



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Nokuthula Simelane Building, No. 7 Government Boulevard, Riverside Park Extension 2, Mbombela, 1200
Private Bag X 11205, Mbombela, 1200
Tel: 013 766 4572, Int: +27 (13) 766 4572

SigcinaMafa SesiFundza

UmNyango weeMail ZesiFunda

Provinsiale Tesourie

Enquiries : Mr R Masambo
Ref : MPT/18/2/2/1

PROVINCIAL TREASURY CIRCULAR NO. 43 OF 2022

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY: (DR NF MAHLALELA)
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS C NKUNA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR WJ KHUMALO)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR ES CHIBI)
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MS SS MATSI)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)
THE MUNICIPAL MANAGER (ACTING): CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR MGT MNISI)
THE MUNICIPAL MANAGER (ACTING): DIPALESENG LOCAL MUNICIPALITY (MS B KANYE)
THE MUNICIPAL MANAGER (ACTING): DR PIXLEY KA SEME ISAKA SEME LOCAL MUNICIPALITY (MR NT MOKOKA)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR E MASEKO)
THE MUNICIPAL MANAGER (ACTING): LEKWA LOCAL MUNICIPALITY (MR LD TSOTETSI)
THE MUNICIPAL MANAGER (ACTING): MKHONDO LOCAL MUNICIPALITY (MR WA NKONYANE)
THE MUNICIPAL MANAGER (ACTING): MSUKALIGWA LOCAL MUNICIPALITY (BC SIBEKO)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE MUNICIPAL MANAGER (ACTING DR JS MOROKA LOCAL MUNICIPALITY (MS M MATHIBELA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR G MTHIMUNYE)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR HS MAISELA)
THE MUNICIPAL MANAGER (ACTING STEVE TSHWETE LOCAL MUNICIPALITY (MS T ZULU)
THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE MUNICIPAL MANAGER (ACTING): VICTOR KHANYE LOCAL MUNICIPALITY (MR TM MASHABELA)

THE DIRECTOR GENERAL: MPUMALANGA OFFICE OF THE PREMIER (MR MN MAMPURU)
HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR S NGUBANE)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT: (MS G MILAZI)
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT: (MR CT DLAMINI)
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE: (MS M.JF BEZUIDENHOUT)

SUBMISSION OF CONTRACT REGISTERS FOR ALL EXISTING CONTRACTS

1. PURPOSE

All the Accounting Officers of Municipalities in the Mpumalanga Province are hereby requested to submit contract registers of all existing contracts.

2. BACKGROUND

In terms of Section 116 of the Municipal Finance Management Act, No. 56 of 2003, Accounting Officers need to prioritize the importance of contract management for enhancing compliance on procurement processes, mitigate audit findings initiated by poor management of contracts and maintain accurate filing or good record keeping of Supply Chain Management information.

3. DISCUSSION

Contracts and contract management are of significance to ensure completeness of all contractual agreements. In terms of Section 116 of the Municipal Finance Management Act, No. 56 of 2003 "a contract or an agreement procured through the Supply Chain Management system of a municipality or municipal entity must be in writing and stipulate the terms and conditions of the contract or agreement, which must include provisions providing for the termination of the contract or agreement in the case of non or underperformance." The Accounting Officer of a municipality or municipal entity must:

- a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- b) the contract has been signed by the Municipal Manager;
- c) that it should be captured into the contract register and that the register should at least be monitored on a regular basis or monthly basis;
- d) that on a monthly basis the performance of the contractor should be reviewed in line with the contract or agreement;
- e) and any other matters that may be prescribed.

4. SUBMISSION OF CONTRACT REGISTERS FOR THE 2022/2023 FINANCIAL YEAR

Municipalities are requested to submit their updated contract registers to the Provincial Treasury to ensure uniformity on contract management as per SCM requirements and enable the Provincial Treasury to monitor the processes for compliance purposes **on or before 31 July 2022**

All Municipalities should further report quarterly on the amendment of contract registers. The progress reports must be submitted 15 days after the closure of the quarter.

Information requested should be submitted in the format that includes the following:

- a) Name of the contractor
- b) Bid/contractor number
- c) Description of services
- d) Contract amount
- e) Duration of the contract
- f) Start date and end date
- g) Variation order under the contract

PROVINCIAL TREASURY CIRCULAR NO. 43 OF 2022

- h) Payments made to date
- i) Penalties paid by the municipality or contractor
- j) Date of Amendment to the contract
- k) Comments

Municipal Managers should disseminate the contents of this Circular to their respective Chief Financial Officers and Supply Chain Management Units in order to accelerate the submission process.

All submission should be forwarded to Ms Emah Modupi at email address: emashiane@mpg.gov.za or Mr Themba Masuku at email address: tvmasuku@mpg.gov.za

Your co-operation in this regard is appreciated.

Regards



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 30 / 06 / 2022