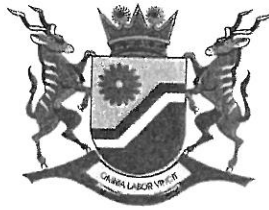


15

# MPUMALANGA PROVINCIAL GOVERNMENT

Building No. 4  
No. 7 Government Boulevard  
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1200  
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## Department of Finance *Office of the HOD*

Litiko LeteTimali                      UmNgango weZcemali                      Departement van Finansies                      Kgoro ya Matlotlo

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

### PROVINCIAL TREASURY CIRCULAR 23 OF 2014: COMPLIANCE MONITORING ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION BY DEPARTMENTS AND PUBLIC ENTITIES

- TO :
- THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (DR NONHLANHLA MKHIZE)
  - THE ACCOUNTING OFFICER: VOTE 3: FINANCE (MS N.Z. NKAMBA)
  - THE ACCOUNTING OFFICER (ACTING): VOTE 4: COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS (MR R. MNISI)
  - THE ACCOUNTING OFFICER (ACTING): VOTE 5: AGRICULTURE, RURAL DEVELOPMENT & LAND ADMINISTRATION (MR S.J. MGIDI)
  - THE ACCOUNTING OFFICER (ACTING): VOTE 6: ECONOMIC DEVELOPMENT & TOURISM (MR T. MDAKANE)
  - THE ACCOUNTING OFFICER: VOTE 7: EDUCATION: (MRS M.O.C. MHLABANE)
  - THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR K.M. MOHLASEDI)
  - THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MR W. MTHOMBOTHI)
  - THE ACCOUNTING OFFICER (ACTING): VOTE 10: HEALTH (DR S. MOHANGI)
  - THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT & RECREATION (MS S.P. XULU)
  - THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS N.L. MLANGENI)
  - THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR S.M. MTSWENI)
  
  - THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR K.J. DLAMINI)
  - THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 3: FINANCE (MS L. MLAMBO)
  - THE CHIEF FINANCIAL OFFICER: VOTE 4: COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS (MR M.D. SHIPALANA)
  - THE CHIEF FINANCIAL OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT & LAND ADMINISTRATION (MR CT. DLAMINI)
  - THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (MS J.P. HLATSHWAYO)
  - THE CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MR C.B. MNISI)
  - THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MS H.N. MDAKA)
  - THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MS S.A. SEFALA)
  - THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR VS MAKHUBEDU)
  - THE CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE, SPORT & RECREATION (MR T. NKOJOANA)
  - THE CHIEF FINANCIAL OFFICER( ACTING) : VOTE 12: SOCIAL DEVELOPMENT (MR C.M. MALELE)
  - THE CHIEF FINANCIAL OFFICER: VOTE 13: 13 HUMAN SETTLEMENTS (MR SEB MATSEBULA)
  
  - THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (ADV B. MKHIZE)
  - THE CHIEF EXECUTIVE OFFICER: MPUMALANGA GAMBLING BOARD (MR B. MLAMBO)
  - THE CHIEF EXECUTIVE OFFICER: MPUMALANGA TOURISM & PARKS AGENCY (MR BJ MODIPANE)
  - THE CHIEF EXECUTIVE OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR N.D. MOROPANE)

**PROVINCIAL TREASURY CIRCULAR 23 OF 2014: COMPLIANCE MONITORING ON MONTHLY REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION BY DEPARTMENTS AND PUBLIC ENTITIES**

**1. PURPOSE**

- 1.1. This circular serves to remind Heads of Department and Chief Executive Officers of Public entities about their obligation to submit monthly reports on the implementation of Supply Chain Management to the Provincial Treasury.

**2. BACKGROUND**

- 2.1. Part of the mandate entrusted to the Provincial Treasury is to oversee and monitor the implementation of Supply Chain Management by departments and public entities listed on schedule 3C to the Public Finance Management Act in the Province. To achieve this objective, the Provincial Treasury, amongst other things, relies on monthly reporting of Supply Chain Management information. In terms of Sub-regulations 16A11.1 and 16A11.3 of the Treasury Regulations, Government institutions that are delegated to the Provincial Treasury are required to submit information on Supply Chain Management, in the format and at intervals as it may be determined by the Provincial Treasury.

**3. SUBMISSION OF MONTHLY REPORTS ON SUPPLY CHAIN MANAGEMENT**

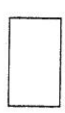

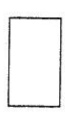





- 3.1. It has come to our attention that most of the departments and public entities do not comply with the requirement to submit reports as required. This is a cause for great concern to the Provincial Treasury and we would like to encourage departments and public entities to improve in this regard and comply. The Provincial Treasury has revised the reporting template and would like to request all departments and public entities to submit information relating to the implementation of Supply Chain Management on a monthly basis, in the format as captured on the attached revised 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) Heads of Department and Chief Executive Officers of Public entities 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,

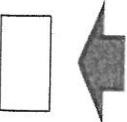
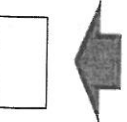
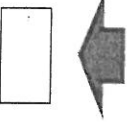
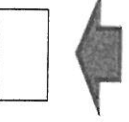






7 **MS N.Z. NKAMBA**  
**HEAD OF DEPARTMENT**

DATE: 29/7/2014







REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS	DOCUMENTARY PROOF				
			YES	NO						
1.	In terms of Practice Note 8 of 2007/2008, the required goods, works or services estimated above R10 000 up to R500 000 (applicable taxes included) can be procured by way of quotations.  Government institutions should invite quotations from as many service-providers as possible that are registered on the suppliers' data-base.	Are there instances whereby goods, works or service were procured through quotations, for the threshold rand values estimated in excess of R10 000 up to R500 000 (applicable taxes included)?	 	 	If confirmation on status is yes, indicate the total number of incidents whereby goods, works or services were procured through quotations for the threshold rand-values estimated above R10 000 up to R500 000 (applicable taxes included) and the total amount spent. <table border="1" data-bbox="622 1388 758 1713"> <tr> <td>Number of incidents</td> <td>Total Amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total Amount spent	.....	R.....	If confirmation on status is yes, provide documentary proof which should reflect on :- <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered.</li> </ul>
Number of incidents	Total Amount spent									
.....	R.....									
2.	Practice note 8 of 2007/2008 provides for procurement of goods, works or services estimated in excess of R500 000 (applicable taxes included) through competitive bidding processes.	Are there instances whereby goods, works or services were procured through the open tender processes?	 	 	If confirmation on status is yes, indicate the total number of incidents whereby goods, works or services were procured through the open tender system and the total amount spent. <table border="1" data-bbox="199 1388 335 1713"> <tr> <td>Number of incidents</td> <td>Total amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total amount spent	.....	R.....	If confirmation on status is yes, provide documentary proof which should reflect on :- <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered.</li> </ul>
Number of incidents	Total amount spent									
.....	R.....									



REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS		DOCUMENTARY PROOF			
			YES	NO						
3.	Practice note SCM3 of 2003 provides for the procurement of consultancy services through competitive bidding process if the required services are estimated in excess of R500 000 (applicable taxes included).	Did the department or public entity at any stage engage the services of consultants?	 <input data-bbox="1069 1030 1125 1142" type="checkbox"/>	 <input data-bbox="1069 1232 1125 1344" type="checkbox"/>	<p>If confirmation on status is yes, indicate the number of incidents whereby consultants were engaged as well as the total amount spent.</p> <table border="1" data-bbox="821 1400 973 1736"> <tr> <td>Number of incidents</td> <td>Total Amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total Amount spent	.....	R.....	<p>If confirmation on status is yes, provide documentary proof which should reflect on :-</p> <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered.</li> </ul>
Number of incidents	Total Amount spent									
.....	R.....									
4.	In terms of Sub regulation 16A6.4 of Treasury Regulations departments and public entities may dispense with the normal competitive bidding processes and procure goods, works or services by any means, which may include direct negotiations and invitation of quotations but only in an emergency, if such goods, works or services are produced or available from a single service-provider only, for acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the normal procurement processes.	Did the department or public entity at any stage deviate from the normal open tender processes in line with Sub regulation 16A6.4 of the Treasury Regulations in procuring the required goods, works or services?	 <input data-bbox="654 1030 710 1142" type="checkbox"/>	 <input data-bbox="654 1232 710 1344" type="checkbox"/>	<p>If confirmation on status is yes, indicate the total number of incidents whereby the department or public entity deviated from the normal competitive bidding processes in line with Sub regulation 16A6.4 of the Treasury Regulations in procuring goods, works or services and the total amount spent.</p> <table border="1" data-bbox="191 1400 406 1736"> <tr> <td>Number of incidents</td> <td>Total Amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total Amount spent	.....	R.....	<p>If confirmation on status is yes, provide documentary proof which should reflect on :-</p> <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered.</li> </ul>
Number of incidents	Total Amount spent									
.....	R.....									

REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS	DOCUMENTARY PROOF				
			YES	NO						
5.	In terms of Sub regulation 16A6.6 of the Treasury Regulations, a department, constitutional institution or public entity, may participate in any contract arranged by means of a competitive bidding process by any other organ of state, subject to the written approval of such organ of state and the relevant contractors.	Did the department or public entity at any stage of the period of reporting participate on any contract arranged by other organs of State in line with the provisions of Sub regulation 16A6.6 of the Treasury Regulations?			<p>If confirmation on status is yes, indicate the total number of incidents whereby the department or public entity procured goods, works or services using contracts of other organs of State and the total amount spent.</p> <table border="1" data-bbox="724 1397 874 1688"> <tr> <td>Number of incidents</td> <td>Total Amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total Amount spent	.....	R.....	<p>If confirmation on status is yes, provide documentary proof which should reflect on :-</p> <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered</li> </ul>
Number of incidents	Total Amount spent									
.....	R.....									
6.	Government institutions are allowed, in terms of the Practice note of May 2011 from National Treasury, to approve variation orders by not more than 20% or R20 Million (including applicable taxes) for construction related goods, works and/or services of the original value of the contract and 15% or R15 Million (including applicable taxes) for all other goods, and/or services of the original value of the contract, whichever is the lower amount.	Did the department or public entity at any stage of the reporting period approve any variation order on contracts awarded, in line with the provisions of the Practice note mentioned?			<p>If confirmation on status is yes, indicate the total number of incidents whereby the institution approved any variation orders for modified contracts and the total amount spent.</p> <table border="1" data-bbox="172 1397 434 1688"> <tr> <td>Number of incidents</td> <td>Total Amount spent</td> </tr> <tr> <td>.....</td> <td>R.....</td> </tr> </table>	Number of incidents	Total Amount spent	.....	R.....	<p>If confirmation on status is yes, provide documentary proof which should reflect on :-</p> <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered</li> </ul>
Number of incidents	Total Amount spent									
.....	R.....									

REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS	DOCUMENTARY PROOF
			YES	NO		
7.	Government institutions are required, in terms of the provisions of the Code of Conduct for Bid Committees and SCM practitioners (as contemplated in Circular SCM of 24 March 2006), to ensure that officials serving in the different Bid Committees declare all gifts and invitations accepted to social events received from suppliers or potential suppliers, irrespective of the value of such a gift. Such declarations must be captured in the minutes of the meeting and must be reported to the chief financial officer. In addition, any such gifts and / or invitations accepted by the Chief Financial officer must be reported to the accounting officer.	Are the instances whereby officials serving in Bid Committees declared gifts and invitations accepted to social events from service-providers?	 <input data-bbox="1050 1037 1102 1137" type="text"/>	 <input data-bbox="1050 1245 1102 1346" type="text"/>	<p>If confirmation on status is yes, indicate the total number of incidents whereby officials declared such gifts from service-providers or invitations to social events arranged by service-providers.</p> <div data-bbox="842 1435 970 1682" style="border: 1px solid black; padding: 5px; text-align: center;">           Number of incidents            .....         </div>	<p>If confirmation on status is yes, provide documentary proof.</p>
8.	Government institutions are required in terms of Practice Note SCM 1/2004 to conduct business with service-providers whose tax matters have been confirmed to be in good standing with the South African Revenue Service.	Did the institution at any stage conduct business with service-providers whose tax matters were not confirmed to be in good standing with the South African Revenue Service?	 <input data-bbox="502 1037 555 1137" type="text"/>	 <input data-bbox="502 1245 555 1346" type="text"/>	<p>If confirmation on status is yes, indicate the number of incidents whereby the institution awarded contracts to service-providers whose tax matters were not confirmed to be in good standing with the South African Revenue Service.</p> <div data-bbox="225 1406 352 1675" style="border: 1px solid black; padding: 5px; text-align: center;">           Number of incidents            .....         </div>	<p>If confirmation on status is yes, provide documentary proof which should reflect on :-</p> <ul style="list-style-type: none"> <li>- service rendered per case</li> <li>- appointed service-provider per case; and</li> <li>- amount paid per service rendered.</li> </ul>



REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS	DOCUMENTARY PROOF
			YES	NO		
9.	In terms of paragraph 15 of the Guide on the implementation of the Preferential Procurement Regulations 2011, Government Institutions may cancel advertised bids, only if the quoted prices for all bids received are not within the limit of the thresholds prescribed by the relevant preference point system (i.e. 80/20 or 90/10); due to changed circumstances there is no need for the service, works or goods; no responsive bids received; or funds are no longer available to cover the envisaged costs.	Did the institution cancel or withdraw any advertised tender due to circumstances indicated on paragraph 15 of the Guide on the implementation of the Preferential Procurement Regulations, 2011?	 <input data-bbox="1045 1041 1101 1142" type="checkbox"/>	 <input data-bbox="1045 1243 1101 1344" type="checkbox"/>	If confirmation on status is yes, indicate the number of incidents whereby the institution withdrew or cancelled advertised bids due to circumstances mentioned on paragraph 15 of the Guide on the implementation of the Preferential Procurement Regulations, 2011.   <div data-bbox="718 1456 845 1680" style="border: 1px solid black; padding: 5px; display: inline-block;">           Number of incidents            .....         </div>	If confirmation on status is yes, provide documentary proof which should also reflect on the reasons for the cancellation or withdrawal of the bids.
10.	Government Institutions are required, in terms of Circular PFMA/SCM 2 of 2009, to facilitate security clearance (vetting) for officials attached to their respective SCM Units within the CFOs offices. This should be a continuous process to be followed by Government Institutions for any person joining the SCM Unit in the public service. The exercise is aimed at eliminating corrupt and fraudulent practices which seem to be prevalent in the public sector.	Did the institution make any new appointments to the SCM Unit during the period of reporting?	 <input data-bbox="550 1041 606 1142" type="checkbox"/>	 <input data-bbox="550 1243 606 1344" type="checkbox"/>	If confirmation on status is yes, indicate the total number of new appointments made during the period of reporting.   <div data-bbox="343 1456 470 1680" style="border: 1px solid black; padding: 5px; display: inline-block;">           Number of incidents            .....         </div>	If confirmation on status is yes, provide documentary proof in the format as captured on Annexure A which is attached for this purpose.

REF	COMPLIANCE AREA	CURRENT STATUS	CONFIRMATION OF STATUS		NUMBER OF INCIDENTS	DOCUMENTARY PROOF				
11.	In terms of Sub regulation 8.2.3 of the Treasury Regulations, Government Institutions are required to pay for services rendered by appointed service-providers within thirty days.	Did the institution at any stage during the period of reporting fail to pay for services rendered on time (i.e. within 30 days after receipt of invoices)?	 YES <input type="checkbox"/>	 NO <input type="checkbox"/>	<p>If confirmation on status is yes, indicate the total number of invoices which were paid after thirty days and those that were still outstanding after thirty days and their respective total rand values.</p> <table border="1"> <tr> <td>Paid after 30 days</td> <td>Older than 30 days still unpaid</td> </tr> <tr> <td>R.....</td> <td>R.....</td> </tr> </table>	Paid after 30 days	Older than 30 days still unpaid	R.....	R.....	<p>If confirmation on status is yes, provide register for payment made after 30 days and those older than 30 days still unpaid. In addition, the register should also reflect on reasons which contributed to the delay in processing the payment.</p>
Paid after 30 days	Older than 30 days still unpaid									
R.....	R.....									

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:

HEAD OF DEPARTMENT / CHIEF EXECUTIVE OFFICER .....

DATE : .....