



**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

May 2026

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1. Introduction

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

2. SCM Policy and procedures

2.1 Items for consideration in the policy review

All the items in the policy review should be considered.

2.2 Delegations

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

2.3 Implementation of the procedure manual

SCM procedure manuals are in place.

3. Functioning of the SCM Unit

3.1 Declaration of interest by SCM personnel

- All SCM personnel have declared interest.

3.2 Adequacy of personnel within SCM

- The personnel is not adequate within the SCM Unit.

4. Functioning of bid committees

4.1 Bid committees constituted

- Bid committee are established as per SCM regulations.

4.2 Adequacy of Bid committees

- SCM bid committees are functioning.

4.3 Bid committees declarations

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

5. SECTION 114 DEVIATIONS

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

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

6. REGULATION 36 DEVIATION

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

No.	DESCRIPTION (INCLUDING QUOTATION / BID NUMBER)	DATE OF AWARD	AWARDED TO	AWARD VALUE	REASON FOR DEVIATION	DATE REPORTED TO COUNCIL
1.	PO04152 - Maintenance of the fire extinguishers and fire equipment within all municipal owned buildings.	08/05/2026	Zero Tolerance	R 15 383.85	The proposed deviation aims to initiate the request the maintenance of fire extinguishers and fire equipment within all municipal-owned buildings, in accordance with the statutory	

					requirements prescribed by SANS 10400 Part T (Fire Protection) and the Occupational Health and Safety Act (Act 85 of 1993). The regular maintenance, inspection, servicing of fire extinguishers in municipal buildings is a legal, safety and operational necessity to minimize fire risks, protect municipal assets, and safeguard both staff and the public. It was impractical to follow the standard Supply Chain Management (SCM) processes, including obtaining a minimum of three written quotations, due to the nature of the requirement. A quotation was initially obtained from Zero Tolerance following a strip and quote assessment conducted on the existing fire equipment.	
2.	PO04157 - Supply & Delivery of 13m 180/200mm creosote treated transmission poles x 10 and Hiring of Crane Truck 12-14 ton/meter for 8 hours.	13/05/2026	Aluswe Group (Pty) Ltd	R 58 535.00	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 10 May 2026, the municipal electrical network (Munic2) experienced a breakdown caused by severe windy weather conditions. As a result, an H-pole mounted transformer collapsed, causing damage to the electrical infrastructure supplying Plein Street in Bensdorp. Consequently, several residents and businesses in the affected area were left without electricity, disrupting essential services and economic activities. In an effort to restore electricity supply urgently, Request for Quotations (RFQs) were issued to prospective service providers. However, three quotations were received, and the quoted amount exceeded the threshold of R30 000. Given the urgency of restoring the electricity supply and the increasing number of complaints from affected residents, it is impractical to re-advertise the RFQ process for seven (7) days on the municipal website, as this would result in further delays and prolong the hardship experienced by the community. Aluswe Group has been identified as the service provider with the necessary
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					capacity and resources to supply the required materials and render the services within the required timeframe to address the emergency situation. In light of the above, approval is hereby requested to: Deviate from the normal SCM procurement processes in terms of Regulation 36(1)(a)(i) of the Municipal Supply Chain Management Regulations, 2005; and Appoint Aluswe Group for the supply and delivery of the required transmission poles and the hiring of a crane truck to facilitate the immediate restoration of electricity to the affected residents. This deviation is deemed necessary to address the emergency situation and to ensure the continued provision of essential municipal services.	
3.	PO04179 - Repairs on Cherri Picker – CK 83 GH ZN.	27/05/2026	Oranje Projects (Pty) Ltd t/a Silent Wheels Auto Repairs	R 10 722.12	The proposed deviation aims to initiate the repairs of the vehicle to support the daily operations in maintaining the electrical department. The truck has developed several critical faults that pose	

					a safety risk and have compromised the ability to maintain essential electrical infrastructure. The hydraulic boom is experiencing erratic movement and pressure loss. A full inspection of the hydraulic system is required to prevent a complete failure of the system. Gear selector cable appears to be damaged, making it difficult to engage gears. This affects truck manoeuvrability and has increased the risk of truck becoming stuck and failing to engage PTO. Comprehensive diagnostic check is requested to address any secondary wear and tear issues that may impact the trucks operational certificate. Due to the increasing number of electrical faults reported across the municipality and the urgent need for reliable response capability, the situation qualifies as an emergency. The unavailability of this vehicle will result in delays in attending to critical electrical infrastructure failures, thereby affecting service delivery and public safety. Silent Wheels is available and capable of conducting an immediate strip and quote to assess the full extent of
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					the damage and provide a detailed repair scope.	
4.	PO04180 - Carry out 250 normal hours service for TLB CK 83 NK ZN.	27/05/2026	Bell Equipment	R 29 690.73	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 because this is done to preserve the warranty & guarantee on the machinery. It is impractical to follow SCM processes.	
			TOTAL	R 114 331.70		

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 SERVICE PROVIDER	REASON FOR DEVIATION
n/a	n/a	n/a	n/a	n/a	YES NO	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	Umlaba 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	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.	Supply & Delivery of Sports Equipment and Trophies	3 days	02	Favourite Sports (Pty) Ltd	R 2 748.50
2.	Advertising Invitation to Submit Development Proposals for the Shopping Centre In Utrecht on Sunday Times Newspaper – 29/03/2026	7 days	02	Burning Spear Advertising (Pty) Ltd	R 27 924.30
3.	Service for Background Screening & Verification Checks for Top 3 Candidates for the Position of Manager Legal & Estate, Risk and Municipal Manager Support	1 day	01	Work Dynamics (Pty) Ltd	R 5 730.45

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	iFix Business Solutions (Pty) Ltd	R 97 750.00	Yes		Support - BUD mSCOA Budgets (Preparation, running and review of the mSCOA version 7.1 A1 Schedule) - Consultants: Nonhle Gumede, Lethukuthula Zulu & Dumisani Mathambo Ncube.	
						In an effort to address the challenges arising from previous budget-related errors,	BTO

						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.	
2.	Irregular expenditure				Yes	(Pre-Conversion Audit & Assessment - mSCOA 7.1 Conversion for 2026/27 Draft Budget Preparation - 01 - 12 March 2026; Technical Environment Preparation & Reporting and Validation). 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

3.	Irregular expenditure			Yes	Additional Support - Remote Assistance (Transaction code vs budget account linking; Tr Code review and correcting of accounts & Adding required info on the PO Layout Request by Spha) - Consultant: Bonisiwe Thomas & Phindile Barrett - 27 January 2026. 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
4.	Irregular expenditure	CCG Systems	R 10 550.04	Yes	Additional Support - Remote Assistance (Assisting with automated payment and remittance; Assisting with direct order; Assisting with payment done to incorrect supplier; Assisting with PO to the tick on FA box; Assisting Linda with clearing a validation; Creating new accounts; Mapping and approving accounts & Deleting the mapping and recapturing the budgets) - Consultant: Phindile Barrett & Samukelo Mahlaba - 02 - 05 March 2026.	BTO

						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.	
5.	Irregular expenditure				Yes	Additional Support - Remote Assistance (Trans-code vs budgeted account linking; Direct orders and autopayment and remittance session; Assisting Linda with Adjusted Budget accounts to capture budget & Resolving Receipting issues) - Consultant: Bonisiwe Thomas; Phindile Barrett; Samukelo Mahlaba & Simamisa Mdletshe - 16 - 18 February 2026. 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	R 11 750.03				

					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.	
6.	Irregular expenditure				Yes Additional Support - Remote Assistance (Trans-code vs budgeted account linking; Running December billing reports for treasury; Populating IA contra accounts for Assets; Session on automated payments and remittance; Session on direct order processing; Assisting Linda with clearing a validation; Creating new accounts; Mapping and approving & Deleting the mapping and recapturing the budgets) - Consultant: Bonisiwe Thomas; Phindile Barrett & Samukelo Mahlaba - 16 - 18 February 2026. 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
		CCG Systems	R 10 100.02			

7.	Irregular expenditure				Yes	Billing Period 01/04/2026 - 30/04/2026. 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
8.	Fruitless & Wasteful expenditure	Microsoft Ireland Operations Limited	R 26 372.80		Yes	Interest on overdue account - April 2026. (Account No. 5372500934). Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
9.	Fruitless & Wasteful expenditure	Eskom	R 49.63		Yes	Interest on overdue account - April 2026. (Account No. 8709889931). Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
10.	Fruitless & Wasteful expenditure	Eskom	R 111.93		Yes	Interest on overdue account - April 2026. (Account No. 7289864497). Invoice was not paid on time. The municipality could not make payment due to financial challenges.	BTO
	TOTAL		R 244 414.55				

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.	SAA Information Technology (Pty) Ltd t/a Semper KZN	Supply & Installation of Hotel/Lodge Front Balele Booking System for a period of 3 Years (36 Months)	R 172 845.00
2.	Samano Projects	Hiring Earthmoving Equipment (Bulldozer) To Undertake Waste Spreading. Compaction And Backlog Remediation at The Landfill Site For 45 Hours - 1 Week - (8Hrs per day)	R 107 496.25

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

NO.	SERVICE PROVIDER	AMOUNT	DATE OF PAYMENT
1.	Sky High Trading Enterprise	R 894 470.00	04/05/2026
2.	Fezile Security Services (Pty) Ltd	R 351 585.19	11/05/2026
3.	Goli Group (Pty) Ltd t/a Paper House	R 184 897.05	11/05/2026
			11/05/2026
			11/05/2026
			11/05/2026
			11/05/2026
			11/05/2026
			11/05/2026

			11/05/2026
4.	Mabalengwe Engineers (Pty) Ltd	R 175 533.14	11/05/2026
5.	DLV Project Managers and Engineers (Pty) Ltd	R 157 972.58	11/05/2026
6.	Ocean Dawn Trading & Projects CC	R 136 128.87	04/05/2026
7.	Camelsa Consulting Group (Pty) Ltd	R 120 125.20	04/05/2026
8.	iFix Business Solutions	R 97 750.00	11/05/2026
9.	Authar Golden Enterprises (Pty) Ltd	R 55 000.00	11/05/2026
10.	Magix Africa (Pty) Ltd	R 53 199.58	11/05/2026

11.3 Top 10 suppliers by number of orders made

NO.	SERVICE PROVIDER	AMOUNT	NUMBER OF ORDERS
1.	SSA Information Technology t/a Semper KZN	R 172 845.00	1
2.	Samano Projects	R 107 496.25	1
3.	Aluswe Group	R 58 535.00	1
4.	Bell Equipment	R 29 690.73	1
5.	Burning Spear Advertising (Pty) Ltd	R 18 191.71	1
6.	Maziasi (Pty) Ltd	R 17 810.00	1
7.	Zero Tolerance Fire CC	R 15 385.85	1
8.	Oranje Projects (Pty) Ltd t/a Silent Wheels Auto Repairs	R 10 722.12	1
9.	Work dynamics	R 5 110.60	1
10.	Redbell PTY LTD t/a Uncle Deli Spar	R 4 034.99	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.

[illegible]

						136 128.87 136 128.87 272 257.73 100 000.00 172 257.73 272 257.73 136 128.86 136 128.87 136 128.86 136 128.87	21/11/2025 04/12/2025 12/12/2025 16/01/2026 02/02/2026 12/02/2026 13/03/2026 13/03/2026 08/04/2026 11/05/2026									
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 Wireless Business Internet including Installation and Setup for a	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							

			Period of 12 Months									
15.	MN12/2024-25	Fezile Security Services (Pty) Ltd	Provision of Security Services for a period of 12 Months	7 643 656.44	636 971.38 636 971.38 670 697.48 351 585.20 351 585.19 351 585.20 351 585.19	12/12/2025 20/12/2025 16/01/2026 11/03/2026 13/03/2026 08/04/2026 11/05/2026	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 19 095.93 19 095.93	31/12/2025 30/01/2026 27/02/2026 31/03/2026 30/04/2026 29/05/2026	30/05/2025	Yes			Good	
17.	MN03/2025-26	Mbogz Civils (Pty) Ltd	Rehabilitation of Hugo Street in Ward 2	4 113 035.00 + 1 308 894.82 = 5 421 929.82 Variation Order	1 830 541.42 880 506.41 1 929 877.61 719 278.92	29/11/2025 06/02/2026 01/04/2026 24/04/2026	26/09/2025	Yes			Fair	
18.	MN04/2025-26	Incuber Trading Enterprise (Pty) Ltd	Construction of KwaMgadlala 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-Transversal Contract	15 376.78	423.46 423.46 423.46 423.46 423.46 423.46	31/12/2025 30/01/2026 27/02/2026 31/03/2026 30/04/2026 29/05/2026	27/05/2025	Yes			Good	

20.	MN05/2025-26	Nsibandos Electrical	Electrification of 25 Households for Chanceni Phase 2 in Ward 5	2 470 655.40 + 1 353 449.04 = 3 824 104.44 Variation Order	1 029 729.21 965 670.69 1 353 449.04	02/03/2026 31/03/2026 01/04/2026	29/12/2025	Yes	Fair
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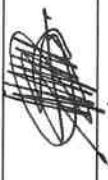
13. Risk Management

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
1.	Auditor General 1. Five (5) year financial obligation not reported to council. During the audit of SCM, it was noted that bid no. MN01/2024-25 Banking services imposed a financial obligation for a period of 5 years. There is no evidence that the municipal council has adopted a resolution to approve the entire contract as required by section 33(1)(c)(ii) of the Municipal Finance Management Act 2. SCM process not commenced at least nine months before the end of an existing contract During the audit of Supply chain management, it was noted that for bid number MN 01/ 2045-25: Banking services, the procurement process did not commence at least nine months before the end of the	Auditor General	1. 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. 2. The procurement process will begin at least nine months before the expiration of the existing contract. The closing date for bid submissions will not be less than 60 days from the date of the advertisement in a newspaper. -Internal controls will be implemented to ensure compliance with laws and regulations.	Immediately	1. -All contracts with a duration exceeding three (3) years are reported in the Supply Chain Management (SCM) report under Section 33 appointments. -Contract for banking service has been reported to Council for adoption and was approved on December 2025. 2. All future appointment of banking services shall strictly be in accordance to the regulations as stipulated by the Local Government: Municipal Finance Management Act (MFMA) 2003 (Act No. 56 of 2003) and the Municipal Supply Chain

	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.		-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.		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. 2. Financial Loss.	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		1. SCM unit is continuously monitoring budget for all requisitions. 2. SCM unit ensures that all processes are followed for all requisitions.

	Adverse Audit opinion. 3. Non-Compliance with the provisions of the Municipal Finance Management Act.		- 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.		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 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	08/06/2026	DATE	08/06/2026	DATE	09/06/2026