

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: 19/3/2012

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:

Ref	Description	Action required	Leg. provision	Current Status	Remarks		Challenges	Plans for challenges
					YES	NO		
1.	Procurement policy	Government institutions are required to develop procurement policies, in line with the national framework to cater for procurement of goods and services.	Treas. Reg. 16A3.1.	Is procurement policy developed to cater for procurement of goods and services?	YES	NO	If yes, provide copy for verification purposes.	If not, provide reasons for non-compliance and be taken to enhance compliance.
2.	Establishment of 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.	Treas. Reg. 16A3.2(d)	Is SCM Unit established and properly staffed, with relevant job descriptions for individual officials to cater for the separation of duties?			If SCM Unit not yet established, provide reasons for non-compliance?	In case of non-compliance, indicate the necessary steps to be taken to enhance compliance.
3.	Sub Components of the SCM Unit	Procurement policies of different Government institutions are required to incorporate the key elements of Supply Chain Management which also constitute the SCM Unit.	Treas. Reg. 16A4.1.	Is SCM unit made up of Demand, Acquisition, Logistics, Disposal, and Performance Management?			If yes, provide the structure of the SCM unit.	If not, provide reasons for non-compliance and the necessary steps to be taken to enhance compliance.
4.	Bid-Committees	Public sector institutions are required to establish the relevant Bid Committees to handle procurement of goods and services.	Treas. Reg. 16A6.2	Are the three different Bid Committees for the 2012/2013 financial year established?			If established, provide names of members for each Committee.	If not, provide reasons for the delay and the necessary steps to be taken to enhance compliance.



5.	Submission of Annual Procurement Plans	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 30 th April of each financial year.	Treasury instruction regarding Compliance Monitoring, dated 31/05/2011	Is procurement plan for 2012/2013 developed?		If yes, submit (in format as per Annexure A), not later than 30 April 2012.	If not developed, indicate the contributing factors to non-compliance and the necessary steps to be taken to enhance compliance.
6.	Rotation of staff within SCM Unit.	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 corruption in the public sector.	Circular:PFMA/SCM1 of 20009	Is annual rotational plan for 2012/2013 financial year developed?		If yes, submit (in format as per Annexure B) on or before 30 March 2012.	If not finalized, indicate the contributing factors to non-compliance and the necessary steps to be taken to enhance compliance.



7.	Security Clearance (Vetting) of officials attached to SCM Units.	Government institutions are required to facilitate 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.	Circular:PFMA/SCM2 of 20009	Have all officials within the SCM Unit been subjected to security clearance?		If yes, provide list of officials attached to the SCM Unit and information on their status regarding this requirement as per Annexure C.	If not subjected to the process, indicate the contributing factors to non-compliance and the necessary steps to be taken to enhance compliance.
----	--	--	-----------------------------	--	--	--	---

COMPILATION AND SUBMISSION OF INFORMATION

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 : _____

