



**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

June 2026

TABLE OF CONTENT

- 1. INTRODUCTION**
- 2. SCM POLICY & PROCEDURES**
- 3. FUNCTIONING OF SCM UNIT**
- 4. FUNCTIONING OF BID COMMITTEES**
- 5. SECTION 114 DEVIATIONS**
- 6. REGULATION 36 DEVIATION**
- 7. SECTION 32 APPOINTMENT**
- 8. SECTION 33 APPOINTMENT**
- 9. REGULATION 17(1)(c)(d) APPOINTMENT**
- 10. UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE**
- 11. SPEND ANALYSIS**
 - 11.1 BIDS AWARDED ABOVE R100 000,00**
 - 11.2 TOP TEN SUPPLIERS BY VALUE OF PAYMENT MADE**
 - 11.3 TOP TEN SUPPLIERS BY NUMBER OF PAYMENTS MADE**
- 12. PERFORMANCE MANAGEMENT**
- 13. RISK MANAGEMENT**

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	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.	PO04195 - Conduct urgent repairs on Nissan NP 200 Bakkie CK 83 LZ ZN (Electrical Unit).	17/06/2026	Utrecht Auto and General CC (UAG)	R 3 085.00	On 09th of June 2026, during the standard morning pre-use inspection, a fault was identified on the engine cooling fan and it was entirely non-functional. Given that the vehicle is utilised for service delivery, it was recommended that it be taken to the nearest local service provider, Utrecht Auto & General CC, for a strip and quote to determine the cause of the mechanical failure. Due to the urgent nature of the breakdown and the operational impact on service delivery. The matter required immediate attention and was therefore treated as an emergency procurement to minimise disruption to municipal services.	
2.	PO04199 - Repairs on Cherri Picker (Braking System & Repair of Cherri Picker Truck Wheel Tyre).	18/06/2026	Utrecht Auto and General CC (UAG)	R 2 390.00	The proposed deviation aims to initiate the repairs of the vehicle to support the daily operations in maintaining the electrical department. The truck experienced failure in the braking system while it was still required in restoring power in certain areas. It was impractical to follow SCM processes by obtaining a minimum of three	

					quotations as per SCM policy because upon the quotation submitted for the strip & quote, this had to be attended as a matter of emergency. The quotation for repairs was sourced from Utrecht Auto & General.	
3.	PO04198 - Repairs for the Balele Game Park Nissan NP 300 (CK 83 SG ZN).	18/06/2026	Utrecht Auto and General CC (UAG)	R 7 445.00	The Nissan NP 300 (CK 83 SG ZN) needs repairs. The repairs need to be done 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.	
4.	PO04197 - Conduct mechanical assessment – Refuse Truck.	18/06/2026	Utrecht Auto and General CC (UAG)	R 16 475.00	The refuse truck is a critical operational asset used for waste collection within the municipality. Recently, the vehicle has shown signs of mechanical problems which require urgent inspection to determine the necessary repairs. Attending to this matter will assist in restoring the vehicle to optimal working condition and ensure the continued	

					delivery of waste collection services. It was recommended that the vehicle be taken to the nearest local service provider, Utrecht Auto & General for a strip & quote as well as general service. Given the circumstances, it was impractical to follow the standard SCM processes.	
5.	PO04200 - Tyre Repairs on Bell TLB CK 83 NK ZN.	18/06/2026	Utrecht Auto and General CC (UAG)	R 5 395.00	Bell TLB experienced tyre punctures on nine (9) separate occasions. Addressing this issue was necessary to restore the vehicle to optimal working conditions and ensure the uninterrupted delivery of municipal services. It was recommended that the vehicle be taken to the nearest local service provider, Utrecht Auto & General, for the required repairs. Given the urgent nature of the situation and the need to minimize disruptions to service delivery, it was impractical to follow the normal Supply Chain Management (SCM) procurement processes. Immediate repairs were necessary to ensure that the vehicle could resume its operational duties without undue delay.	

6.	PO04222 - Supply and Fit of Cutting Edges (Blades) & Replacement of Top left Window for ELB Grader MG460 BH 22 HT ZN.	30/06/2026	ELB Equipment Holdings (Pty) Ltd	R 71 038.97	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 vehicle to be taken to the original seller for a strip and quote. It is impractical to follow SCM processes.	
7.	PO04223 - Tyre Repairs on Fire Engine CK 83 MZ ZN.	30/06/2026	Utrecht Auto and General CC (UAG)	R 3 091.00	While returning from a call out the fire engine experienced a tyre burst / puncture which resulted in the fire engine being stuck on the road without spare wheel roadside assistance was required. Given the critical role this vehicle plays an emergency response, the current scene condition and tyre pose a serious safety risk to personnel, the public and the operational readiness of the unit for further turnout to another emergency. It was recommended that the vehicle be taken to the nearest local service provider, Utrecht Auto & General, for the required repairs. Given the urgent nature of the situation and the need to minimize disruptions to service delivery, it was impractical to follow the normal Supply Chain	

					Management (SCM) procurement processes. Immediate repairs were necessary to ensure that the vehicle could resume its operational duties without undue delay.	
8.	PO04224 - Conduct repairs on Colt Bakkie CK 83 KW ZN.	30/06/2026	Utrecht Auto and General CC (UAG)	R 4 560.00	On 07th of May 2026, the Colt Bakkie failed to select the gears. On 08th of May 2026, the vehicle was not able to move at all and only to find out that the problem was a clutch. Given that the vehicle is utilised for service delivery, it was recommended that it be taken to the nearest local service provider, Utrecht Auto & General CC, for a strip and quote to determine the cause of the mechanical failure. Due to the urgent nature of the breakdown and the operational impact on service delivery. The matter required immediate attention and was therefore treated as an emergency procurement to minimise disruption to municipal services.	
			TOTAL	R 113 479.97		

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
					YES NO	
n/a	n/a	n/a	n/a	n/a		n/a

8. SECTION 33 APPOINTMENTS

Section 33 of the Municipal Finance Management Act (MFMA) requires municipalities to make long-term contracts (lasting over three financial years) public and to seek public and government input on them. This process involves the municipality publishing background information and a draft contract to allow for public comment, and obtaining comments from relevant government bodies like the National Treasury.

NO.	BID REFERENCE NUMBER	NAME OF CONTRACTOR	DESCRIPTION OF CONTRACT	VALUE OF CONTRACT	APPOINTMENT DATE	START DATE	END DATE
1.	MN10/2021-22	Umhlaba Geomatics Inc.	General Valuation and Preparation of the Valuation Roll for 1 July 2023 and Preparation and Updating of Valuation Rolls for Period 1 July 2023 to June 2028	- Phase 1 (Year1) =R 700 000.00 - Phase 2 (Year2-5) =R 770 000.00 - Total Value =R 1 470 000.00	- Phase 1 (Year1) =08/09/2022 - Phase 1 (Year1) Compiling General Valuation Roll. - Phase 2 (Year2-5) Maintenance of Valuation Roll	- Phase 1 (Year1) =01/09/2022 - Phase 2 (Year2-5) =01/07/2023	- Phase 1 (Year1) =01/06/2023 - Phase 2 (Year2-5) =30/06/2028
2.	MN01/2024-25	Firststrand Bank Limited	Banking Services for a Period of 5 Years	R 105.39/rate based	08/04/2025	01/05/2025	30/04/2030

9. 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.	Hiring of Chairs, Tables and Chair covers for IDP& Budget Roadshow 2026/2027 scheduled for the 06 th of May 2026 at Utrecht Town Hall.	3 days	02	Legacy Yencane (Pty) Ltd	R 3 630.00
2.	Service for Balele Game Park Nissan NP300	5 days	01	Utrecht Auto & General CC (UAG)	R 3 845.00
3.	Hiring of PA Sound System for IDP& Budget Roadshow 2026/2027 scheduled for the 06 th of May 2026 at Utrecht Town Hall.	3 days	02	Prosperous Positive Projects (Pty) Ltd	R 6 750.00

10. 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.	Unauthorised expenditure	-	R 603 096.00	Yes		Bad Debts Written Off. Budget has been exceeded / overspent on the allocated vote.	BTO
2.	Unauthorised expenditure	-	R 34 754.97	Yes		Contracted Services. Budget has been exceeded / overspent on the allocated vote.	All
3.	Unauthorised expenditure	-	R 2 648 853.64	Yes		Depreciation and Amortisation. Budget has been exceeded / overspent on the allocated vote.	All
4.	Unauthorised expenditure	-		Yes		Interest, Dividends and Rent on Land (Financial Costs). Budget has been exceeded / overspent on the allocated vote.	BTO
5.	Unauthorised expenditure	-	R 129 545.49	Yes		Operating Leases. Budget has been exceeded / overspent on the allocated vote.	BTO
6.	Unauthorised expenditure	-	R 894 578.30	Yes		Operational Cost.	All

						Budget has been exceeded / overspent on the allocated vote.	
7.	Unauthorised expenditure				Yes	Employee Related Cost.	
8.	Irregular expenditure	-	R 142 883.68		Yes	Budget has been exceeded / overspent on the allocated vote. Support - BUD mSCOA Budgets (Preparation, running and review of the mSCOA version 7.1 A1 Schedule & mSCOA Version 7.1 A Schedule) - Consultants: Nonhle Gumede, Lethukuthula Zulu & Dumisani Mathambo Ncube. In an effort to address the challenges arising from previous budget-related errors, the municipality resolved to allocate specific tasks and activities to the two panel members based on their respective strong areas of expertise and specialization. As a result, the preference points system was not applied in the appointment of the successful bidders under the financial system panel because both panel members were afforded an equal and fair opportunity to participate, as the panel consisted of two members who were each allocated work in line with their demonstrated competencies.	All
9.	Irregular expenditure	iFix Business Solutions (Pty) Ltd	R 97 750.00	Yes		Refilling of Gear Oil and Diff Oil on the Balele Game Park Nissan NP300. Based on the Auditor-General's audit opinion relating to Bid No. MN02/2024-25: Panel of Service Providers to Render	BTO Infrastructure & Planning

					Repairs, Maintenance and Servicing of Municipal Fleet on an As-and-When-Needed Basis for a Period of Three (3) Years, it was noted that the bid document and the advertisement invitation only provided for a one-stage evaluation system based on functionality criteria. The applicable preference point system in terms of the Preferential Procurement Regulations was not stipulated in the bid documentation and the advertisement. As a result, the expenditure was classified as irregular due to non-compliance with procurement prescripts. This item has been included in the irregular expenditure register for reporting purposes. However, the matter remains under dispute and subject to further engagement and discussion with the Auditor-General, based on differing interpretations of the regulatory requirements.	
10.	Irregular expenditure	Payday Software Systems	R 59 105.40	Yes	Payday Annual License Fees - March 2026 - June 2026. The expenditure was incurred as a result of the continued payment of annual licence fees under a contract that expired on 29 February 2020. The contract extension exceeded the 15% threshold prescribed in MFMA Circular No. 62, and the contract was subsequently terminated on 30 June 2022. To maintain continuity of the	Corporate

						essential service while the municipality was finalising a new procurement process, the duration for payment of the annual licence fees was extended until 30 June 2026.	
11.	Irregular expenditure		Microsoft Ireland Operations Limited	R 26 980.08	Yes	Billing Period 01/05/2026 - 31/05/2026. 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.	Corporate
12.	Fruitless & Wasteful expenditure				Yes	Interest on overdue account - July 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
13.	Fruitless & Wasteful expenditure		Eskom	R 111 498.45	Yes	Interest on overdue account - August 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
14.	Fruitless & Wasteful expenditure		Eskom	R 95 670.65	Yes	Interest on overdue account - August 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
			Eskom	R 133 098.88	Yes	Interest on overdue account - September 2025. (Account No. 8395234031)	BTO

							Invoice was not paid on time. The municipality could not make payment due to financial challenges.		
15.	Fruitless & Wasteful expenditure					Yes	Interest on overdue account - October 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	
16.	Fruitless & Wasteful expenditure	Eskom			R 138 011.36	Yes	Interest on overdue account - November 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	
17.	Fruitless & Wasteful expenditure	Eskom			R 180 414.20	Yes	Interest on overdue account - December 2025. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	
18.	Fruitless & Wasteful expenditure	Eskom			R 230 647.41	Yes	Interest on overdue account - January 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	
19.	Fruitless & Wasteful expenditure	Eskom			R 176 158.74	Yes	Interest on overdue account - February 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	
		Eskom			R 247 207.18		Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO	

20.	Fruitless & Wasteful expenditure	Eskom	R 210 378.70	Yes	Interest on overdue account - March 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
21.	Fruitless & Wasteful expenditure	Eskom	R 296 261.69	Yes	Interest on overdue account - April 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
22.	Fruitless & Wasteful expenditure	Eskom	R 256 314.17	Yes	Interest on overdue account - May 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
23.	Fruitless & Wasteful expenditure	Eskom	R 374 937.22	Yes	Interest on overdue account - June 2026. (Account No. 8395234031) Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
	TOTAL		R 7 936 682.36			

11. 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

11.1 Bids awarded – Above R 100 000

NO.	SERVICE PROVIDER	DESCRIPTION OF GOODS/SERVICE	CONTRACT AMOUNT
1.	Iskhonyane Civils (Pty) Ltd	Construction of Mpongoza Pedestrian Bridge in Ward 2	R 6 585 364.83
2.	Amahlungu Civils (Pty) Ltd	Renovation & Diversification of Balele Game Park Abattoir in Utrecht	R 6 253 459.14

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

NO.	SERVICE PROVIDER	AMOUNT	DATE OF PAYMENT
1.	Igoda Project (Pty) Ltd	R 1 397 812.03	03/06/2026 26/06/2026
2.	Ocean Dawn Trading & Projects CC	R 1 251 764.98	03/06/2026 09/06/2026 30/06/2026
3.	Mbogz Civils (Pty) Ltd	R 541 855.91	03/06/2026
4.	Fezile Security Services (Pty) Ltd	R 351 585.19	03/06/2026
5.	Abazingeli Civils (Pty) Ltd	R 148 518.33	18/06/2026
6.	iFix Business Solutions (Pty) Ltd	R 97 750.00	05/06/2026
7.	Goli Group (Pty) Ltd t/a Paper House	R 90 103.23	05/06/2026 05/06/2026 05/06/2026 05/06/2026
8.	Phumlani PR and Events	R 78 000.00	05/06/2026 22/06/2026
9.	Mdledle Incorporated	R 70 733.63	05/06/2026

10.	Tri Star Technology	R 62 671.90	05/06/2026 05/06/2026
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11.3 Top 10 suppliers by number of orders made

NO.	SERVICE PROVIDER	AMOUNT	NUMBER OF ORDERS
1.	Utrecht Auto & General CC (UAG)	R 45 431.00	8
2.	Burning Spear Advertising (Pty) Ltd	R 13 628.05	2
3.	ELB Equipment Holdings (Pty) Ltd	R 71 038.97	1
4.	Kaders Fast Foods t/a Pedros Newcastle	R 9 998.00	1
5.	Dime301 Group (Pty) Ltd	R 76 998.00	1
6.	Sibangwane Trading and Projects	R 24 000.00	1
7.	Ayanda Mbanga Communications (Pty) Ltd	R 5 365.44	1
8.	Amajuba Builders and Suppliers (Pty) Ltd	R 14 750.00	1
9.	Rally Supermarket & Hardware	R 2 035.73	1
10.	3One Consulting Actuaries	R 8 935.50	1

12. 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

7.	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	559 930.33	04/12/2025	17/10/2023		No	Not submitted
					14 950.00	29/02/2024				
					14 950.00	29/02/2024				
					14 950.00	29/02/2024				
					14 950.00	29/02/2024				
					14 950.00	03/06/2024				
					14 950.00	03/06/2024				
					14 950.00	08/08/2024				
					14 950.00	08/08/2024				
					14 950.00	11/10/2024				
					14 950.00	11/10/2024				
					14 950.00	11/10/2024				
					14 950.00	11/12/2024				
					14 950.00	14/12/2024				
					14 950.00	07/03/2025				
					14 950.00	15/04/2025				
					14 950.00	25/04/2025				
					14 950.00	15/05/2025				
8.	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	06/09/2024	19/04/2024	Yes		Good
					15 338.94	04/10/2024				
					15 689.58	04/10/2024				
					15 248.46	15/11/2024				
					15 307.52	14/12/2024				
					16 317.11	21/01/2025				
					15 786.07	03/03/2025				
					13 719.01	11/03/2025				
					15 899.34	24/04/2025				
					15 612.60	15/05/2025				
					15 857.23	20/06/2025				
					16 476.44	25/08/2025				
					19 535.81	12/09/2025				
					19 463.54	26/09/2025				
					17 532.71	21/11/2025				
					19 079.53	02/12/2025				
					16 723.60	29/12/2025				
					16 959.38	12/02/2026				

11.	MN11/2024-25	Siyaroro Trading CC	Construction of Luthilunye Access Road in Ward 1	5 787 944.25	136 128.86 272 257.73 671 772.50 2 774 786.40 1 026 278.50 253 777.60 436 540.00 579 657.50	03/06/2026 09/06/2026 31/07/2025 27/08/2025 30/09/2025 29/10/2025 05/12/2025 20/12/2025	03/06/2025	Yes		Good
12.	MN05/2024-25	Kunene Makopo Risk Solutions	Provision of Short-Term Insurance for a period of three (3) years.	2 509 639.33	358 971.90 358 971.90	27/08/2025 29/12/2025	03/06/2025	Yes		Good
13.		Igoda Projects (Pty) Ltd	Energy Efficiency Services under EEDSM Programme	3 850 000.00	1 073 300.00 1 195 099.00 1 210 057.00	31/10/2025 16/02/2026 03/06/2026	07/08/2025	Yes		Good
14.	RFQ22/2025-26	Access Technology Consultants (Pty) Ltd	Provision of Internet Connectivity of 150 Mbps Wireless Business Internet including Installation and Setup for a Period of 12 Months	158 700.00	34 500.00 10 350.00 10 350.00 10 350.00 10 350.00 10 350.00	02/12/2025 02/12/2025 22/01/2026 26/02/2026 13/03/2026 20/04/2026	16/10/2025	Yes		Fair
15.	MN12/2024-25	Fezile Security Services (Pty) Ltd	Provision of Security Services for a period of 12 Months	7 643 656.44	636 971.38 636 971.38 670 697.48 351 585.20 351 585.19 351 585.20	12/12/2025 20/12/2025 16/01/2026 11/03/2026 13/03/2026 08/04/2026	23/09/2025	Yes		Good

13. 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
	<u>Auditor General</u>				
1.	-	-	-	-	-
	<u>Risk Management</u>		<u>Action plan to improve the management of the risk:</u>		
1.	Poor implementation of Supply Chain Management processes: - Increase in Irregular, Unauthorised, Fruitless and Wasteful expenditure. - Compromised service delivery. - Delays in implementation of projects. - Municipal performance targets might not be achieved	Risk Management	- 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. - To develop a schedule plan for the for bid committee sittings.		- 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 next quarter will be sent to user departments. - Schedule plan is part of the Procurement plan. - 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: - Overspending on allocated budget. - Financial Loss. - Adverse Audit opinion.	Risk Management	- To develop the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. - Implementation of the unauthorised, irregular or fruitless and wasteful expenditure strategy and procedures. - Strict Budget monitoring controls - UJFWE will be supported by memorandum approved from the Accounting Officer		- SCM unit is continuously monitoring budget for all requisitions. - SCM unit ensures that all processes are followed for all requisitions. - SCM unit ensures that SCM policy is followed, and it is up to

3. Non-Compliance with the provisions of the Municipal Finance Management Act.		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.		date and in line with the latest regulations and circulars. 4. Invoices are submitted on time for payments. 5. MDB and MPAC are investigating UIFW.
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PREPARED BY SCM Practitioner	S.I Mpanza	REVIEWED BY SCM Manager	T.N.S Madondo	APPROVED BY CFO	S.C Mkhize
SIGNATURE		SIGNATURE		SIGNATURE	
DATE	15/07/2026	DATE	15/07/2026	DATE	15/07/2026

