

## AGENDA: COUNCIL: 27 JUNE 2017

### 216. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR MAY 2017 (Directorate: Budget and Treasury)

#### 1. STRATEGIC THRUST

To promote sound financial management and good governance.

#### 2. PURPOSE OF THE REPORT

To report on the deviations approved by the accounting officer in terms of the council's supply chain policy for the month of May 2017

#### 3. BACKGROUND

Paragraph 36(2) of the council's supply chain management policy gives the accounting officer the responsibility to record and report all deviations approved as per sub paragraph 36(1) (a) and (b) of the SCM policy.

Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations provide that the Accounting Officer may dispense with the normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

- a. in an emergency
- b. if goods or services are available from single supplier only;
- c. in respect of acquisitions of special works of art;
- d. in respect of acquisitions of animals for Zoo's
- e. In any other exceptional case where it is impossible or impractical to follow official procurement processes.

In terms of Regulation 36(1) (b) the Accounting Officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers, which are of a purely technical nature.

#### 4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

In terms of Regulations 6(1) of the Local Government: Municipal Finance Management Act, the Council of a Municipality must maintain oversight over the implementation of its Supply Chain Management Policy. By virtue of Regulation 36(2), the Accounting Officer must record the reasons for any deviation, must report the deviations to the next meeting of the Council and must include them as notes in the annual financial statements. Regulation 6(4) further requires the Council to make this report public in the manner prescribed in section 21A of the Local Government: Municipal Systems Act No 32 of 2000, for access thereof by the public.

## AGENDA: COUNCIL: 27 JUNE 2017

### 5. DISCUSSION

The approved total number of deviations for the month of May 2017 is standing at Seven (7) amounting to R1 079 431.16 see the attached annexure A (Pages 495 – 681) for detailed line items and Annexure B for actual deviations.

Below is the spending per directorate:

Technical & Infrastructure Services	R 440 112.37
Community Development	R 510 159.64
Corporate Support	R 87 907.68
Public Safety	<u>R 41 25.47</u>
	<u>R 1 079 431.16</u>

--- Internal Audit comments attached as Annexure B (Pages 682 - 700)

**This item served before the Portfolio Committee: Budget & Treasury on 06 June 2017 but as there was no quorum the chairperson requested that it be referred to the Mayoral Committee.**

### RECOMMENDED:

### ACTION

1. That the list of deviations approved by the accounting officer on grounds as specified on paragraph 36(1) a or b of the SCM Policy for the Month of April 2017 be noted; All
2. That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA; BTO
3. That the Acting Chief Financial Officer, in compliance with Regulation 6(4) makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access by the public. BTO

**AGENDA: COUNCIL: 27 JUNE 2017**

**This item served before the Mayoral Committee on 20 June 2017 and the following recommendations were made:**

**RECOMMENDED:**

**ACTION**

- |    |   |     |
|----|---|-----|
| 1. | That the list of deviations approved by the accounting officer on grounds as specified on paragraph 36(1) a or b of the SCM Policy for the Month of April 2017 be noted;  | All |
| 2. | That the report be forwarded to the Provincial Treasury and National Treasury as per MFMA;  | BTO |
| 3. | That the Acting Chief Financial Officer, in compliance with Regulation 6(4) makes this report public in the manner prescribed in Section 21(a) of the Local Government: Municipal System Act No 32 of 2000, for access by the public. | BTO |
-