



**Implementation of the supply chain management policy of the
Emadlangeni Local Municipality**

(As per Section 6(1) (3) of the Municipal SCM Regulations)

SCM MONTHLY REPORT

November 2024

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1. Introduction

In terms of paragraph 6(3) of the Municipal Supply Chain Management Regulations, the council must maintain an oversight role over the implementation of the Municipal Supply Chain Management policy. The accounting officer must within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.

2. SCM Policy and procedures

2.1 Items for consideration in the policy review

All the items in the policy review should be considered.

2.2 Delegations

The delegations are in the SCM policy but there are no financial delegations.

2.3 Implementation of the procedure manual

SCM procedure manuals are in place.

3. Functioning of the SCM Unit

3.1 Declaration of interest by SCM personnel

- All SCM personnel have declared interest.

3.2 Adequacy of personnel within SCM

- The personnel is not adequate within the SCM Unit.

4. Functioning of bid committees

4.1 Bid committees constituted

- Bid committee are established as per SCM regulations.

4.2 Adequacy of Bid committees

- SCM bid committees are functioning.

4.3 Bid committees declarations

- Bid committees declare their interest before any bid committee meeting commences.

5. SECTION 114 DEVIATIONS

Section 114 of the MFMA permits the Accounting Officer to approve a tender "other than the one recommended through a normal procurement process". The Accounting Officer is required to report such a deviation to the Auditor –General, the Provincial Treasury, and the National Treasury within 10 working days (in terms of Regulation 29(7) of the Municipal SCM Regulations, 2005), stating the reasons that necessitated such a decision.

DATE OF AWARD	CONTRACT DESCRIPTION (TO INCLUDE BID/QUOTATION NUMBER)	AWARD VALUE	BEC RECOMMENDATION	BAC RECOMMENDATION	REASON FOR DEVIATION	NOTIFICATIONS		
						A G	NT	PT
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

6. REGULATION 36 DEVIATION

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to "dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process". This would typically include urgent and emergency cases, single –source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.

No.	DESCRIPTION (INCLUDING QUOTATION / BID NUMBER)	DATE OF AWARD	AWARDED TO	AWARD VALUE	REASON FOR DEVIATION	DATE REPORTED TO COUNCIL
1.	Media Briefing Arrangements for Emadlangeni Sports & Art Festival.	08/11/2024	Mandayi Holdings (Pty) Ltd	R 104 000.00	The media services were procured from the approved panel of communication services; however, two service providers did not submit a quotation, and the other one pulled out after the purchase order was issued. Mandayi	

					<p>Holdings (Pty) Ltd will source all media arrangements and secure all bookings. It is impractical to follow SCM processes by advertising on the municipal website and notice boards for at least seven (7) days as per SCM policy because this had to be attended as a matter of emergency.</p>	
<p>2.</p>	<p>Supply, delivery and Installing of a 315kVA, 11kV – 415V Mini-substation with RMU.</p>	<p>08/10/2024</p>	<p>BKM Zone.28 Enterprises (PTY) LTD</p>	<p>R 309 608.75</p>	<p>On Friday the 04th of October 2024, the municipality experienced electrical outage in 315 kVA, 11kV Mini-Substation at White City.</p> <p>The fault is affecting the consumers in the following Streets: Seligna, Pine, Palm, Tambotie, Imbua, Wattle and surrounding households.</p> <p>The artisan conducted the fault investigation with the intent to carry out repairs. The fault is the transformer in the Mini-substation short circuited to beyond repairs.</p> <p>The Municipality does not have 315kVA, 11kV Mini-substation as stores stock item. The urgent authorization instruction from the Municipal Manager is sought to urgently source a service</p>	

					<p>provider which will supply, deliver and install a 315kVA, 11kV –415V Mini-substation with RMU.</p> <p>This had to be attended as a matter of emergency to restore electricity power supply to the affected customers. Therefore, it was impractical to follow SCM processes.</p>	
3.	<p>Six (6) x 15 seater taxi to transport people from various Emadlangeni areas to the Women in Business Workshop, to take place on the 07th of November 2024.</p>	05/11/2024	Osizweni, Utrecht & Boundaries Taxi Association	R 20 100.00	<p>A taxi is requested from the taxi association to transport people from the various Emadlangeni area and return trip. This is the only recognized taxi association under Amajuba district for the requested routes. It is impractical to follow SCM processes.</p>	
4.	<p>Fifteen (15) x 15 seater taxi to transport people from various Emadlangeni areas to the Sports and Arts Festival, to take place on the 09th of November 2024.</p>	07/11/2024	Osizweni, Utrecht & Boundaries Taxi Association	R 62 000.00	<p>A taxi is requested from the taxi association to transport people from the various Emadlangeni area and return trip. This is the only recognized taxi association under Amajuba district for the requested routes. It is impractical to follow SCM processes.</p>	

5.	2000 x Confidential laser pay slips.	04/11/2024	Payday Software Systems	R 5 537.07	The Municipality is currently using Payday Software systems. Payday is the sole provider because they are the owners of the software and they design & produce their own pay slips for their software. It is impractical to follow SCM process.	
6.	Embroidery of T-Shirts for the Emadlangeni Sport & Festival for the 09th of November 2024.	08/11/2024	MXM Trading (Pty) Ltd	R 20 000.00	The described items were procured from Two-ival (PTY) Ltd who failed to deliver items on the 07th of November 2024. MXM Trading will be doing the embroidery of the t-shirts of Sport & Art Festival. It is impractical to follow SCM processes by advertising on the municipal website and notice boards for at least seven (7) days as per SCM policy because this had to be attended as a matter of emergency.	
7.	Procuring of 130 Round T-Shirts, 50 Golf T-Shirts and 100 Caps for Sport & Art Festival.	07/11/2024	Goli Group (Pty) Ltd t/a Paper House	R 40 265.00	The described items were procured from Two-ival (PTY) Ltd who failed to deliver the items on the 07th of November 2024. Goli Group t/a Paper House will be supplying the items. It is impractical to follow SCM processes by advertising on the municipal website and notice boards for at least seven (7) days as per SCM policy because this had	

						to be attended as a matter of emergency.	
8.	Media Briefing Arrangements for Emadlangeni Sports & Art Festival.	08/11/2024	Mandayi Holdings (Pty) Ltd	R 26 000.00	The media services were procured from the approved panel of communication services; however, two service providers did not submit a quotation, and the other one pulled out after the purchase order was issued. Mandayi Holdings (Pty) Ltd will source all media arrangements and secure all bookings. It is impractical to follow SCM processes by advertising on the municipal website and notice boards for at least seven (7) days as per SCM policy because this had to be attended as a matter of emergency.		
9.	Media Briefing Arrangements for Sports and Arts Festival.	11/11/2024	Newcastle Community Radio 103.7 FM	R 35 000.00	The Media services were procured from the approved panel. However, one service provider did not submit a quotation, and the other one pulled out after the Purchase Order was issued. As the alternative Media services are still required and need to be source media services from the following media houses: Newcastle Community Radio.		

					<p>The Municipal Manager is requested to authorize to approve the procurement of the above-mentioned services through the deviation process due to time constraints.</p> <p>It is therefore impractical to follow SCM processes because Newcastle Community Radio is the sole provider for the requested radio Media Services. It is the only local radio station in the district that has current affairs which covers local municipalities' matters.</p>	
<p>10.</p>	<p>Tyre repairs for NUT 2190 -- Fire Truck.</p>	<p>25/11/2024</p>	<p>Utrecht Auto & General (UAG)</p>	<p>R 3 075.00</p>	<p>The Fire Truck had a tyre puncture while conducting essential work. It is necessary that the repairs are done immediately due to that the fire truck is used during fire emergencies/ call outs to all wards of the Municipality and to ensure that the functionality of the unit is not affected. It is impractical to follow SCM processes by obtaining a minimum of three quotations as per SCM policy because this has to be attended as an emergency.</p>	

11.	Repairs NP 300 NUT 3732.	25/11/2024	Utrecht Auto & General (UAG)	R 4 630.00	<p>The NP 300 NUT 3732 Disaster responding vehicle needs repairs. The repairs needed to be done urgently to avoid any further possible damages in order for essential work to continue. It was recommended that the vehicle be taken to the nearest local service provider Utrecht Auto & General CC to render the necessary repairs. It is impractical to follow SCM processes by obtaining a minimum of three quotations as per SCM policy because this had to be attended as a matter of emergency.</p>	
12.	Repairs on Roller NUT 3951 and conduct a normal 250 hour service.	09/10/2024	Utrecht Auto & General (UAG)	R 15 250.00	<p>The Roller NUT 3951 has been experiencing oil leak. The repairs needed to be done urgently to avoid any further possible damages and conduct 250hour service, it was recommended that the vehicle will be taken to the nearest local service provider to do a strip and quote for the repairs and services.</p> <p>It was impractical to follow SCM processes by obtaining a minimum of three quotations as per SCM policy.</p>	

		TOTAL	R 645 465.82	
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7. SECTION 32 APPOINTMENTS

Regulation 32 of the Municipal SCM Regulations of 2005 allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of state.

DATE OF AWARD	CONTRACT DESCRIPTION	AWARD VALUE	CONTRACT AWARDED TO	NAME OF DEPARTMENT/ MUNICIPALITY	CONSENT OBTAINED FROM BOTH ORGAN OF STATE AND SERVICE PROVIDER	REASON FOR DEVIATION
n/a	n/a	n/a	n/a	n/a	YES NO	n/a

8. REGULATION 17(1)(c)(d) APPOINTMENT

8.1 The Municipal SCM Regulation 17(1)(c)(d); provide that a Supply Chain Management Policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating:

- that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;
- that the Accounting Officer must record the names of the potential providers and their written quotations.

8.2 In compliance with the above-mentioned prescripts, request for quotations / invitation to quote for the required goods was advertised and received as per the table below:

No.	Description	Total number of days the RFQ was advertised	Number of price quotations or offers received	Awarded service provider	Amount
1.	N/A	N/A	N/A	N/A	N/A

9. Reports on unauthorized, irregular, fruitless and wasteful expenditure

Section 32(4) of the MFMA requires that the Accounting Officer “promptly” inform the Mayor, MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless and wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed

No.	TYPE OF EXPENDITURE INCURRED	RECIPIENT OF THE PAYMENT	EXPENDITURE AMOUNT	REPORTING		DETAILED EXPLANATION OF THE EXPENDITURE	DEPARTMENT RESPONSIBLE
				MEC:COGTA	A-G		
1.	Irregular expenditure	CCG Systems	R 1 002 215.50	Yes		Annual Maintenance Licence Fee - Year 2024-25. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
2.	Irregular expenditure	FBL Trading Enterprise (Pty) Ltd	R 665 677.50	Yes		Security Services - (01/07/2024 - 31/07/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.	Corporate

3.	Irregular expenditure		R 434 355.00	Yes	<p>Security Services - (01/07/2024 - 31/07/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.</p>	Corporate
4.	Irregular expenditure	Double Action Security and Training Academy	R 434 355.00	Yes	<p>Security Services - (01/08/2024 - 31/08/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.</p>	Corporate
5.	Irregular expenditure	Double Action Security and Training Academy FBL Trading Enterprise (Pty) Ltd	R 689 868.90	Yes	<p>Security Services - (01/08/2024 - 31/08/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the</p>	Corporate

					tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.	
6.	Irregular expenditure	CCG Systems	R 17 742.50	Yes	Acomodation; Mileage & Toll Gates - Consultants: Mbuso Ndwalane & Simemisa Mdletshe. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
7.	Irregular expenditure	CCG Systems	R 43 275.00	Yes	Additional Support. Consultants: Mbuso Ndwalane & Simemisa Mdletshe. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
8.	Irregular expenditure	CCG Systems	R 16 900.00	Yes	Remote Assistance - Additional Support. Consultants: Mbuso Ndwalane; Mondli Msimango & Phindile Mzelemu. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
9.	Irregular expenditure	CCG Systems	R 6 000.00	Yes	Remote Assistance - Additional Support. Consultants: Phindile Mzelemu. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
10.	Irregular expenditure	CCG Systems	R 8 550.00	Yes	Remote Assistance - Additional Support. Consultants: Zoliswa Mantshule. The	BTO

						preference points system was not used for the awarded bidders in the panel for the financial system.	
11.	Irregular expenditure		R 3 400.00	Yes		Remote Assistance - Additional Support. Consultants: Mbuso Ndwalane. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
12.	Irregular expenditure		R 10 450.00	Yes		Remote Assistance - Additional Support. Consultants: Mbuso Ndwalane; Natasha Ramlal & Phindile Mzelemu. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
13.	Irregular expenditure		R 689 868.90	Yes		Security Services - (01/09/2024 - 30/09/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.	Corporate
14.	Irregular expenditure		R 434 355.00	Yes		Security Services - (01/09/2024 - 30/09/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the	Corporate

						tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.	
15.	Irregular expenditure		R 7 200.00	Yes		Remote Assistance - Additional Support. Consultants: Mondli Misimango & Phindile Mzelemu. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
16.	Irregular expenditure	CCG Systems	R 18 000.00	Yes		Remote Assistance - Additional Support. Consultants: Phindile Mzelemu. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
17.	Irregular expenditure	CCG Systems	R 2 125.00	Yes		Remote Assistance - Additional Support. Consultants: Mbuso Ndwalane. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
18.	Irregular expenditure	CCG Systems	R 11 782.50	Yes		Accommodation; Mileage & Toll Gates - Consultants: Natasha Ramlal. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
19.	Irregular expenditure	FBL Trading Enterprise (Pty) Ltd	R 689 868.90	Yes		Security Services - (01/10/2024 - 31/10/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As	Corporate

						<p>a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.</p>	
20.	Irregular expenditure			R 434 355.00	Yes	<p>Security Services - (01/10/2024 - 31/10/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As a result, it could not confirm whether the tenderer scoring the highest points was awarded. By not performing the point system, management could not assess if the other bidders would have quoted at cheaper or reasonable prices. In addition, the bid documents and advert stated that the tender will also be evaluated on the 80/20 points system and management did not do it when awarding the tender.</p>	Corporate
21.	Irregular expenditure	Double Action Security and Training Academy	Igoda Projects (Pty) Ltd	R 119 371.88	Yes	<p>Blue Mountain Phase 3 Electrification Project. Service provider was appointed as a turnkey project. The requirement for a turnkey is to follow a two stage bidding process. The two stage bidding process was not followed to appoint Igoda Projects (Pty) Ltd as per SCM policy.</p>	Infrastructure & Planning
22.	Irregular expenditure	Igoda Projects (Pty) Ltd		R 3 380 379.99	Yes	<p>Blue Mountain Phase 3 Electrification Project. Service provider was appointed as</p>	Infrastructure & Planning

10. Spend Analysis

In order for the Council to have an oversight role the following information is supplied.

1. All bids awarded above R 100 000
2. Top 10 suppliers by value of contracts awarded
3. Top 10 suppliers by number of contracts awarded

10.1 Bids awarded – Above R 100 000

NO.	SERVICE PROVIDER	DESCRIPTION OF GOODS/SERVICE	CONTRACT AMOUNT
1.	Goli Group (Pty) Ltd t/a Paper House	Uniform for Fire & Disaster Management Unit and Traffic & Protection Services Unit	R 668 840.00
2.	Toyota South Africa	Purchase of Municipal Vehicle (Toyota Hilux Double Cab)	R 570 929.51
3.	Toyota South Africa	Purchase of Municipal Vehicle (Toyota Hilux Single Cab)	R 400 042.46
4.	Lunehlanhla Business Enterprise (Pty) Ltd	Provision of Goods and Services Provided Through An Event Organiser For The Mayoral Cup Games To Take Place On 09 November 2024 At Bensdorp Sportsfield	R 275 425.00
5.	Komani Projects (Pty) Ltd	Supply & Delivery of Prepaid Meters	R 216 280.05
6.	Yithi Magadledla Holdings	Appointment of Facilitator for The Municipal Strategic Planning Session Scheduled for the 03 to 04 December 2024 in Durban	R 180 000.00
7.	Mandayi Holdings (Pty) Ltd	Media Briefing Arrangements for Emadlangeni Sports & Art Festival	R 130 000.00
8.	Amatawutawu General Trading t/a AGT Guesthouse	Physiotherapy Services for Salga KZN DSAC Games Scheduled to Take Place From 05 December 2024 to 08 December 2024 in Durban X 4 Physiotherapists Including X1 Ambulance	R 130 000.00

10.2 Top 10 suppliers by value of payment (bids and quotations)

NO.	SERVICE PROVIDER	AMOUNT	DATE OF PAYMENT
1.	Igoda Projects (Pty) Ltd	R 3 499 751.86	29/11/2024 29/11/2024
2.	Afrilectrical Consulting Engineers (Pty) Ltd	R 2 774 644.20	29/11/2024 29/11/2024
3.	Iskhonyane Civils (Pty) Ltd	R 2 080 132.65	29/11/2024
4.	Amahlungu Civils (Pty) Ltd	R 1 563 023.81	05/11/2024
5.	Siyaroro Trading CC	R 1 173 211.72	11/11/2024 29/11/2024
6.	Mbogz Civils (Pty) Ltd	R 853 782.46	29/11/2024
7.	FBL Trading Enterprise	R 689 868.90	08/11/2024 15/11/2024
8.	Sipho Glad Construction and General Trading CC	R 454 950.60	29/11/2024
9.	Double Action Security and Training Academy CC	R 434 355.00	08/11/2024 15/11/2024
10.	BKM Zone 28 Enterprise (Pty) Ltd	R 309 608.75	15/11/2024

10.3 Top 10 suppliers by number of orders made

NO.	SERVICE PROVIDER	AMOUNT	NUMBER OF ORDERS
1.	Utrecht Auto & General CC (UAG)	R 15 350.00	3
2.	Afrilectrical Consulting Engineers (Pty) Ltd	R 2 774 644.20	2
3.	iFix Business Solutions	R 146 941.25	2
4.	Igoda Projects (Pty) Ltd	R 3 499 751.86	2

5.	Goli Group (Pty) Ltd t/a Paper House	R 41 875.00	2
6.	Supa Quick Newcastle	R 2 943.07	2
7.	Toyota South Africa	R 970 971.97	2
8.	Tunimart Travel Agency	R 40 858.65	2
9.	Umhlaba Geomatics Inc.	R 25 666.66	2

11. Performance management

The Section 116 (2) (d) report is submitted by the relevant user departments on the management and performance on the appointed contractors whose contracts are still in progress.

NO.	BID REFERENCE NUMBER	NAME OF CONTRACTOR	DESCRIPTION OF CONTRACT	VALUE OF CONTRACT	PAYMENTS TO DATE	DATE OF PAYMENT	APPOINTMENT DATE	SUPPLIER PERFORMANCE ASSESSMENT / PERFORMANCE RATING			
								SUPPLIER PERFORMANCE ASSESSMENT REPORT COMPILED	Yes	No	Good
1.	MIN03/2021-22	Konica Minolta South Africa	Leasing of printers for a period of 3 years.	575 692.92 (fixed amount) for 3 years	31 983.02 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51 15 991.51	31/10/2022 30/11/2022 30/12/2022 31/01/2023 28/02/2023 31/03/2023 28/04/2023 31/05/2023 30/06/2023 31/07/2023 31/08/2023 29/09/2023 31/10/2023 30/11/2023 29/12/2023 31/01/2024	31/05/2022		No	Not submitted	

5.	MN09/2018-19 (Turnkey)	NWS consulting engineering (Pty)Ltd	Kwa Ntaba Electrification	2 866 194.41	45 674.90	05/09/2024	18/09/2022	No	Not submitted
6.	MN09/2018-19 (Turnkey)	Afrilectrical Consulting Engineers (Pty) Ltd	Emadlangeni Phase 2 Electrification	10 057 000.00	1 383 098.89 2 134 906.70 2 118 670.57 3 169 436.71 433 262.29 866 946.00	20/07/2023 25/07/2023 28/08/2023 30/04/2024 24/05/2024 09/07/2024	17/04/2023	No	Not submitted
7.	MN09/2018-19 (Turnkey)	Igoda Projects (Pty) Ltd	Blue Mountain Phase 2 Electrification	13 925 000.00	45 066.16 2 822 348.03 1 881 811.31 1 962 410.34 226 305.28 753 459.19 1 552 462.05 1 956 072.69 638 866.24 591 980.40 143 172.72 1 100 429.00 230 000.00	31/07/2023 31/07/2023 05/09/2023 19/12/2023 05/03/2024 05/03/2024 12/04/2024 07/05/2024 14/06/2024 10/07/2024 19/07/2024 26/07/2024 16/08/2024	17/04/2023	No	Not submitted
8.	MN09/2022-23	SDM Asset Management and Consulting (Pty) Ltd	Appointment of Service Provider for the Verification of Immovable & Biological Assets (including valuation of Biological Assets) and Updating of Fixed Assets	1 852 389.54	410 385.14 83 724.23 38 674.59 261 498.19 378 774.56 31 564.54 63 129.09	20/09/2023 30/11/2023 03/06/2024 24/07/2024 26/09/2024 04/10/2024 31/10/2024	10/08/2023	No	Not submitted

9.	MN09/2018-19 (Turnkey)	Afrilectrical Consulting Engineers (Pty) Ltd	Register for a Period of 3 Years	17 093 682.84	3 975 275.68 2 024 327.68 2 084 986.26 2 482 274.08 296 700.00 2 477 944.20	18/12/2023 05/03/2024 15/08/2024 05/09/2024 29/11/2024 29/11/2024	17/04/2023	Yes		Fair
10.	MN11/2022-23	Loma Business Enterprises (Pty) Ltd	Appointment of Service Provider to Provide Pound Keeper Services for a Period of 36 Months	538 200.00	14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00 14 950.00	29/02/2024 29/02/2024 29/02/2024 29/02/2024 03/06/2024 03/06/2024 08/08/2024 08/08/2024 11/10/2024 11/10/2024 11/10/2024	17/10/2023	No	Not submitted	
11.	MN14/2022-23 (Panel)	FBL Protection Services	Security Services for Emadlangeni Local Municipality for a Period of 12 Months	8 550 971.28	712 580.94 712 580.94 756 349.02 756 349.02 378 174.53 378 174.53 372 703.50 372 703.50 378 174.51 378 174.51 378 174.51 378 174.51 665 677.50 689 868.90 344 934.45 344 934.45 344 934.45	01/12/2023 22/12/2023 01/02/2024 01/03/2024 02/04/2024 05/04/2024 03/05/2024 15/05/2024 11/06/2024 28/06/2024 12/07/2024 16/07/2024 02/08/2024 04/09/2024 04/10/2024 16/10/2024 08/11/2024	01/11/2023	No	Not submitted	

12.	MN14/2022-23 (Panel)	Double Action Security	Security Services for Emadlangeni Local Municipality for a Period of 12 Months	4 385 916.00	344 934.45 317 820.00 317 820.00 434 355.00 434 355.00 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 434 355.00 434 335.00 217 177.50 217 177.50 217 177.50 217 177.50	15/11/2024 01/12/2023 22/12/2023 01/02/2024 01/03/2024 02/04/2024 05/04/2024 03/05/2024 15/05/2024 11/06/2024 28/06/2024 12/07/2024 16/07/2024 02/08/2024 04/09/2024 04/10/2024 16/10/2024 08/11/2024 15/11/2024	01/11/2023	No	Not submitted
13.	MN14/2023-24	Jabelu Plant and Logistics (Pty) Ltd	Regravelling of Vaalbank Access Road in Ward 3	2 289 194.60	603 415.72 849 811.51 120 049.44	29/08/2024 27/09/2024 30/10/2024	23/07/2024	No	Not submitted
14.	MN09/2018-19 (Turnkey)	Igoda Projects (Pty) Ltd	Blue Mountain Phase 3 Electrification	8 025 000.00	480 898.13 2 649 426.81 119 371.87 3 380 379.99	16/08/2024 22/08/2024 29/11/2024 29/11/2024	15/04/2024	Yes	Fair
15.	MN08/2023-24	Contour Technology (Pty) Ltd	Supply, Deliver & Installation of Multi-Utility Pre- paid Electricity Vending System for a period of 36 months	2.07% (VAT Inclusive) of Sales / Payments	16 228.58 15 338.94 15 689.58 15 248.46	06/09/2024 04/10/2024 04/10/2024 15/11/2024	19/04/2024	Yes	Good

16.	MN19/2023-24	Iskhonyane Civils (Pty) Ltd	Construction of Barouw Access Road in Ward 5	4 227 117.68	208 329.98 645 855.53 2 080 132.65	27/09/2024 30/10/2024 29/11/2024	29/08/2024	Yes		Fair
17.	MN13/2023-24	Amahlungu Civils (Pty) Ltd	Rehabilitation of Keerom Street in Ward 2	2 946 406.71	316 076.65 1 563 023.81	27/09/2024 05/11/2024	23/07/2024	No		Not submitted
18.	MN20/2023-24	Sipho Glad Construction and General Trading CC	Rehabilitation of Naude Street in Ward 2	5 172 103.31	418 773.11 423 305.17 454 950.60	27/09/2024 30/10/2024 29/11/2024	29/08/2024	Yes		Fair
19.	MN17/2023-24	PK Financial Consultant CC	Regraveling of Mlwane Access Road in Ward 6	2 204 672.36	838 701.90	27/09/2024	23/07/2024	No		Not submitted
20.	MN16/2023-24	Jambo Holdings (Pty) Ltd	Regraveling of Lenz Access Road in Ward 5	2 064 848.91	856 520.98 311 605.13	27/09/2024 01/11/2024	16/08/2024	No		Not submitted
21.	MN18/2023-24	Mbogz Civils (Pty) Ltd	Construction of Emathangeni Access Road in Ward 3	3 994 506.19	904 387.70 1 408 875.48 853 782.46	27/09/2024 30/10/2024 29/11/2024	16/08/2024	Yes		Fair
22.	MN15/2023-24	Mlandomude (Pty) Ltd	Regraveling of Reserve Access Road in Ward 4	3 458 262.62	1 107 810.85	18/10/2024	12/08/2024	No		Not submitted
23.	MN12/2023-24	Urban and Rural Construction (Pty) Ltd	Regraveling of Dorothea Access Road in Ward 1	3 092 615.08	1 795 177.31	30/10/2024	08/08/2024	No		Not submitted
24.	MN21/2024-25	Siyaroro Trading CC	Balele Game Park Refurbishment Project – Phase 2	2 894 787.60	469 365.72 703 846.00	11/11/2024 29/11/2024	11/09/2024	Yes		Fair

12. Risk Management




From the audits done by the Auditor-General and Internal Audit and the Provincial assessment the following issues were noted which requires monitoring before the municipality is exposed.

NO.	ISSUE RAISED	ISSUE RAISED BY	PROPOSED ACTION TO ADDRESS ISSUE	DUE DATE	CURRENT STATUS ON REPORT DATE
	Auditor General				
1.	Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by the Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement processes for various electrification projects. Some good and services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32, as there were no demonstrable benefits and discounts for participating in these contracts. Some goods or services procured under contracts secured by other organs of state and the provider did not consent to such procurement in writing. This non-compliance was	Auditor General	Management will ensure strict adherence to the SCM Policy and Regulations by ensuring that: - For all bids above R200 000, competitive bidding is implemented. - Cost / benefit analyses will be conducted prior to the appointment of Regulations 32 contracts. - All Regulation 32 appointments will be supported by written consent obtained from the other organ of state, however management has no intention to enter into any regulation 32 contract.	Ongoing	The municipality has not entered into any Regulation 32 contract.

	<p>identified in the procurement processes for various electrification projects.</p> <p>Some goods and services procured under the contracts secured by other organs of state were not procured in accordance with SCM regulations 32, as the prices paid were not the same as the original contract. This non-compliance was identified in the procurement process for various electrification projects.</p>				
	<p><u>INTERNAL AUDIT</u></p>		<p><u>Management responses:</u></p>		
1.	<p>Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by the Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement processes for various electrification projects.</p>	Internal Audit	<p>All procurement must go through Supply Chain Management office.</p> <p>No procurement should be authorized where procurement processes were not followed.</p> <p>Seek advice from the SCM office on the necessary steps to be followed on procurement processes.</p>	Ongoing	<p>Currently the municipality has not procured any goods and services of a transaction value above R200 000 without inviting competitive bids, as required by the Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations).</p>

2.	<p>1. Some goods and services procured under contracts secured by other organs of state were not procured in accordance with SCM regulation 32, as there were no demonstrable benefits and discounts for participating in these contracts.</p> <p>2. Some goods or services procured under contracts secured by other organs of state and the provider did not consent to such procurement in writing. This non-compliance was identified in the procurement processes for various electrification projects.</p> <p>3. Some goods and services procured under the contracts secured by other organs of state were not procured in accordance with SCM regulations 32, as the prices paid were not the same as the original contract. This non-compliance was identified in the procurement process for various electrification projects.</p>	Internal Audit	<p>SCM regulation 32 should be avoided at all times because of its strict conditions.</p> <p>Proper planning must be done for all procurement and requisitions must be submitted on time to allow all necessary steps for competitive bidding processes to be followed.</p> <p>Seek advice from the SCM office on the necessary steps to be followed on procurement processes.</p>	Ongoing	The municipality has not entered into any Regulation 32 contract.
1.	<p>Risk Management</p> <p>Poor implementation of Supply Chain Management processes:</p> <ol style="list-style-type: none"> Increase in Irregular, Unauthorised, Fruitless and Wasteful expenditure. Exceeding threshold for variation orders. Compromised service delivery. 	Risk Management	<p>Action plan to improve the management of the risk:</p> <ol style="list-style-type: none"> To submit inputs for the SCM Clerks position during the review processes of the municipal organogram. To enforce the SCM policy and standard operating procedures, to review all transactions to ensure compliance. To prepare and monitor the Procurement Plan on a quarterly basis and communicate progress to User Departments, and submit to the Provincial treasury. 		<ol style="list-style-type: none"> Inputs were submitted in regards of the SCM CLERKS position. SCM clerk position has been filled. There is an existing SOP which is reviewed annually. Procurement plan was consolidated and submitted to Provincial treasury. Procurements plans are monitored and submitted to PT

<p>-Delays in implementation of projects.</p> <p>-Municipal performance targets might not be achieved</p> <p>-Underspending on allocated budget and subsequent withdrawal of grant funding.</p>		<p>5. To develop a schedule plan for the for bid committee sittings.</p>		<p>next quarter will be sent to user departments.</p> <p>5. Schedule plan is part of the Procurement plan.</p> <p>6. Contact register is in place and updated. Variations are being authorised by the accounting officer and monitored not to exceed stipulated threshold.</p>
<p>2.</p> <p>Financial Management: Unauthorised, Irregular, Fruitless and Wasteful Expenditure:</p> <ol style="list-style-type: none"> 1. Overspending on allocated budget. 2. Financial Loss. 3. Adverse Audit opinion. 3. Non Compliance with the provisions of the Municipal Finance Management Act. 	<p>Risk Management</p>	<ol style="list-style-type: none"> 1. To develop the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. 2. Implementation of the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. 3. Strict Budget monitoring controls - UJFWE will be supported by memorandum approved from the Accounting Officer 4. Strict implementation of the updated SCM policy - Procurement Plans - Adherence to provincial and national treasury circulars 5. MDB and MPAC to investigate and Implement consequence management which may include recovery or disciplinary action. 	<ol style="list-style-type: none"> 1. SCM unit is continuously monitoring budget for all requisitions. 2. SCM unit ensures that all processes are followed for all requisitions. 3. SCM unit ensures that SCM policy is followed and it is up to date and in line with the latest regulations and circulars. 4. Invoices are submitted on time for payments. 	

<p>PREPARED BY SCM Practitioner</p>	<p>S.I Mpanza</p>	<p>REVIEWED BY SCM Manager</p>	<p>T.N.S Madondo</p>	<p>APPROVED BY CFO</p>	<p>P.P Sithole</p>
<p>SIGNATURE</p>		<p>SIGNATURE</p>		<p>SIGNATURE</p>	
<p>DATE</p>	<p>11/12/2024</p>	<p>DATE</p>	<p>12/12/2024</p>	<p>DATE</p>	<p>12/12/2024</p>