## MPUMALANGA PROVINCIAL GOVERNMENT

No. 7 Government Boulevard Building No. 4 Riverside Park Extension 2 Nelspruit 1201



Private Bag X 11205 Nelspruit 1200 Tel: (013) 766 4224 Fax: (013) 766 4603 E-mail: ctwala@mpg.gov.za

# Department of Finance

Litiko LeteTimali

UmNyango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

**Enquiries: CO Twala** 

PROVINCIAL TREASURY CIRCULAR 7 OF 2012: FIRST QUARTER ASSESSMENT ON THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT BY DEPARTMENTS AND PUBLIC ENTITIES LISTED ON SCHEDULE 3C TO THE PUBLIC FINANCE MANAGEMENT ACT

TO

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR J.M. RABODILA)

THE ACCOUNTING OFFICER (ACTING): VOTE 2: PROVINCIAL LEGISLATURE (MR LB TSHABALALA)

THE ACCOUNTING OFFICER (ACTING): VOTE 3: FINANCE (MR J.B. MBATHA)

THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS (MR D. MAHLOBO)

THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT & LAND ADMINISTRATION (MS N.L. SITHOLE)

THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM (DR D.V. DLAMINI)

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: SAFETY, SECURITY & LIAISON (MR S.T. SIBUYI)

THE ACCOUNTING OFFICER: (ACTING): VOTE 10: HEALTH (MR R.M. MNISI)

THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORTS & RECREATION (MS S.P. MJWARA)

THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS N.L. MLANGENI)

THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENT (MR D. DUBE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T. NKOJOANA)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR S. SANYANE)

THE CHIEF FINANCIAL OFFICER: VOTE 3: FINANCE (MS P. SEMENYA)

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 (MR S. SHONGWE)

THE CHIEF FINANCIAL OFFICER: VOTE 9: SAFETY, SECURITY & LIAISON (MR B.H. NGOMA)

THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MS G. MILAZI)

THE CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE, SPORTS & RECREATION (MR M. KHOZA)

THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS P. MORGAN)

THE CHIEF FINANCIAL OFFICER: VOTE 13: 13 HUMAN SETTLEMENT (MS B. MOJAPELO)

THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR E. RABOHALE)
THE CHIEF EXECUTIVE OFFICER: MPUMALANGA GAMBLING BOARD (MR B. MLAMBO)

THE CHIEF EXECUTIVE OFFICER (ACTING): MPUMALANGA TOURISM & PARKS AGENCY (DR N. MOTETE)

THE CHIEF EXECUTIVE OFFICER: MPUMALANGAREGIONAL TRAINING TRUST (MR N.D. MOROPANE)



FIRST QUARTER ASSESSMENT ON THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT BY DEPARTMENTS AND PUBLIC ENTITIES LISTED ON SCHEDULE 3C TO THE PUBLIC FINANCE MANAGEMENT ACT

### 1. PURPOSE

- 1.1. The purpose of this circular is to conduct a quarterly assessment on the implementation of Supply Chain Management Framework in Government departments and Public Entities listed on schedule 3C to the Public Finance Management Act.
- 1.2. The assessment will assist the Provincial Treasury in ascertaining the level of compliance with applicable procurement procedures and processes within departments and public entities.

### 2. BACKGROUND

- 2.1. In terms of the Public Finance Management Act, (Act Number 1 of 1999, as amended by Act Number 29 of 1999) and the Regulatory Framework for Supply Chain Management that was promulgated in 2003 as Treasury Regulations in terms of Section 76(4) (C) of the Public Finance Management Act, the Provincial Treasury is given a mandate to oversee and monitor the implementation of Supply Chain Management at Government institutions in the Province.
- 2.2. To pursue this mandate, it is expected of the Provincial Treasury to interact with Government institutions in different ways, with the intention of assessing progress in implementing the National Framework on Supply Chain Management.
- 2.3. To this end, the Provincial Treasury has developed a checklist (see attached copy) which is supposed to be completed in full by departments and public entities. The information will assist the Provincial Treasury to assess quarterly progress on implementation of Supply Chain Management and also identify those areas needing interventions.

### 3. PROVINCIAL TREASURY'S DIRECTIVE

- 3.1. In order to assist with the first quarter assessment on the status of Supply Chain Management in the Province, departments and public entities are requested to submit their responses to the Provincial Treasury on or before Friday, 30 March 2012.
- 3.2. Heads of Department and CEO's of the public entities listed on schedule 3C to the Public Finance Management Act are requested to disseminate the contents of this circular to their respective Supply Chain Management Units for implementation.

Regards,

MR J.B. MBATHA

ACTING HEAD OF DEPARTMENT

DATE: 19/3/20/



PFMA/SCM COMPLIANCE MONITORING : FIRST QUARTER ASSESSMENT ON THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT FOR THE PERIOD 01/04/2012 - 30/06/2012

NAME OF INSTITUTION: .....

	3. Sub	2. Esta SCA	. Pro			Ref
Bid-Committees	Sub Components of the SCM Unit	Establishment of the SCM Unit	Procurement policy		nescription	Desprinding
Public sector institutions are required to establish the relevant Bid Committees to handle programment of pages.	Procurement policies of different Government institutions are required to incorporate the key elements of Supply Chain Management which also constitute the SCM Unit.	Government institutions are required to establish separate Supply Chain Management Units within the offices of their Chief Financial Officers to implement the SCM policy and cater for procurement.	Government institutions are required to develop procurement policies, in line with the national framework to cater for procurement of goods and services,		Action required	
Treas, Reg. 16A6.2	Treas. Reg. 16A4.1.	Treas. Reg. 16A3.2(d)	Treas. Reg. 16A3.1.		Leg. provision	
Are the three different Bid Committees for the 2012/2013 financial year established?	Is SCM unit made up of Demand, Acquisition, Logistics, Disposal, and Performance Management?	Is SCM Unit established and properly staffed, with relevant job descriptions for individual officials to cater for the separation of duties?	Is procurement policy developed to cater for procurement of goods and services?		Current Status	
				YES	Remarks	
ರೆ ನ ಕ	u st ff		P & =	ŏ		
If established, provide names of members for each Committee.	If yes, provide the structure of the SCM unit.	If SCM Unit not yet established, provide reasons for noncompliance?	If yes, provide copy for verification purposes.		Challenges	
If not, provide reasons for the delay and the necessary steps to be taken to enhance	If not, provide reasons for non-compliance and the necessary steps to be taken to enhance compliance.	In case of non-compliance, indicate the necessary steps to be taken to enhance compliance.	If not, provide reasons for non-compliance and the necessary steps to be taken to enhance compliance.		Plans for challenges	

	òυ	Ç <sub>1</sub>
	Rotation of staff within SCM Unit.	Submission of Annual Procurement Plans
sector.  Annual rotational plans for 2012/2012 financial year to be submitted to Provincial Treasury by 30 March 2012.	Government institutions are required to develop annual plans regarding the rotation of staff attached to the SCM Unit, for purposes of rooting out fraud and	Government institutions are required to submit procurement plans for goods and services in excess of R500 000 (applicable taxes included), to Provincial Treasury on annual basis, by 30th April of each financial year.
	Circular:PFMA/SCM1 of 20009	Treasury instruction regarding Compliance Monitoring, dated 31/05/2011
	Is annual rotational plan for 2012/2013 financial year developed?	ls procurement plan for 2012/2013 developed?
	If yes, submit (in format as per Annexure B) on or before 30 March 2012.	If yes, submit (in format as per Annexure A), not later than 30 April 2012.
	If not finalized, indicate the contributing factors to non-compliance and the necessary steps to be taken to enhance compliance.	If not developed, indicate the contributing factors to non-compliance and the necessary steps to be taken to enhance compliance.

Department: Finance MPUNALANGA PROVINCIAL GOVE	Tinance

Security Clearance Government institutions of fricials within are required to facilitate attached to SCM security clearance (vetting) of officials who are attached to the SCM Units within the CFO's offices. This should be a continuous process to be followed by Government institutions for any one joining the sector.  This exercise is intended to be prevalent in the public sector.
Clearance of officials are required to facilitate to SCM security clearance (vetting) of officials who are attached to the SCM Units within the CFO's offices. This should be a continuous process to be followed by Government institutions for any one joining the SCM Unit.  This exercise is intended to eliminate corrupt and fraudulent practices which seem to be prevalent in the public sector.  Circular:PFMA/SCM2 the SCM Unit been subjected to security the SCM Unit been subjected to security characterist of 20009 the SCM Unit and status regarding this status regarding this requirement as per Annexure C.  If yes, provide list or officials within the SCM Unit been subjected to security clearance?  If yes, provide list or officials within the SCM Unit been subjected to security clearance?  If yes, provide list or officials within of 20009 the SCM Unit and subjected to security status regarding this status regarding this requirement as per followed to eliminate corrupt and fraudulent practices which seem to be prevalent in the public sector.
Government institutions are required to facilitate security clearance (vetting) of officials who are attached to the SCM Unit within the CFO's offices. This should be a continuous process to be followed by Government institutions for any one joining the SCM Unit.  This exercise is intended to eliminate corrupt and fraudulent practices which seem to be prevalent in the public sector.
Circular:PFMA/SCM2 Have all officials within officials attached to subjected to security clearance?  Have all officials within officials attached to subjected to security clearance?  Have all officials within officials attached to the SCM Unit and information on their status regarding this requirement as per Annexure C.
Circular:PFMA/SCM2 Have all officials within of 20009  Have all officials within the SCM Unit been subjected to security clearance?  SCM Unit been the SCM Unit and clearance?  Information on their status regarding this requirement as per Annexure C.
If yes, provide list of officials attached to the SCM Unit and information on their status regarding this requirement as per Annexure C.
If yes, provide list of officials attached to the SCM Unit and information on their status regarding this requirement as per Annexure C.
If yes, provide list of officials attached to process, indicate the SCM Unit and contributing factors information on their status regarding this requirement as per taken to enhand the compliance.
If yes, provide list of officials attached to officials attached to the SCM Unit and contributing factors information on their status regarding this requirement as per taken to enhand Annexure C.
If not subjected to the process, indicate the contributing factors non-compliance and the necessary steps to the taken to enhance.
8 9 9 9

	C. In County IVA
The information has been c	The information has been compiled and submitted on behalf of the above-mentioned institution by the official mentioned below:
Surname and initials	
Designation	
Telephone numbers	
Fax Numbers	
E-mail Address	
Date	
Signature	

COMPLIANCE MONITORING ON PROCUREMENT PLAN FOR COMPETITIVE BIDS IN EXCESS OF R500 000 (APPLICABLE TAXES INCLUDED) INCLUDING INFRASTRUCTURE PROJECTS FOR THE PERIOD 2012/2013 ANNEXURE A

Name of institution:					
	PARTI	PARTICULARS OF REQUIREMENTS	ENTS		
Description of goods/works /services	Cost estimation (applicable taxes included)	Envisaged date of advertisement	Envisaged closing date of bid	Envisaged date of award	Responsible Directorate
RECOMMENDATIONS					
CHIEF FINANCIAL OFFICER					
DATE:					
APPROVAL					
HEAD OF DEBARTMENT					
HEAD OF DEPARTMENT					

Na	
Name of Institution:	THE SCHOOL OF STATE AT ACHED TO THE SCHOOL
Instit	
ution	
	1
	2
	5
	Š
	9
	Ą
	2
	AC
	Ė
	5
	ES
	CMO
	Z

PERSONAL PARTICULARS	ARTICULARS		PLACEMENT OF ST	PLACEMENT OF STAFFIN THE SCM UNIT	LOGISTICAL ARRANGEMENT	EMENT		ROTATI	ROTATION PERIOD
Surname and Initials	Rank	Persal no.	Current placement	Component rotated to	Access to BAS/LOGIS or any Financial System	Yes	No No	From	То
							4		
							4		
							1		
							1		
							4		
RECOMMENDATIONS							-		
CHIEF FINANCIAL OFFICER									
DATE:									
APPROVAL									

HEAD OF DEPARTMENT

# COMPLIANCE MONITORING ON STATUS OF SECURITY CLEARANCE FOR STAFF ATTACHED TO THE SCM UNIT

PERSO	PERSONAL PARTICULARS		STATUS ON SECURITY CLEARANCE	RITY CLEARANCE	REFERENCE
Surname & Initials	Rank of Official	Persal Number	Subjected to vetting	Not subjected to vetting	Clearance number
RECOMMENDATIONS					
CHIEF FINANCIAL OFFICER					
APPROVAL					
10 A 7 O 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7					
AEAU OF DEVARIMENT					