

AGENDA: MAYORAL COMMITTEE: 16 FEBRUARY 2016

69. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS JANUARY 2016
(Directorate: Budget and Treasury) 6/11/R (ZN)

1. STRATEGIC THRUST

To promote sound financial management and good governance.

2. PURPOSE OF THE REPORT

To report on the deviations approved by the accounting officer in terms of the council's supply chain policy for the month of January 2016.

3. BACKGROUND

Paragraph 36(2) of the council's supply chain management policy gives the accounting officer the responsibility to record and report all deviations approved as per subparagraph 36(1) (a) and (b) of the SCM policy.

Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations provide that the Accounting Officer may dispense with the normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

- 3.1 in an emergency
- 3.2 if goods or services are available from single supplier only;
- 3.3 in respect of acquisitions of special works of art;
- 3.4 in respect of acquisitions of animals for Zoo's
- 3.5 In any other exceptional case where it is impossible or impractical to follow official procurement processes.

In terms of Regulation 36(1) (b) the Accounting Officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers, which are of a purely technical nature.

4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms of Regulations 6(1) of the Local Government: Municipal Finance Management Act, the Council of a Municipality must maintain oversight over the implementation of its Supply Chain Management Policy. By virtue of Regulation 36(2), the Accounting Officer must record the reasons for any deviation, must report the deviations to the next meeting of the Council and must include them as notes in the annual financial statements. Regulation 6(4) further requires the Council to make this report public in the manner prescribed in section 21A of the Local Government: Municipal Systems Act No 32 of 2000, for access thereof by the public.

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5. DISCUSSION

The approved total number of deviations for the month of January 2016 is standing at three (03) amounting to R270 522.00

Below is the spending per directorate:

Technical & Infrastructure Services	<u>R270 522.00</u>
Total	<u>R270 522.00</u>

NO	REASON FOR DEVIATION	DESCRIPTION FOR SERVICE PROVIDED	SUPPLIER	DIRECTORATE	AMOUNT VAT INCL	DATE
22	Emergency (Not as a result of poor planning).	Delivery of water through water tanks	Mampepu building construction	DTIS	R145 350.00	29/01/2016
22	Emergency (Not as a result of poor planning).	Delivery of water through water tanks	Dikgele Distributors CC	DTIS	R51 300.00	29/01/2016
22	Emergency (Not as a result of poor planning).	Delivery of water through water tanks	Oatlegile Consulting CC	DTIS	R73 872.00	29/01/2016

This item served before the PFC: Budget & Treasury on 15 February 2016 but as there was no quorum it was agreed that it be sent to the Mayoral Committee.

RECOMMENDED:

ACTION

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| 1. That the list of deviations approved by the accounting officer for the month of January 2016 be noted; | BTO |
| 2. That the approved deviations be included as a note to the 2015/16 Annual financial statements; | BTO |
| 3. That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; | BTO |
| 4. That the Directorate: Budget and Treasury Office, in compliance with Regulation 6(4), makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access therefore by the public. | BTO |

MINUTES: COUNCIL: 23 FEBRUARY 2016

69. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS JANUARY 2016-CC (Directorate: Budget and Treasury) (ZN) ACTION

1. That the list of deviations approved by the accounting officer for the month of January 2016 be noted; BTO
2. That the approved deviations be included as a note to the 2015/16 Annual financial statements; BTO
3. That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; BTO
4. That the Directorate: Budget and Treasury Office, in compliance with Regulation 6 (4), makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access therefore by the public. BTO
