

08 July 2013

Submission to the Mayor

**QUARTERLY REPORT ON THE IMPLEMENTATION OF THE SUPPLY  
CHAIN MANAGEMENT POLICY FOR PERIOD ENDING JUNE 2013**

**Purpose**

Purpose of this report is to present to the Committee, the status of on the implementation of Supply Chain Management Policy for April-June.

**Background**

In terms of paragraph 6 of Kopanong Local Municipality Supply Chain Management Policy:

- (1) *The council must maintain oversight over the implementation of the supply chain management Policy.*
- (2) For the purposes of such oversight the accounting officer must –
  - (a) (i) *within 30 days of the end of each financial year, submit a report on the implementation of supply chain management policy of the municipal and of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and*
  - (ii) Whenever there are serious and material problems in the implementation of the supply chain management Policy, immediately submit a report to the council.

**Legal implication**

Compliance with the Supply Chain Management policy of Kopanong Local Municipality and other applicable legislations.

**Financial implication**

The above awarded bids where accordingly budgeted for.

**Other Parties consulted**

None

**Recommendations**

- a) That the Mayor takes note of the report.

  
Mr M.J. MEKHOE  
CHIEF FINANCIAL OFFICER

# IMPLEMENTATION CHECKLIST

## Supply Chain Management

Completing this checklist will assist municipalities and municipal entities to assess the implementation of supply chain management requirements in terms of the Municipal Finance Management Act (MFMA) and Regulations. This is a self assessment checklist and should be filled in completely and to the best of your ability.

### Instructions:

Please select from the answers provided in the drop down lists or as otherwise specified. In most cases this is a "yes" or "no". When the answer is "no" please insert a comment indicating progress made and when that requirement will be met, including the anticipated date and the responsible official(s). It is recommended that the Head of the SCM Unit complete the checklist, in consultation with the Municipal Manager (or CEO for an entity). A copy of the SCM Regulations and MFMA Circulars can be found on the NT website [www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma)

### Submission to Mayor:

To assist the National Treasury monitor SCM implementation you are kindly requested to forward electronically a copy of a completed checklist. Email this to [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za). by no later than 10 July 2013. Information provided will be used to target further assistance and training for municipalities, so your cooperation is appreciated. Any questions on the completion of this checklist should be emailed to the MFMA helpline [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za)

Municipality or Entity Details		Answers
Name of Municipality (select from drop down list)		FS162 Kopanong
In the case of a <i>Municipal Entity</i> please type the name here:		
Contact Person (name):		L. Tlhakudi
Email address:		<a href="mailto:procurement@kopanong.gov.za">procurement@kopanong.gov.za</a>
Phone:		(051) 713 9207
Name of the Head of the SCM Unit (if different to above):		M.J MEKHOE

Question	Answer	Comment on progress	Date for completion	Official(s) responsible
1 Has the Council/Board of Directors adopted a SCM policy in terms of SCM regulation 3?	Yes	Fully Implemented.	2012-05-31	MM

Question	Answer	Comment on progress	Date for completion	Official(s) responsible
2	How many staff are employed by the SCM Unit? (show full time staff equivalent, a person shared with another function or working part-time on SCM is shown as a fraction)	3	There three officials namely, SCM officer, SCM clerk, SCM accountant. A recommendation is made to the management to appoint another clerk and officer for this department .	CFO
2.1	How many positions are unfilled, ie waiting for an appointment? (full time equivalent)	2	Appointments are made for the position of Manager Budget and SCM Accountant. The SCM officer has not been advertised due to budget constraints.	Management
2.2	Has a job description been developed for each position within the SCM Unit?	Yes	Job description has been fully developed for each position.	CFO
3	Has a detailed implementation plan for SCM been developed?	Yes	It has been developed but not yet submitted with the accounting officer.	CFO

Question		Answer	Comment on progress	Date for completion	Official(s) responsible
3.1	If "YES", is progress regularly measured against the implementation plan?	No	The measurement will be done during October for this particular quarter	2013-10-30	CFO
4	Is a report on the implementation of the SCM Policy provided to the mayor (or the board of directors for an entity) within 10 days of the end of each quarter (reg 6(3))	Yes	The report is submitted to the mayor	2013-06-30	CFO
5	SCM Processes:				
5.1	Is the necessary needs assessment undertaken before each acquisition?	YES	Before the acquisition can be made, there must be a need for a particular item/goods, this is confirmed by the Head of Department before the requisition form can be submitted to the procurement section.	Ongoing	HOD's
5.2	Are preferential policy objectives identified to be met through each contract?	YES	Fully Implemented.	Ongoing	CFO
5.3	Is the performance of vendors regularly monitored?	Yes	Progress reports or certificates of contractors are attached to the claims or Invoices. SCM checklist is developed and updated.	Ongoing	Managers of the concerned project.
5.4	Are SCM processes independently monitored to ensure the SCM policy is followed and desired objectives achieved?	Yes	SCM checklists are developed and monitored.	Ongoing	CFO and MM
6	Are the threshold values contained in the SCM Policy aligned with the values stipulated in regulation 12?	Yes	Threshold as set in MFMA are adhered to.	Ongoing	CFO and Finance Senior Manager
6.1	If "NO" are the values contained in the SCM Policy higher than that stipulated in regulation 12?	No	N/A	None	N/A
7	Do municipal bid documents comply with MFMA Circular No 25?	Yes	Fully Implemented.	Ongoing	CFO
8	Do municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees?	Yes	Fully Implemented.	Ongoing	CFO
9	Regulation 46 requires the SCM Policy to establish a code of conduct.				
9.1	Is the Code of Conduct issued by NT in MFMA Circular No 22 utilised?	Yes	The Code of Conduct issued by NT in MFMA Circular No 22 utilised?	Ongoing	CFO

Question	Answer	Comment on progress	Date for completion	Official(s) responsible
9.2	Yes	Officials were provided with SCM policy which include the SCM code of Conduct	2012-06-30	CFO
10	Yes	Are all delegations in terms of SCM roles and responsibilities in writing (other than delegations contained in the SCM Policy)?	2012-11-20	CFO
11	Yes	Prior to making an award above R30 000 the municipality or municipal entity must check with SARS whether that persons tax matters are in order (reg 43 and MFMA Circular No 29). Is this being complied with?	Ongoing	SCM
12		<i>Please confirm if records are kept of the following:</i>		
12.1	Yes	Petty cash purchases?	Ongoing	Expenditure Accountant
12.2	Yes	Written or verbal quotations received and awards made?	Ongoing	Procurement Accountant
12.3	Yes	Tenders and all other bids received and awards made?	Ongoing	CFO
13	Yes	Are all invitations for bids above R30 000 advertised for at least 7 days on the website and official notice board? (reg 18(a))	Ongoing	Procurement Accountant
13.1	Yes	In addition, are all invitations for competitive bids publically advertised in newspapers commonly circulating locally? (reg 22(1))	Ongoing	Procurement Accountant

Question	Answer	Comment on progress	Date for completion	Official(s) responsible	
14	Is the "list of accredited prospective providers" required by regulation 14 updated at least quarterly?	Yes	The least is updated on a monthly basis	Ongoing	CFO
15	Is there a database established to record redundant and obsolete store items?	Yes	There is a list done manual on the redundant and obsolete store.	2013-02-28	Budget Accountant
16	Are debriefing sessions held with unsuccessful bidders?	No	If the unsuccessful bidders enquire why they were not chosen, they are provided with an answer why they were not chosen for the particular bid or are referred to the Municipal website.	Ongoing	Procurement Accountant
17	<i>Training SCM practitioners</i>				
17.1	Has a training strategy for SCM practitioners been developed?	No	Training is provided by Provincial Treasury National Treasury.	2013-07-15	CFO
17.2	What is the 2012/13 budget for the training of SCM practitioners?		There is no a particular budget designed for a specific department in our municipality. Budget for training is palced in one budget vote for the entire municipality.	Ongoing	Budget Accountant
17.3	Has the municipality or entity used an outsourced training provider for SCM, other than PALAMA?	No	Training is provided by Provincial Treasury National Treasury.	Ongoing	CFO
17.4	If "yes" to 17.3 please list below the names of training provider(s) used to date (expand this box if necessary)	N/A	National Treasury training	Ongoing	
17.5	Indicate the number of officials who have attended the SCM training conducted by PALAMA?	0	No officials attended training provided by PALAMA.	None	CFO
17.6	Indicate the number of officials who have attended SCM training conducted by training providers other than SAMDI?	0	No officials attended training provided by PALAMA.	None	CFO

Question	Answer	Comment on progress	Date for completion	Official(s) responsible
18	No	The Internal Control and Procedure Manual was developed for all Finance Units	2012-08-01	CFO
19				
19.1	Yes	Bid Specification Committee membership comply with regulation 27?	Ongoing	Chairperson
19.2	Yes	Does the Bid Evaluation Committee membership comply with regulation 28?	2012-12-03	Chairperson
19.3	Yes	Does the Bid Adjudication Committee membership comply with regulation 29?	2012-12-03	Chairperson
19.4	No	Has regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee, been breached?	Ongoing	CFO
20		<i>Procurement of IT related goods and services:</i>		
20.1	Yes	Are you aware that SITA can assist with the procurement of IT related goods and services (regulation 31)	Ongoing	MM
20.2	No	Have you utilised this facility before?	None	IT Officer
21	Yes	Does the SCM Policy provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the SCM system? (reg 41(1))	Ongoing	CFO