



**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

March 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.	PO03968 - Supply and Fit of Hydraulic hose and Light for ELB Grader MG460 BH 22 HT ZN. .	27/11/2025	ELB Equipment	R 11 059.67	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.	
2.	PO04093 - Emergency procurement of 11 kV/400V, 100kVA Pole Mounted Transformer.	12/03/2026	Actom Electrical Products	R 81 103.10	Approval is hereby sought, in terms of Regulation 36(1)(a)(i) of the Municipal Supply Chain Management Regulations, 2005, to deviate from the normal Supply Chain Management (SCM) procurement processes due to an unforeseen emergency. On 26–27 December 2025, a disaster incident occurred which resulted in severe damage to the Municipality’s transformer located at Agri-Village. As a consequence, a number of residents have been left without electricity supply, significantly disrupting essential services and economic activities within the affected area. In an effort to restore electricity supply as urgently as possible, a Request for Quotation (RFQ) was advertised for a period of seven (7) days on the municipal website and official notice boards, in compliance with SCM policy and applicable regulations. However, only one		

					service provider responded to the RFQ, and subsequently withdrew their bid. Given the urgent need to restore electricity and the increasing number of complaints from affected residents, it is not feasible to re-advertise the RFQ, as this would result in further delays and prolong the hardship experienced by the community. Actom Electrical Products has been identified as the only service provider with the required transformer readily available in stock and has the capacity to deliver within the required timeframe to address the emergency. In light of the above, approval is hereby requested to: • Deviate from the normal SCM procurement processes; and • Appoint Actom Electrical Products for the supply and delivery of the required transformer to ensure the immediate restoration of electricity to the affected residents.	
--	--	--	--	--	---	--

						and ensure the continuation of waste collection services.	
				TOTAL		R 94 407.77	

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) =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	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.	Supply, Delivery and Installation of New capacitor and Compressor; Re-Gassing of Municipal Air conditioners	3 days	02	Bafana Mhlambi Trading CC	R 10 350.00
2.	Supply, Delivery and Installation of Lockable Burglar Guards for Registry and Storeroom x 2	7 days	01	Prosperous Positive Projects (Pty) Ltd	R 12 000.00

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.	Irregular expenditure		R 5 450.03	Yes		Additional Support - Remote Assistance (Client meeting teams session; Assisting with account mapping; Approving accounts; Assisting with cash interest account & Session on how to analyze the PAUD vs AFS) - Consultant: Bonisiwe Thomas & Phindile Barrett - 27 & 31 October 2025. 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.	BTO

2.	Irregular expenditure		R 85 100.23	Yes	Additional Support - Remote Assistance (Reconstructed creditors reconciliations from scratch due to the absence of ongoing reconciliations throughout the year; Identified and corrected significant misallocations, such as grants being recognized through the contracted services account under trade payables rather than the appropriate grants accounts; Addressed misalignments between trade payables and grant liability accounts; Discovered instances where inventory acquisition accounts were being used for non-inventory expenses (e.g., accommodation and hiring); Re-performed debtors' reconciliations despite having previously provided solutions (e.g., the March 2025 recon), and corrected discrepancies caused by journals and transactions posted to the debtors control accounts; Ensured investment bank reconciliations are aligned with bank statements; Cleared the unallocated category on the lead sheets; Assisted with preparing the customer write-off batch and importing it; Conducted detailed reviews of lead sheet categories and GL account mappings—a task that ideally should be guided by user departments familiar with their respective accounts. All the leads categories that have been confirmed correct are because we have already reviewed them and advised on the GL Accounts that should be there) -	BTO
		CCG Systems				

					Consultant: Bonisiwe Thomas & Phindile Barrett - 07 - 11 July 2025. 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.	
3.	Irregular expenditure		R 60 285.05	Yes	Additional Support - Remote Assistance (Aligning the accounts from TB July 2024 for cash and cash equivalent with Period closure Journal; Attending AFS preparation meeting with Sara and Emadlangeni colleagues; Opening balance reconciliation; Assisting with Expenditure from 2024 is still the same with the current one; Assisting with alignment of 30 June 2024 TB from Sage with CaseWare and checking the differences cause on PPE accounts; Assisting Linda with mapping and approving accounts; Meeting with Sara and Emadlangeni staff discussing the way forward on resolving the issue of AFS, CaseWare and System TB; Assisting with	BTO

					reconciliation with retention as per the lead sheet; Working on the opening balances to reconcile back to Audit TB; Reconciling leave occurred as per the lead sheet & Approving budget and switch Sage to 6.9) - Consultant: Bonisiwe Thomas; Nosipho Machi; Samukelo Mahlaba & Phindile Barrett - 27 & 30 June - 04 July 2025. 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.	
4.	Irregular expenditure		R 13 247.98	Yes	Accommodation; Mileage & Toll Gates - Consultants: Phindile Barrett & Bonisiwe Thomas - 07 -11 July 2025. 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	BTO

CCG Systems

					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.	
5.	Irregular expenditure		R 7 900.03	Yes	Additional Support - Remote Assistance (Interest balance enquiry, creating customer and transaction code for Agents debtors; Reconciling the AD Report vs Age per service; Receipt per category report configuration and deployment; Format of ageing in prior year - Assisting with AFS requests; Cancelling all unprocessed purchase orders date June 2023 and prior; Investigating the issue of IE00008 having budget committed & Assisting with the age analysis per category for Debtors) - Consultant: Bonisiwe Thomas; Mbuso Ndwalane & Phindile Barrett - 28 July - 01 August 2025. 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	BTO

CCG Systems

6.	Irregular expenditure			R 1 000.01	Yes	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. Additional Support - Remote Assistance (Configuring period 13 GL Report) - Consultant: Phindile Barrett - 25 September 2025. 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.	BTO	
7.	Irregular expenditure	CCG Systems		R 975.00	Yes	Additional Support - Remote Assistance (Issuing stock out from the system) - Consultant: Penellop Sima - 11 July 2025. 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	BTO	

						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.	
8.	Irregular expenditure			R 79 781.25	Yes	Support - Assisting with Adjustment Budget - Consultants: Nonhle Gumedede, 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.	BTO
9.	Irregular expenditure		iFix Business Solutions (Pty) Ltd	R 11 550.05	Yes	Additional Support - Remote Assistance (Staff Debtor GL Creation & Transacting; Assisting with RFI 8 and B schedule analysis; Session on revenue issues; Correcting the	BTO

						datastring to pull as per the system; Review of the negative balances on the cashflow; Reviewing the finding from treasury of Neg balance on AD & AC report & Reviewing TR Codes) - Consultant: Bonisiwe Thomas; Natasha Ramlal & Phindile Barrett - 20 & 23 October 2025. 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.	
10.	Irregular expenditure	Microsoft Ireland Operations Limited	R 21 012.85	Yes		Billing Period 01/02/2026 – 28/02/2026. 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	Corporate

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

NO.	SERVICE PROVIDER	AMOUNT	DATE OF PAYMENT
1.	Nsibandos Electrical	R 1 995 399.90	11/03/2026 31/03/2026
2.	Fezile Security Services (Pty) Ltd	R 703 170.39	11/03/2026 13/03/2026
3.	Ocean Dawn Trading & Projects CC	R 272 257.73	13/03/2026 13/03/2026
4.	Goli Group (Pty) Ltd t/a Paper House	R 192 059.32	13/03/2026 13/03/2026 20/03/2026
5.	Gutakura Trading Pty Ltd	R 190 515.54	31/03/2026
6.	Camelsa Consulting Group (Pty)Ltd	R 185 508.38	11/03/2026 13/03/2026 13/03/2026 13/03/2026 13/03/2026 13/03/2026 31/03/2026
7.	Komani Projects (Pty) Ltd	R 159 163.45	13/03/2026 13/03/2026
8.	Akunamuva Trading CC	R 127 244.36	13/03/2026
9.	iFix Business Solutions	R 79 781.25	13/03/2026
10.	Oranje projects (PTY) LTD t/a Silent Wheels Auto Repairs	R 51 401.55	13/03/2026 13/03/2026

11.3 Top 10 suppliers by number of orders made

NO.	SERVICE PROVIDER	AMOUNT	NUMBER OF ORDERS
1.	Utrecht Auto & General CC (UAG)	R 22 025.00	4
2.	Ayanda Mbanga Communications (Pty) Ltd	R 9 102.48	2
3.	Authar Golden Enterprises (Pty) Ltd	R 27 600.00	2

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	PAYMENT S TO DATE	DATE OF PAYMENT	APPOINTMENT DATE	SUPPLIER PERFORMANCE ASSESSMENT REPORT COMPILED		SUPPLIER PERFORMANCE ASSESSMENT / PERFORMANCE RATING		
								Yes	No	Good	Fair	Poor
1.	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		
2.	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	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	08/09/2022	Yes		Fair		

5.	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 Register for a Period of 3 Years	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 42 190.56 214 138.38 152 287.99 191 135.70 35 695.80	20/09/2023 30/11/2023 03/06/2024 24/07/2024 26/09/2024 04/10/2024 31/10/2024 24/04/2025 20/06/2025 27/08/2025 12/09/2025 12/12/2025	10/08/2023		No	Good
6.	MN09/2018-19 (Turnkey)	Afrilectrical Consulting Engineers (Pty) Ltd	Dorothea Electrification Project	16 863 683.84	4 271 529.59 2 249 254.12 2 316 651.40 2 758 657.31 3 049 396.34 151 095.46 1 359 974.42 559 930.33	18/12/2023 05/03/2024 15/08/2024 05/09/2024 29/11/2024 25/04/2025 29/08/2025 04/12/2025	17/04/2023	Yes		Fair
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	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 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

			Municipality for a period of 24 months		136 128.87 136 128.87 136 128.87 272 257.73 136 128.87 272 257.73 136 128.87 272 257.73 136 128.87 272 257.73 136 128.87 272 257.73 100 000.00 172 257.73 272 257.73 136 128.86 136 128.87	10/06/2025 18/06/2025 14/07/2025 14/07/2025 07/08/2025 29/08/2025 29/08/2025 16/10/2025 21/11/2025 04/12/2025 12/12/2025 16/01/2026 02/02/2026 12/02/2026 13/03/2026 13/03/2026				
11.	MN11/2024-25	Siyaroro Trading CC	Construction of Luthilunye Access Road in Ward 1	5 787 944.25	671 772.50 2 774 786.40 1 026 278.50 253 777.60 436 540.00 579 657.50	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	31/10/2025 16/02/2026	07/08/2025	Yes		Good
14.	RFQ22/2025-26	Access Technology Consultants (Pty) Ltd	Provision of Internet Connectivity of 150 Mbps	158 700.00	34 500.00 10 350.00 10 350.00 10 350.00	02/12/2025 02/12/2025 22/01/2026	16/10/2025	Yes		Fair

				Wireless Business Internet including Installation and Setup for a Period of 12 Months		10 350.00	26/02/2026 13/03/2026						
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	12/12/2025 20/12/2025 16/01/2026 11/03/2026 13/03/2026	23/09/2025	Yes			Good	
16.	MN10/2024-25	Konica Minolta South Africa		Leasing of Printers for a period of 36 months through RT3-2022 – Transversal Contract	693 098.28	21 736.86 19 095.93 19 095.93 19 095.93	31/12/2025 30/01/2026 27/02/2026 31/03/2026	30/05/2025	Yes			Good	
17.	MN03/2025-26	Mbogz Civils (Pty) Ltd		Rehabilitation of Hugo Street in Ward 2	4 113 035.00	1 830 541.42 880 506.41	29/11/2025 06/02/2026	26/09/2025	Yes			Fair	
18.	MN04/2025-26	Incuber Trading Enterprise (Pty) Ltd		Construction of KwaMgadlela Access Road in Ward 4	2 848 509.08	725 619.79 1 273 770.71 798 558.29	05/12/2025 20/12/2025 27/02/2026	26/09/2025	Yes			Good	
19.	TRANS-RFQ01/2024-25	Konica Minolta South Africa		Leasing of Shredder Machine for a period of 36 months through RT3-2022-	15 376.78	423.46 423.46 423.46 423.46	31/12/2025 30/01/2026 27/02/2026 31/03/2026	27/05/2025	Yes			Good	

	process did not commence at least nine months before the end of the then existing contract, which ran until 31 October 2024. The advertisement for Bid No: MN 01/2045-25 was advertised on 21 October 2024, 9 days before the contract expired and was concluded on 17 March 2025 with the issue of the appointment letter. Therefore, the municipality invested money with FNB without a valid contract, which resulted in irregular expenditure.		-Internal controls will be implemented to ensure compliance with laws and regulations. -Going forward the contract register will be closely monitored; relevant officials be reminded on contracts coming to an end on time so the procurement process will commence early.		Municipal Supply Chain Management (SCM) Regulations (Notice 868 of 2005) & SCM policy.
	<u>Risk Management</u>		<u>Action plan to improve the management of the risk:</u>		
1.	Poor implementation of Supply Chain Management processes: 1. Increase in Irregular, Unauthorised, Fruitless and Wasteful expenditure. 2. Compromised service delivery. -Delays in implementation of projects. -Municipal performance targets might not be achieved	Risk Management	1. To enforce the SCM policy and standard operating procedures, to review all transactions to ensure compliance. 2. To prepare and monitor the Procurement Plan on a quarterly basis and communicate progress to User Departments and submit to the Provincial treasury. 3. To develop a schedule plan for the for bid committee sittings.		1. There is an existing SOP which is reviewed annually. 2. Procurement plan was consolidated and submitted to Provincial treasury. 3. Procurements plans are monitored and submitted to PT next quarter will be sent to user departments. 4. Schedule plan is part of the Procurement plan. 5. 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.	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.		1. SCM unit is continuously monitoring budget for all requisitions. 2. SCM unit ensures that all processes are followed for all requisitions.

2. Financial Loss. Adverse Audit opinion. 3. Non-Compliance with the provisions of the Municipal Finance Management Act.		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.		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. 5. MDB and MPAC are investigating UJFWE.
--	--	--	--	---

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	08/04/2026	DATE	08/04/2026	DATE	08/04/2026