

OFFICE OF THE CHIEF FINANCIAL OFFICER

08 January 2016

Submission to Mayor

**REPORT ON THE IMPLEMENTATION OF THE SCM POLICY: QUARTER 2 OF
THE 2015/2016 FINANCIAL PERIOD**

Purpose

The purpose of this report is to present to the PMS Office, Mayor or Directors a report on the implementation of the Supply Chain Management Policy for quarter 2 of the 2015/2016 financial period.

Background

- I. In terms of SCM Reg 6 (3) (4) of the Supply Chain Management Regulation , the Accounting Officer must, within 10 days after the end of quarter , submit a report on the implementation of the Supply Chain Management Policy to the Mayor of the Municipality.

Discussion

The following matters are not implemented in terms of the National Treasury Supply Chain Implementation checklist.

Implementation Criteria	Reason for not implementing
Assistance of Procurement of IT related goods by SITA	Our municipality has not required any assistance from SITA for the procurement of IT goods so far. However we are aware that SITA can help in procuring IT goods.
Detailed implementation plan for SCM to be developed	The implementation plan has not been developed by the municipality, the municipality uses the AG's action plan to address the queries and recommendations been done by the AG.
Delegations SCM roles and responsibilities in writing(other than delegations contained in the SCM policy)	The Accounting Officer is currently in a process of formalising the delegation of powers in writing for both the SCM Accountant and the Demand & Acquisition Officer.
The number of the staff members in the SCM unit	There are two permanent staff in the SCM Unit plus three Interns, the number of employees indicated on the checklist is 3.5 being two permanent employees (1x2) and two interns (½x3)
Update of "accredited prospective providers"	The list of the accredited prospective providers is updated daily as per the Regulation 14 of the

Attachment:

Supply Chain Management Implementation Checklist – Annexure A and B.

Legal Implication

Compliance with the Supply Chain Management policy as well as the Municipal Finance Management Act and Regulations.

Financial Implication

None.

Others Parties Consulted

District Municipality (Xhariep)

Recommendation

- (a) That the PMS, Major/Directors takes note of the report as it is a compliance matter.



TC Panyani
Municipal Manager



Cllr. AM Shasha
Major

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 a

Municipality or Entity Details		Answers
Name of Municipality (select from drop down list)	Mohokare Local Municipality	
In the case of a <i>Municipal Entity</i> please type the name		
Contact Person (name):	LF Sebatane	
Email address:	les@mohokare.gov.za	
Phone:	051 673 9600	
Name of the Head of the SCM Unit (if different to above):	PM Dyonase	

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?	Y		
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)	4	<-- Number	
2.1	How many positions are unfilled, ie waiting for an appointment? (full time equivalent)	1	<-- Number	
2.2	Has a job description been developed for each position within the SCM Unit?	Y		
3	Has a detailed implementation plan for SCM been developed?	N		
3.1	If "YES", is progress regularly measured against the implementation plan?	N/A		
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))	Y		
5	SCM Processes:			
5.1	Is the necessary needs assessment undertaken before each acquisition?	Y		

5.2	Are preferential policy objectives identified to be met through each contract?	Y			
5.3	Is the performance of vendors regularly monitored?	N			
5.4	Are SCM processes independently monitored to ensure the SCM policy is followed and desired objectives achieved?	Y			
6.	Are the threshold values contained in the SCM Policy aligned with the values stipulated in regulation 12?	Y			
6.1	If "NO" are the values contained in the SCM Policy higher than that stipulated in regulation 12?	N/A			
7	Do municipal bid documents comply with MFMA Circular No 25?	Y			
8	Do municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees?	Y			
9.	<i>Regulation 46 requires the SCM Policy to establish a</i>				
9.1	Is the Code of Conduct issued by NT in MFMA Circular No 22 utilised?	Y			
9.2	Are measures in place to ensure all SCM practitioners are aware of the SCM code of conduct?	N			
10.	Are all delegations in terms of SCM roles and responsibilities in writing (other than delegations contained in the SCM Policy)?	Y			
11	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?	Y			
12.	<i>Please confirm if records are kept of the following</i>				
12.1	Petty cash purchases?	Y			
12.2	Written or verbal quotations received and awards made?	Y			
12.3	Tenders and all other bids received and awards made?	Y			
13	Are all invitations for bids above R30 000 advertised for at least 7 days on the website and official notice board? (reg 18(a))	Y.			

13.1	In addition, are all invitations for competitive bids publically advertised in newspapers commonly circulating locally? (reg 22(1))	Y			
14	Is the "list of accredited prospective providers" required by regulation 14 updated at least quarterly?	Y			
15	Is there a database established to record redundant and obsolete store items?	N			
16	Are debriefing sessions held with unsuccessful bidders?	N			
17	<i>Training SCM practitioners</i>				
17.1	Has a training strategy for SCM practitioners been developed?	N			
17.2	What is the 2015/2016 budget for the training of SCM practitioners?	R 0	<-- Rand amount		
17.3	Has the municipality or entity used an outsourced training provider for SCM, other than SAMDI?	N			
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			
17.5	Indicate the number of officials who have attended the SCM training conducted by SAMDI?		<-- Number 0		
17.6	Indicate the number of officials who have attended SCM training conducted by training providers other than SAMDI?		<-- Number 0		
18	Has an SCM procedure manual been developed to assist officials implement the SCM policy, consistent with the MFMA, regulations, circulars and the Accounting Officers Guidelines?	Y			
19	<i>Bid Committee membership:</i>				
19.1	Does the Bid Specification Committee membership comply with regulation 27?	Y			
19.2	Does the Bid Evaluation Committee membership comply with regulation 28?	Y			

19.3		Does the Bid Adjudication Committee membership comply with regulation 29?	Y			
19.4		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?	N			
20	<i>Procurement of IT related goods and services:</i>					
20.1		Are you aware that SITA can assist with the procurement of IT related goods and services (regulation 31)	Y			
20.2		Have you utilised this facility before?	N			
21	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))		Y			

IMPLEMENTATION CHECKLIST FOR THE THE QUARTER ENDED 31 DECEMBER 2015 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.

Municipality or Entity Details		Answers		
Municipality (select from drop down list) Mchokoro Local Municipality				
Name of Municipality (select from drop down list) Mchokoro Local Municipality				
In the case of a Municipal Entity, please type the name here:				
Contact Person (Name):		Lesabo Sobajane		
Email address:		lesab@mchokoro.gov.za		
Phone:		051 673 9600		
Name of the Head of the SCM Unit (if different to above): N/A		Phakamisa Dyantse		
9	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	
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)	two full time employees and three interns as per the current municipal organogram	4	Accounting Officer
2.1	How many positions are unfilled, is waiting for an appointment? (full time equivalent)		1	Accounting Officer
2.2	Has a job description been developed for each position within the SCM Unit?		YES	Accounting Officer
3	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	SCM Accountant/CFO
4	SCM Processes:			
4.1	Is the necessary needs assessment undertaken before each acquisition?		YES	
4.2	Are preferential policy objectives identified to be met through each contract?		YES	SCM Manager
4.3	Is the performance of vendors regularly monitored?		NO	CFO/SCM Manager
4.4	Are SCM processes independently monitored to ensure the SCM policy is followed and desired objectives achieved?		YES	CFO/SCM Manager
5	Are the threshold values contained in the SCM Policy aligned with the values stipulated in regulation 12? If "NO" are the values contained in the SCM Policy higher than that stipulated in regulation 12?		YES	CFO/Accounting Officer
5.1	Do municipal bid documents comply with MFMA Circular No 25?		N/A	
6	Do municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees?		YES	Accounting Officer/CFO
7	Regulation 46 requires the SCM Policy to establish a code of conduct:		YES	Accounting Officer/CFO
8.1	Is the Code of Conduct issued by NT in MFMA Circular No 22 utilised?		YES	Accounting Officer
8.2	Are measures in place to ensure all SCM practitioners are aware of the SCM code of conduct?		YES	Accounting Officer
9	Are all delegations in terms of SCM roles and responsibilities in writing (other than delegations contained in the SCM Policy)?		YES	Accounting Officer
10	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?		YES	SCM Accountant
11	Please confirm if records are kept of the following:			Accountant Expenditure/SCM Accountant
11.1	Petty cash purchases?		YES	SCM Accountant
11.2	Written or verbal quotations received and awards made?		YES	SCM Accountant
11.3	Tenders and all other bids received and awards made?		YES	SCM Accountant
12				

12.1	In addition, are all invitations for competitive bids publically advertised in newspapers commonly circulating locally? (reg 22(1))					SCM Accountant
13	Is the "list of accredited prospective providers" required by regulation 14 updated at least quarterly?	YES				SCM Accountant
14	Is there a database established to record redundant and obsolete store items?	NO				SCM Accountant
15	Are debridging sessions held with unsuccessful bidders?	NO				Administrator Assets and Inventory
16	Training SCM practitioners	NO				Accounting Officer
16.1	Has a training strategy for SCM practitioners been developed?	NO				CFO
16.2	What is the 2016/16 budget for the training of SCM practitioners?			The municipality has an overall budget for training of all the officials.		Accounting Officer/CFO
16.3	Has the municipality or entity used an outsourced training provider for SCM, other than SAMCJ?					Accounting Officer/CFO
16.4	If "yes" to 17.3 please list below the names of training provider(s) used to date (expand this box if necessary)	NO				Accounting Officer/CFO
16.5	Indicate the number of officials who have attended the SCM training conducted by SAMCJ? Indicate the number of officials who have attended SCM training conducted by training providers other than SAMCJ?	N/A				
16.6		0				
17	Has an SCM procedure manual been developed to assist officials implement the SCM policy, consistent with the MFMA, regulations, circulars and the Accounting Officers Guidelines?	YES		The procurement procedure manual has been developed		Manager: SCM
18	Bid Committee membership					
18.1	Does the Bid Specification Committee membership comply with regulation 27?	YES				Accounting Officer
18.2	Does the Bid Evaluation Committee membership comply with regulation 28?	YES				Accounting Officer
18.3	Does the Bid Adjudication Committee membership comply with regulation 29?	YES				Accounting Officer
18.4	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?	NO				Accounting Officer
19	Procurement of IT related goods and services					
19.1	Are you aware that SITA can assist with the procurement of IT related goods and services (regulation 31)	YES				Accounting Officer
19.2	Have you utilised this facility before?	NO				Accounting Officer

30	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 4(1))		YES				Accounting Officer
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