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

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

SCM QUARTER 3 REPORT

January 2025 - March 2025

TABLE OF CONTENT

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.	Advertising MPRA Section 14(1) and (2) on the Government Gazette.	20/06/2024	Government Printing Works	R 2 017.56	Government Printing Works is sole provider for publishing the requested publication in government gazette. Therefore, it was impractical to follow	

					SCM processes by obtaining a minimum of three quotations as per SCM policy.	
2.	Colt bakkie repairs – NUT 4991.	05/12/2024	Utrecht Auto & General CC (UAG)	R 9 365.00	The Colt bakkie requires immediate repairs as the gear box is damaged. The bakkie is used used for the following: Transporting employees to their work sites and Transporting equipment such as lawnmowers to the working sites. The repairs needed to be done urgently to avoid any further possible damage in order for essential work to continue. It was recommended that the bakkie 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.	
3.	Repairs on Husqvarna Lawnmowers.	13/01/2025	Construction & Cutting Machines (Pty) Ltd	R 25 904.00	The Municipality has Husqvarna lawnmowers that is used for grass cutting purposes. It is important that the repairs be done urgently because it is essential as it is grass cutting season. It was impractical to follow SCM processes because the lawnmowers were	

					sent for assessment and the service provider had to strip and quote.	
4.	Procuring electrical consumables for medium and low voltage electrical cable joints.	20/02/2025	Voltex Newcastle	R 4 493.40	The proposed request aims to complete the temporary cable joint that have been initiated to repair the electrical outage on MUNIC 1 breaker, which occurred on the 19 February 2025. The joints that need to be topped up with resin are as follows: • Caltex two temporally joints • Van Rooyen Street two temporally joints • Corner of Keerom and Voor Street need a complete MT5 joint kit The joints kits can only be urgently provided by Voltex in Newcastle. Therefore, it was 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.	
5.	Refuse truck repairs – NUT 3585.	08/11/2024	Utrecht Auto & General CC (UAG)	R 7 645.00	The refuse truck was experiencing brake failure and the back/tail lights are not working. 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 truck 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.	
6.	Carry out repairs for TLB NUT 4074.	20/12/2024	Bell Equipment	R 9 833.25	All municipal vehicles and machines are repaired and serviced from where they were initially bought, because the original dealers have the necessary parts and have good knowledge of their products. It is recommended that the TLB be taken to the original seller for a strip and quote. It is impractical to follow SCM processes.	
			TOTAL	**R 59 258.21**		

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 DISCRIPTION	AWARD VALUE	CONTRACT AWARDED TO	NAME OF DEPARTMENT/ MUNICIPALITY	CONSENT OBTAINED FROM BOTH ORGAN OF STATE AND	REASON FOR DEVIATION

					SERVICE PROVIDER		
					YES	NO	
n/a	n/a	n/a	n/a	n/a			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 18 000.00	Yes		Virtual private server - November 2024. The contract has expired, and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62.	Corporate
2.	Irregular expenditure	CCG Systems	R 18 000.00	Yes		Virtual private server - October 2024. The contract has expired, and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62.	Corporate
3.	Irregular expenditure	CCG Systems	R 18 000.00	Yes		Virtual private server - August 2024. The contract has expired, and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62.	Corporate
4.	Irregular expenditure	CCG Systems	R 18 000.00	Yes		Virtual private server - July 2024. The contract has expired, and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62.	Corporate
5.	Irregular expenditure	CCG Systems	R 18 000.00	Yes		Virtual private server - June 2024. The contract has expired, and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62.	Corporate
6.	Irregular expenditure	Redbell Trading (Pty) Ltd t/a Uncle Deli Spar	R 500.00	Yes		Grocery Voucher for Indigent Burial. Assistance of groceries for indigent burial was requested by the Office of the Mayor. The SCM processes were not followed because the SCM unit did not receive a requisition for this request, and services were rendered without following the SCM processes. A minimum of three quotations was not obtained. The procedure for the procurement of goods or services through	MM

					written quotations or formal written price quotations were not followed as per SCM policy.	
7.	Irregular expenditure	Utrecht Auto & General CC (UAG)	R 905.00	Yes	Tyre repairs for Grader NUT 3952. Tyre repairs for Grader NUT 3952 was done by Technical Services Unit. The SCM processes were not followed because the SCM unit did not receive a requisition for this request, and services were rendered without following the SCM processes. A minimum of three quotations was not obtained. The procedure for the procurement of goods or services through written quotations or formal written price quotations were not followed as per SCM policy.	Infrastructure & Planning
8.	Irregular expenditure	Utrecht Auto & General CC (UAG)	R 1 705.00	Yes	Purchase of Battery for Refuse Truck NUT 3585. A battery was purchased for the Refuse Truck NUT 3585. The SCM processes were not followed because the SCM unit did not receive a requisition for this request, and services were rendered without following the SCM processes. A minimum of three quotations was not obtained. The procedure for the procurement of goods or services through written quotations or formal written price quotations were not followed as per SCM policy.	Community
9.	Irregular expenditure	FBL Trading Enterprise (Pty) Ltd	R 355 876.47	Yes	Security Services - (01/12/2024 - 31/12/2024). During the audit of supply chain management, it was noted that the preference points system was not used. As	Corporate

					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 point system and management did not do it when awarding the tender. The variation order has exceeded the 15% threshold stipulated in MFMA Circular 62. The initial contract amount was R 8 550 971-28 and the variation order needs to amount to R 1 282 645-69 which will than add up to a new total contract value of R 9 833 616-97. According to MFMA circular No.62 "Contracts may be expanded or varied only by the Accounting Officer by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and/ or services of the original value of the contract. Therefore, the 15% threshold has been exceeded.	
10.	Irregular expenditure	Double Action Security and Training Academy	R 217 177.50	Yes	Security Services - (01/12/2024 - 31/12/2024). 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	Corporate

					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 point system and management did not do it when awarding the tender. The variation order has exceeded the 15% threshold stipulated in MFMA Circular 62. The initial contract amount was R 4 385 916-00 and the variation order needs to amount to R 657 887-40 which will than add up to a new total contract value of R 5 043 803-40. According to MFMA circular No.62 "Contracts may be expanded or varied only by the Accounting Officer by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and/ or services of the original value of the contract. Therefore, the 15% threshold has been exceeded.	
11.	Irregular expenditure	CCG Systems	R 35 997.00	Yes	E-Billing Training Session. (Delagates: Ntobeko Nene; Noluthando Xaba & Ncamisile Khoza). Date: 12 -13 February 2025. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
12.	Irregular expenditure	Payday Software Systems	R 28 612.00	Yes	Payroll Consultation; IRP5 Bi-Annual Submission; Accommodation; S&T; Miscellaneous - Consultant: Mxolisi Sibiya. The contract has expired on 29 February	BTO

					2020 and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62. The contract was terminated on 30 June 2022.	
13.	Irregular expenditure	Payday Software Systems	R 161 184.00	Yes	Payday Annual License Fees - March 2025 - February 2026. The contract has expired on 29 February 2020 and the expansion has exceeded the 15% threshold stipulated in MFMA Circular 62. The contract was terminated on 30 June 2022.	Corporate
14.	Irregular expenditure	Goli Group (Pty) Ltd	R 500.00	Yes	25 x White Branded Caps. The SCM processes were not followed because the SCM unit did not receive a requisition for this request, and services were rendered without following the SCM processes. A minimum of three quotations was not obtained. The procedure for the procurement of goods or services through written quotations or formal written price quotations were not followed as per SCM policy.	MM
15.	Irregular expenditure	CCG Systems	R 7 700.00	Yes	Additional Support - Remote Assistance (Training Snethemba on Receipting via Cashbook. Adding Mapping, configuring mappings and splitting transactions; Assisting with RFQ; Assisting with PO03196; Investigating June variance & Investigating the variance in Age analysis from SAGE intelligence and the one from SAGE report variance from June 2023 to June 2024) - Consultants: Mbuso Ndwalane, Phindile Mzelemu & Simammisa Mdletshe. Date: 23 - 24 July 2024. The preference points	BTO

					system was not used for the awarded bidders in the panel for the financial system.	
16.	Irregular expenditure	CCG Systems	R 9 750.00	Yes	Additional Support - Remote Assistance (Attending to the VAT AG meeting and preparing July - Sept 2024 VAT correcting journals; Working with Technicla support on a Period Closure Journal, creating the missing accounts and posting the Journal.) - Consultants: Bonisiwe Thomas & Samukelo Mahlaba. 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 11 782.50	Yes	Accommodation; Mileage & Toll Fees - Consultants: Natasha Ramlal. Date: 01 - 05 July 2024. 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 12 100.00	Yes	Additional Support - Remote Assistance (Assisting Ntobeko with comparing customer balances between raw file and system balance; Assisting on checking the Grants set up and the Period Closure Journal comparing against TB June 2024) - Consultants: Mbuso Ndwalane & Samukelo Mahlaba. Date: 15, 17 - 18 October 2024. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
19.	Irregular expenditure	CCG Systems	R 11 575.00	Yes	Additional Support - Remote Assistance (Assisting Noluthando with Interest extraction for Reconciliation purposes; Assisting with SMSes; Assisting with Billing	BTO

					vs GL extraction for Rates; VAT session; Discussion of the transactions that did not take VAT into consideration; Comparing the Period closure Journal with Cschedule, Pre audited TB and the Data strings M04; Assisting with VAT query) - Consultants: Mbuso Ndwalane, Phindile Mzelemu, Samukelo Mahlaba & Simamisa Mdletshe. Date: 21 -24 October 2024. The preference points system was not used for the awarded bidders in the panel for the financial system.	
20.	Fruitless & Wasteful expenditure	Eskom	R 812.43	Yes	Interest on overdue account - January 2025. Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
21.	Irregular expenditure	CCG Systems	R 23 916.00	Yes	2025/26 Draft Budget Session. Date: 10-14 March 2025.	BTO
22.	Irregular expenditure	Double Action Security and Training Academy	R 451 881.00	Yes	Security Services - (01/01/2025 - 31/01/2025). 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 point system and management did not do it when awarding the tender.	Corporate

					The variation order has exceeded the 15% threshold stipulated in MFMA Circular 62. The initial contract amount was R 4 385 916-00 and the variation order needs to amount to R 657 887-40 which will than add up to a new total contract value of R 5 043 803-40. According to MFMA circular No.62 "Contracts may be expanded or varied only by the Accounting Officer by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and/ or services of the original value of the contract. Therefore, the 15% threshold has been exceeded.	
23.	Irregular expenditure	FBL Trading Enterprise (Pty) Ltd	R 711 752.94	Yes	Security Services - (01/01/2025 - 31/01/2025). 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 point system and management did not do it when awarding the tender. The variation order has exceeded the 15% threshold stipulated in MFMA Circular 62. The initial contract amount was R 8 550	Corporate

					971-28 and the variation order needs to amount to R 1 282 645-69 which will than add up to a new total contract value of R 9 833 616-97. According to MFMA circular No.62 "Contracts may be expanded or varied only by the Accounting Officer by not more than 20% for construction related goods, services and / or infrastructure projects and 15% for all other goods and/ or services of the original value of the contract. Therefore, the 15% threshold has been exceeded.	
24.	Irregular expenditure	CCG Systems	R 15 170.00	Yes	Additional Support - Remote Assistance (Assisting Zakhele Radebe with scanner; Assisting Snethemba with upload of SVs from February to May 2024; Meeting with Brownyn, Linda and others - Revenue issues & Assisting Nompumelelo with RFQ that doesn't show suppliers after quotation parameter) - Consultants: Karabo Sibisi, Mbuso Ndwalane, Phindile Mzelemu, Samukelisiwe Zama & Zoliswa Mantshule. Date: 24 - 27 June 2024. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
25.	Irregular expenditure	CCG Systems	R 4 950.00	Yes	Additional Support - Remote Assistance (Session with ELM team regarding budget alignment; Creating the test database and restored for processing the Bank Reconciliation of November 2024 & Assisting with posting the cashbook) - Consultants: Phindile Mzelemu & Samukelo	BTO

					Mahlaba. Date: 02 - 06 December 2024. The preference points system was not used for the awarded bidders in the panel for the financial system.	
26.	Irregular expenditure	CCG Systems	R 5 875.00	Yes	Additional Support - Remote Assistance (Designing and extracting the refuse billing report for pensioners; Teams session on unreconciled items; Extracting the Full GL for 2023/24 FY & Teams session on VAT) - Consultants: Mbuso Ndwalane & Phindile Mzelemu. Date: 25 - 29 November 2024. The preference points system was not used for the awarded bidders in the panel for the financial system.	BTO
27.	Irregular expenditure	Igoda Projects (Pty) Ltd	R 47 748.75	Yes	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.	Infrastructure & Planning
28.	Irregular expenditure	Igoda Projects (Pty) Ltd	R 578 780.70	Yes	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.	Infrastructure & Planning
	TOTAL		**R 2 786 251.29**			

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.	First Technology KwaZulu-Natal (Pty) Ltd	Supply & Delivery of Firewall & Antivirus Annual License Renewal for 12 months	R 118 808.87

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

NO.	SERVICE PROVIDER	AMOUNT	DATE OF PAYMENT
1.	FBL Trading Enterprise	R 1 067 629.41	07/02/2025 07/03/2025 26/03/2025
2.	Toyota South Africa	R 970 971.97	29/01/2025 06/02/2025
3.	Amahlungu Civils (Pty) Ltd	R 867 655.17	01/03/2025
4.	Iskhonyane Civils (Pty) Ltd	R 825 985.13	27/03/2025
5.	Sipho Glad Construction and General Trading CC	R 691 521.03	21/02/2025 01/03/2025 31/03/2025

6.	Double Action Security and Training Academy CC	R 669 058.50	07/02/2025 07/03/2025 26/03/2025
7.	Igoda Projects (Pty) Ltd	R 626 529.45	14/03/2025 20/03/2025 27/03/2025
8.	Urban and Rural Construction (Pty) Ltd	R 583 311.89	27/03/2025 27/03/2025
9.	Siyaroro Trading CC	R 387 306.20	07/02/2025
10.	BI Infrastructure Consultants	R 324 762.10	07/02/2025 19/02/2025 20/03/2025 31/03/2025 31/03/2025

10.3 Top 10 suppliers by number of orders made

NO.	SERVICE PROVIDER	AMOUNT	NUMBER OF ORDERS
1.	Camelsa Consulting Group (Pty) Ltd	R 324 063.00	23
2.	Ayanda Mbanga Communications (Pty) Ltd	R 35 495.10	8
3.	Umhlaba Geomatics Inc	R 70 193.32	6
4.	BI Infrastructure Consultants	R 324 762.10	5
5.	Contour Technology (Pty) Ltd	R 45 822.19	3
6.	Loma Business Enterprises (Pty) Ltd	R 44 850.00	3
7.	Uzwano Investments 26 t/a Buffalo Group	R 11 858.35	2
8.	Auditor- General SA	R 1 827 888.51	2
9.	Construction and Cutting Machines CC	R 34 524.00	2
10.	Igoda Project (Pty) Ltd	R 626 529.45	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 REPORT COMPILED		SUPPLIER PERFORMANCE ASSESSMENT / PERFORMANCE RATING		
								Yes	No	Good	Fair	Poor
1.	MN03/2021-22	Konica Minolta South Africa	Leasing of printers for a period of 3 years.	575 692.92 (fixed amount) for 3 years	31 983.02	31/10/2022	31/05/2022		No	Not submitted		
					15 991.51	30/11/2022						
					15 991.51	30/12/2022						
					15 991.51	31/01/2023						
					15 991.51	28/02/2023						
					15 991.51	31/03/2023						
					15 991.51	28/04/2023						
					15 991.51	31/05/2023						
					15 991.51	30/06/2023						
					15 991.51	31/07/2023						
					15 991.51	31/08/2023						
					15 991.51	29/09/2023						
					15 991.51	31/10/2023						
					15 991.51	30/11/2023						
					15 991.51	29/12/2023						
					15 991.51	31/01/2024						
					15 991.54	29/02/2024						
					15 991.54	28/03/2024						
					15 991.54	30/04/2024						
					15 991.54	31/05/2024						
					15 991.54	28/06/2024						
					15 991.54	31/07/2024						
					15 991.54	30/08/2024						
					15 991.54	30/09/2024						

					15 991.54 15 991.54 15 991.54 15 991.54 15 991.54 15 991.54	31/10/2024 29/11/2024 31/12/2024 31/01/2025 28/02/2025 31/03/2025				
2.	MN04/2021-22	Lateral Unison Insurance Brokers (Pty)Ltd	Short term insurance for a period of years	3 630 951.55 (3 years)	999 958.00 1 810.00	14/07/2022 09/11/2022	31/05/2022		No	Not submitted
3.	MN10/2021-22	Umhlaba geomatics Inc.	General valuation and preparation of valuation roll – 01/07/2023 – 30/06/2028.	1 470 000.00	37 818.19 447 272.73 41 268.19 37 818.19 75 636.38 63 636.62 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33 12 833.33	09/12/2022 19/12/2022 11/01/2023 28/02/2023 24/03/2023 18/04/2023 17/10/2023 26/01/2024 26/01/2024 26/01/2024 12/03/2024 03/05/2024 07/06/2024 07/06/2024 07/06/2024 07/06/2024 28/06/2024 30/09/2024 15/11/2024 11/12/2024 18/03/2025	08/09/2022	Yes		Fair
4.	Regulation 32	Gutakura Tradings (Pty) Ltd	Kaarpoort Electrification	2 645 188.90	1 414 041.84 421 486.47 497 878.29 131 691.39 45 674.90	Balance b / f 07/12/2022 05/07/2023 05/03/2024 05/09/2024	01/07/2022		No	Not submitted

5.	MN09/2018-19 (Turnkey)	NWS consulting engineering (Pty)Ltd	Kwa Ntaba Electrification	2 866 194.41	823 211.09 144 538.48 431 241.13 361 705.55	Balance b / f 29/04/2022 28/02/2022 06/05/2022	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

			Register for a Period of 3 Years							
9.	MN09/2018-19 (Turnkey)	Afrilectrical Consulting Engineers (Pty) Ltd	Dorothea Electrification Project	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 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 11/12/2024 14/12/2024 07/03/2025	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	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	01/11/2023		No	Good

					344 934.45 344 934.45 344 934.45 344 934.45 355 876.47 355 876.47 355 876.47 355 876.47 355 876.47 355 876.47	04/10/2024 16/10/2024 08/11/2024 15/11/2024 05/12/2024 11/12/2024 27/12/2024 07/02/2025 07/03/2025 26/03/2025			
12.	MN14/2022-23 (Panel)	Double Action Security	Security Services for Emadlangeni Local Municipality for a Period of 12 Months	4 385 916.00	317 820.00 317 820.00 434 355.00 434 355.00 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 434 355.00 434 355.00 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 217 177.50 225 940.50 225 940.50	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 05/12/2024 11/12/2024 27/12/2024 07/02/2025 07/03/2025 26/03/2025	01/11/2023		No	Good

13.	MN14/2023-24	Jabelu Plant and Logistics (Pty) Ltd	Regravelling of Vaalbank Access Road in Ward 3	2 289 194.60	603 415.72 849 811.51 120 049.44 324 712.24 276 745.97	29/08/2024 27/09/2024 30/10/2024 19/12/2024 19/12/2024	23/07/2024	Yes		Fair
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 47 748.75 289 390.35 289 390.35	16/08/2024 22/08/2024 29/11/2024 29/11/2024 14/03/2025 20/03/2025 27/03/2025	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 15 307.52 16 317.11 15 786.07 13 719.01	06/09/2024 04/10/2024 04/10/2024 15/11/2024 14/12/2024 21/01/2025 03/03/2025 11/03/2025	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 2 080 132.65 286 599.26 825 985.13	27/09/2024 30/10/2024 29/11/2024 19/12/2024 27/03/2025	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 1 563 023.81 867 655.17	27/09/2024 05/11/2024 01/03/2025	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	418 773.11 423 305.17 454 950.60 380 316.40 1 500 000.00 608 646.38 227 775.69 227 775.69	27/09/2024 30/10/2024 29/11/2024 19/12/2024 20/12/2024 28/12/2024 21/02/2025 01/03/2025	29/08/2024	Yes		Fair

					235 969.66	31/03/2025				
19.	MN17/2023-24	PK Financial Consultant CC	Regravelling of Mlwane Access Road in Ward 6	2 204 672.36	838 701.90 203 502.01	27/09/2024 07/02/2025	23/07/2024		No	Fair
20.	MN16/2023-24	Jambo Holdings (Pty) Ltd	Regravelling of Lenz Access Road in Ward 5	2 064 848.91	856 520.98 311 605.13 324 702.20 177 599.86	27/09/2024 01/11/2024 19/12/2024 04/02/2025	16/08/2024	Yes		Fair
21.	MN18/2023-24	Mbogz Civils (Pty) Ltd	Construction of Emathangeni Access Road in Ward 3	3 994 506.19	904 387.70 1 408 875.48 853 782.46 864 801.28	27/09/2024 30/10/2024 29/11/2024 19/12/2024	16/08/2024	Yes		Fair
22.	MN15/2023-24	Mlandomude (Pty) Ltd	Regravelling of Reserve Access Road in Ward 4	3 458 262.62	1 107 810.85 1 512 266.24 395 295.24 269 975.37	18/10/2024 04/12/2024 19/12/2024 31/03/2025	12/08/2024	Yes		Fair
23.	MN12/2023-24	Urban and Rural Construction (Pty) Ltd	Regravelling of Dorothea Access Road in Ward 1	3 092 615.08	1 795 177.31 559 443.29 428 683.87 154 628.03	30/10/2024 19/12/2024 27/03/2025 27/03/2025	08/08/2024	Yes		Fair
24.	MN21/2024-25	Siyaroro Trading CC	Balele Game Park Refurbishment Project – Phase 2	2 894 787.60	469 365.72 703 846.00 387 306.20	11/11/2024 29/11/2024 07/02/2025	11/09/2024	Yes		Fair
25.	RFQ05/2024-25	Imvula iTechnologies (Pty) Ltd	Supply & Install 100 Mbps Wireless Business Internet for 12 months	149 040.00	12 420.00 12 420.00 12 420.00	30/10/2024 14/12/2024 18/03/2025	01/09/2024	Yes		Fair
26.	MN21/2018-19	Ocean Dawn Trading and Projects CC	Security Services for Emadlangeni Local Municipality for	6 534 185.46	136 128.87	26/03/2025	01/02/2025	Yes		Good

			a period of 24 months							

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.	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.

	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. 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.				
	INTERNAL AUDIT		**Management responses:**		
1.	Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by 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.	Internal Audit	All procurement must go through the Supply Chain Management office. No procurement should be authorized where procurement processes were not followed. Seek advice from the SCM office on the necessary steps to be followed on procurement processes.	Ongoing	Currently the municipality has not procured any goods and services of a transaction value above R200 000 without inviting competitive bids, as required by Regulation 19(a) of the Municipal Supply Chain Regulations (SCM regulations).

2.	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. 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. 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.	Internal Audit	SCM regulation 32 should be avoided at all times because of its strict conditions. 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. Seek advice from the SCM office on the necessary steps to be followed on procurement processes.	Ongoing	The municipality has not entered into any Regulation 32 contract.
	Risk Management		**Action plan to improve the management of the risk:**		
1.	Poor implementation of Supply Chain Management processes: 1. Increase in Irregular, Unauthorised, Fruitless and Wasteful expenditure. 2. Exceeding threshold for variation orders.	Risk Management	1. To submit inputs for the SCM Clerks position during the review processes of the municipal organogram. 2. To enforce the SCM policy and standard operating procedures, to review all transactions to ensure compliance. 3. To prepare and monitor the Procurement Plan on a quarterly basis and communicate progress to User Departments and submit to the Provincial treasury.		1. Inputs were submitted in regards of the SCM CLERKS position. SCM clerk position has been filled. 2. There is an existing SOP which is reviewed annually. 3. Procurement plan was consolidated and submitted to Provincial treasury. 4. Procurements plans are monitored and submitted to PT

	3. Compromised service delivery. -Delays in implementation of projects. -Municipal performance targets might not be achieved -Underspending on allocated budget and subsequent withdrawal of grant funding.		5. To develop a schedule plan for the for bid committee sittings.		next quarter will be sent to user departments. 5. Schedule plan is part of the Procurement plan. 6. Contact register is in place and updated. Variations are being authorised by the accounting officer and monitored not to exceed stipulated threshold.
2.	Financial Management: Unauthorised, Irregular, Fruitless and Wasteful Expenditure: 1. Overspending on allocated budget. 2. Financial Loss. . Adverse Audit opinion. 3. Non-Compliance with the provisions of the Municipal Finance Management Act.	Risk Management	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 - UIFWE 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.		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.

PREPARED BY SCM Practitioner	S.I Mpanza	REVIEWED BY SCM Manager	T.N.S Madondo	APPROVED BY CFO	P.P Sithole
SIGNATURE		SIGNATURE		SIGNATURE	
DATE	08/04/2025	DATE	08/04/2025	DATE	08/04/2025