.				
4.				
5.				
6.				

Compiler of information: ..... Designation: ..... Date: .....

Information certified to be correct in all respect by:

.....  
**Chief Financial Officer**

Date: .....

Information approved to be correct in all respect by:

.....  
**Municipal Manager**

Date: .....