

## AGENDA: COUNCIL: 27 JULY 2021

### 189. SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR THE PERIOD OF APRIL AND MAY 2021

(Directorate: Budget and Treasury)

KP

#### 1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted amongst others “To ensure sustainable municipal financial viability and management including good governance and public participation.”

#### 2. PURPOSE OF THE REPORT

The purpose of this report is to report to council on the deviations from the procurement processes approved by the accounting officer for the month **April and May 2021**, in terms of the Rustenburg Local Municipality’s (RLM) Supply Chain Management Policy (SCM) and the Municipal Supply Chain Management Regulations (MSCMR) of the Municipal Financial Management Act 56 of 2003 (MFMA).

#### 3. EXECUTIVE SUMMARY

Regulation 36(2) of the MSCMR requires the accounting officer to record the reasons for any deviations from the procurement process and report the, to the next council and include the note to the annual financial statements.

#### 4. DISCUSSION

Accounting officer exercised legislative powers to approve the deviations from the official procurement process.

- a. The municipality could not avoid incurring these expenses in relation to these services. The deviation was not because of poor planning or any related negligence, but it was necessitated by emergencies, single service provider and where it was impractical to follow the official procurement processes.

One deviation from the normal procurement process of **R 600 000.00** was approved for the month ending **30 April 2021**.

One deviation from the normal procurement process of **R 91 689.50** was approved for the month ending **31 May 2021**.

- b. Refer to *Annexure A* for details of the deviation.

**Below is summary of the deviations per directorates:**

Office of the Municipal Manager (IDP)	R 91 689.50
Directorate Budget and Treasury Office	R 600 000.00

**AGENDA: COUNCIL: 27 JULY 2021**

**5. FINANCIAL IMPLICATION**

<b><u>DEVAITION NUMBER</u></b>	<b><u>DIRECTORA TE</u></b>	<b><u>DESCRIPTIO N FOR SERVICE PROVIDED</u></b>	<b><u>VOTE NUMBER</u></b>	<b><u>AVAILABLE BUDGET</u></b>
19	Budget and Treasury Office	Advertising	Various Votes	R 3 724 602.00
20	Office of the Municipal Manager (IDP)	Software license	O0001/IE00751/F2496/X04 5/R0333/001/012	R 422 867.00

**6. LEGAL IMPLICATIONS**

Regulation 36(2) of the Supply Chain Management Regulations mandates the Accounting Officer to record the reasons for any deviations and report them to the next meeting of the council and include as a note in the Annual Financial Statements.

In the case there is a failure to comply with this statutory requirement this will amount to an irregular expenditure as defined by section 1 of the MFMA.

**AGENDA: COUNCIL: 27 JULY 2021**

**RECOMMENDED:**

**ACTION**

- |    |   |     |
|----|---|-----|
| 1. | That the list of deviations approved by the accounting officer on grounds as specified by Regulation 36(1) of the MFMA Regulations and/or the Policy for the Financial year 2020/21 be noted;                                   | CC  |
| 2. | That the report be made available to the Provincial and Nations Treasury as per MFMA;   | BTO |
| 3. | That the 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 |

-----