

**REFERENCE:** T16/P  
**ENQUIRIES:** PALESA NDOBE

## TREASURY CIRCULAR MUN No. 20 of 2012

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MR JG BOCK  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J WHITE  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MS R JAGER  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR CA DE BRUYN  
THE MAYOR, WITZENBERG MUNICIPALITY: MR S LOUW  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER  
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR DJ SIDEGO  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR BD KIVEDO  
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT  
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL  
THE MAYOR, SWELLENDAM MUNICIPALITY: MR N MYBURGH  
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR WI VAN DER WESTHUISEN  
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THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR M FERREIRA  
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL  
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN  
THE MAYOR, KNYSNA MUNICIPALITY: MS GR WOLMARANS  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR T PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
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THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
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THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
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THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI  
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THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HD WALLACE  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEVENS  
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR N NEL  
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR G LOUW  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ  
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR T MNYIMBA  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR T GILOMEE (Acting)  
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THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

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THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK  
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER (Acting)  
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THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT: MR JG MARAIS  
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THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS  
THE CHIEF FINANCIAL OFFICER, BREEDE RIVER/WINELANDS: MR CF HOFFMANN  
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT: MR J SNYMAN  
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR S JACOBS  
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG  
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THE CHIEF FINANCIAL OFFICER, SWELLENBAM MUNICIPALITY: MR H KRAPOHL  
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT: MS L HOEK  
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO  
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR H BOTHA  
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR M CUPIDO (Acting)  
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR T MNYIMBA (Acting)  
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR A BREDEHANN (Acting)  
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON  
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT: MR CJ KYMDELL  
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THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING (Acting)  
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR P dV STRUMPHER

THE HEAD OF SCM, CITY OF CAPE TOWN: MR L SHNAPS  
THE HEAD OF SCM, WEST COAST DISTRICT: MR M MARKUS  
THE HEAD OF SCM, MATZIKAMA MUNICIPALITY: MR C KOTZE  
THE HEAD OF SCM, CEDERBERG MUNICIPALITY: MR N MAREDI  
THE HEAD OF SCM, BERGRIVIER MUNICIPALITY: MR A PEREIRA  
THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MS H MEEDING  
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THE HEAD OF SCM, CAPE WINELANDS DISTRICT: MR K FALCK  
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THE HEAD OF SCM, DRAKENSTEIN MUNICIPALITY: MR D JACOBS  
THE HEAD OF SCM, STELLENBOSCH MUNICIPALITY: MR E LEWIS  
THE HEAD OF SCM, BREEDE VALLEY MUNICIPALITY: MR M BOONZAAIER  
THE HEAD OF SCM, BREEDE RIVER/WINELANDS: MR C HOFFMANN  
THE HEAD OF SCM, OVERBERG DISTRICT: MR D LAMBRECHTS  
THE HEAD OF SCM, THEEWATERSKLOOF MUNICIPALITY: MS P MOSTERT  
THE HEAD OF SCM, OVERSTRAND MUNICIPALITY: MS R LA COCK  
THE HEAD OF SCM, CAPE AGULHAS MUNICIPALITY: MR R SEFOOR  
THE HEAD OF SCM, SWELLENBAM MUNICIPALITY: MR J DE JAGER  
THE HEAD OF SCM, EDEN DISTRICT: MR T MPURU  
THE HEAD OF SCM, KANNALAND MUNICIPALITY: MR D LINKS  
THE HEAD OF SCM, HESSEQUA MUNICIPALITY: MR R BENT  
THE HEAD OF SCM, MOSSEL BAY MUNICIPALITY: MS E NEL  
THE HEAD OF SCM, GEORGE MUNICIPALITY: MR B GERICKE  
THE HEAD OF SCM, OUDTSHOORN MUNICIPALITY: MR J LADOUNCE  
THE HEAD OF SCM, BITOU MUNICIPALITY: MR C. KOEBERG (ACTING)  
THE HEAD OF SCM, KNYSNA MUNICIPALITY: MS M BRAND  
THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS L STRUMPHER  
THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
THE HEAD OF SCM, PRINCE ALBERT MUNICIPALITY: MR D. PLAATJES (ACTING)  
THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MS SA POTHBURG

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (VACANT)  
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)  
THE HEAD: FINANCIAL GOVERNANCE (MR A HARDIEN)  
THE HEAD: ASSET MANAGEMENT (MR I SMITH)  
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THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)  
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THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)

THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)  
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)  
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)  
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)  
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)

THE PROVINCIAL AUDITOR  
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT  
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT  
THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS - NATIONAL TREASURY (MR J HATTINGH)  
THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

## **RE: MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY ASSESSMENT FOR THE 2012/ 13 FINANCIAL YEAR**

### **1. PURPOSE**

- 1.1 To inform municipalities of Provincial Treasury's intention to embark on a Supply Chain Management policy assessment process.
- 1.2 To request municipalities to submit Supply Chain Management policies to the Provincial Treasury for assessment.
- 1.3 To accentuate the requirements of SCM Regulation 3; adoption and amendment of Supply Chain Management policies and MFMA Circular No. 22 in respect of adoption of the National Treasury's SCM model policy.

### **2. BACKGROUND**

- 2.1 The National Treasury issued MFMA Circular No. 22 in August 2005 instructing each municipal council and board of directors of a municipality or municipal entity to adopt a policy that gives effect to the Supply Chain Management legislation.
- 2.2 The adoption became effective in high capacity municipalities on 1 October 2005, with medium and low capacity municipalities to shortly follow suit. The circular provided a *Model Policy* and a *Code of Ethical Standards* to be adopted or adapted by municipalities or municipal entities.
- 2.3 During the 2010/11 and the 2011/12 financial year, the Provincial Treasury embarked on a process of assessing municipal SCM policies as was articulated in Treasury Municipal Circular 49-2010, issued 29 October 2010.

- 2.4 Due co-operation was received from Municipalities and the process was executed accordingly.
- 2.5 A phased-in approach for the policy assessment process was conducted where a selected number of municipalities had been identified for SCM policy assessment process during the 2010/2011 and the 2011/12 financial year.
- 2.6 Adoption dates, amendment and review dates were also identified and considered, prioritising those that date far back and those that require immediate attention.

### **3. ASSESSMENT PROCESS**

- 3.1 The policy assessment process was aimed at determining whether municipalities have implemented a Supply Chain Management policy in a manner, which gives effect to the provisions of Section 217 of the Constitution, Section 112 of the MFMA and are aligned to the National Treasury's Model Policy.
- 3.2 Upon alignment to the Model Policy, the assessment process was aimed at determining whether municipal policies contained a range of discretionary information that complies with the SCM Regulations, National Treasury's Municipal Circulars, the provisions of the Construction Industry Development Board Act (CIDB Act) and have made use of the best practice guidelines as contained in the Guide for Accounting Officers of municipalities.
- 3.3 Furthermore, the Provincial Treasury aims to determine whether SCM policies have been aligned to the requirements of the revised Preferential Procurement Regulations and accompanying guidelines as issued by National Treasury effective 7 December 2011.
- 3.4 Thus far the Provincial Treasury has assessed twenty (20) SCM policies. Municipal SCM policies that have not been assessed are identified for assessment during the 2012/13 (current) financial year.

### **4. REQUEST**

- 4.1 The Provincial Treasury hereby requests that Municipalities forward its Supply Chain Management policies by **25 May 2012** for consideration and assessment during the 2012/13 financial year.
- 4.2 Upon submission of the policies, indicate the date of adoption of the policy, Council resolution taken in reviewing and last date of review. However it must be noted that only a selected number of municipalities will be prioritised for policy assessment in the current financial year.

4.3 Municipalities are requested to comply with the contents of this circular.

4.4 Any enquiries in this regard may be directed to Ms. Palesa Ndobe on (021) 483 9950; email: [Palesa.Ndobe@pgwc.gov.za](mailto:Palesa.Ndobe@pgwc.gov.za) or Mr. Rodney Moolman on (021) 483 9940; email: [Rodney.Moolman@pgwc.gov.za](mailto:Rodney.Moolman@pgwc.gov.za)



MS NADIA EBRAHIM

SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT

DATE: 25/04/2012