



Building No.4, No. 7 Government Boulevard, Riverside Park, Ext 2, Mbombela, 1200
Private Bag X 11205, Mbombela, 1200

Tel: 013 766 4452 : Int: +27 (13) 766 4437

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : Mr R Masambo X4230
Ref : MPT14/4/1/2

PROVINCIAL TREASURY CIRCULAR NO. 28 OF 2016

THE MUNICIPAL MANAGER (ACTING): EHLANZENI DISTRICT MUNICIPALITY (MR H SHABANGU)
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR LS DITSEGO)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR L MKOENA)
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR VN MPILA)
THE MUNICIPAL MANAGER (ACTING): DIPALESENG LOCAL MUNICIPALITY (MR SL NETSHIVHALE)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME (MR PB MALEBYE)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR TS SHONGWE)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR LB TSHABALALA)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MJS MABUZA)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR MF MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MR M SKOSANA)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR EK TSHABALALA)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)
THE MUNICIPAL MANAGER: (ACTING) STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR MJ MAHLANGU)

DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR T. MDAKANE)
HEAD OF DEPARTMENT (ACTING): CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR GS NTOMBELA)
SALGA MPUMALANGA FINANCE WORKING GROUP CHAIRPERSON (HON.CLLR MW MHLANGA)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE
DIRECTORATE: MUNICIPAL FINANCE

CENTRAL SUPPLIER DATABASE (CSD)

1. PURPOSE

This circular is intended to inform municipalities and municipal entities about the implementation of the Central Supplier Database to all organs of the State as a single platform for the registration of prospective suppliers including the verification functionality of key supplier information.

2. BACKGROUND

Section 5 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), enables National Treasury to investigate any system of financial management and internal control in a municipality or municipal entity and to recommend appropriate improvements.

Municipalities are to operate effective financial systems to enable presentation of credible information on a timely basis for internal and external use and in this regard to avoid possible contravention of Section 217 of the Constitution.

National Treasury has implemented SCM reforms by modernising the procurement function which includes, among others:

- Finalising the alignment of the framework with appropriate reforms
- Simplifying, standardising and automating procurement activities across all spheres of government.
- Modernising SCM technology and up-scaling the use thereof.

3. DISCUSSION

During the transitional period of 1 April 2016 to 30 June 2016, Accounting Officers of municipalities and municipal entities are required to encourage their respective local suppliers to register on the Central Supplier Database (CSD). Suppliers can use the following link to register: www.csd.gov.za.

Municipalities are encouraged to meet with and request their respective system vendors to ensure that they follow the National Treasury Integration Job Aid file which will ensure that the municipal financial systems are integrating with the CSD, obtainable from the following link: http://ocpo.treasury.gov.za/Buyers_Area/Pages/Supplier-Management.aspx.

The Central Supplier Database will be fully effective for municipalities and municipal entities from 1 July 2016. It is also a requirement that, all goods and services procured through quotations, should be sourced from the central supplier database (CSD) by utilising the CSD supplier number starting with (MAAA) which is auto generated by the Central Supplier Database system after successful registration and validation of the prospective provider as mandatory requirement. As part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations. Municipalities are encouraged to continue with invitations of prospective providers to register on the Central Supplier Database (CSD).

The CSD will automatically validate the following registration documents for municipalities and municipal entities;

- Confirmation and status of Business Registration Documents
- Proof of Bank Account Registration
- Tax compliance status
- Employees in the service of the state as defined in the Municipal SCM Regulations with information only available in the PERSAL system at this time, namely National and Provincial officials
- Identity Documentation
- Tender defaulters and restrictions status

The following aspects are work-in-progress and further information will be provided once systems have been upgraded after consultation with relevant stakeholders:

- BBBEE Status (not yet available, municipalities are required to continue with their current and existing process)
- CIDB (not yet available, municipalities are required to continue with their current and existing process)
- Municipal Account status (not yet available, municipalities are required to continue with their current and existing process)


It is the responsibility of the municipality and municipal entity to continue with verification of other listing criteria which are not currently validated by CSD, for instance, proof of municipal accounts (property rates). The Accounting Officers are requested to introduce the CSD to Council and that a Council resolution on the implementation of the CSD which is coming into effect on 1 July 2016 be made. The content of this circular should be brought to the attention of Chief Financial Officers, Supply Chain Management officials and other stakeholders, including suppliers.

4. RECOMMENDATIONS

The Accounting Officers to ensure that a Council resolution on the implementation of the Central Supplier Database which is coming into effect on 1 July 2016 is made, which will assist with implementation on the said date.

Your co-operation in this regard is appreciated.

Kind regards,



MS N.Z. NKAMBA
HEAD OFFICIAL
DATE: 18/5/2016