



PROVINCIAL TREASURY

Provincial Government of the Western Cape

MOVEABLE ASSET MANAGEMENT

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TREASURY CIRCULAR 49-2010

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THE MAYOR, CEDERBERG MUNICIPALITY: MS J MOUTON
THE MAYOR, BERGRIVIER MUNICIPALITY: MR J LIEBENBERG
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR R ABDOL
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT: MR B CHABAAN
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS C MANUEL
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THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR C NTSOMI
THE MAYOR, BREEDE RIVER/WINELANDS MUNICIPALITY: MR SJ NGONYAMA
THE MAYOR, OVERBERG DISTRICT: MS M GILLION
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR C PUNT
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THE MAYOR, EDEN DISTRICT: MR L DORFLING
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THE MAYOR, HESSEQUA MUNICIPALITY: MR CP TAUTE
THE MAYOR, MOSSEL BAY MUNICIPALITY: ALDERMAN M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MS M DRAGHOENDER
THE MAYOR, OUDTSHOORN MUNICIPALITY: MS D DE JAGER
THE MAYOR, BITOU MUNICIPALITY: MR LL MVIMBI
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES
THE MAYOR, CENTRAL KAROO DISTRICT: MR T PRINCE
THE MAYOR, LAINGSBURG MUNICIPALITY: MS R MEYER
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M BENJAMIN
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MS J JONAS

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THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J FORTUIN
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THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: ADV H LINDER (Acting)
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THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

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THE HEAD OF SCM, GEORGE MUNICIPALITY: MR B GERICKE
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THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR TC ARENDSE) (PRO TEM)
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THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MR T MADONDILE/MS M FORTUIN) (ACTING)
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THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR E JOHANNES) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)
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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 AND HOUSING

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY ASSESSMENT

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 all 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.

3. ASSESSMENT PROCESS

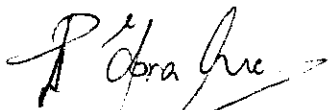
- 3.1 The policy assessment process is aimed at determining whether Municipalities have implemented a Supply Chain Management policy in a manner, which gives effect to the provisions of Section 217 of the Constitution, Section 112 of the MFMA and are aligned to the National Treasury's Model Policy.
- 3.2 Upon alignment to the Model Policy, the assessment is aimed at determining whether municipal policies contain a range of discretionary information that complies with the MFMA

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 The Provincial Treasury has envisaged a phased-in approach for the policy assessment process where a selected number of Municipalities have been identified for Supply Chain Management policy assessment during the 2010/2011 financial year. Thereafter, municipal Supply Chain Management policies that have not been assessed will follow suit.
- 3.4 Careful consideration has been placed on the availability and willingness of Municipalities to submit policies for assessment. Adoption dates, amendment and review dates have also been identified and considered, prioritising those that date far back.
- 3.5 Communication will be provided to the identified Municipalities timeously and bears careful consideration.

4. REQUEST

- 4.1 The Provincial Treasury hereby requests that Municipalities forward its Supply Chain Management policies for assessment by the 19 November 2010.
- 4.2 Upon submission of the policies, indicate the date of adoption of the policy, Council resolution and the last date of review of the policy.
- 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: pndobe@pgwc.gov.za or Mr. Rodney Moolman on (021) 483 9950; email: rmoolman@pgwc.gov.za



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MRS NADIA EBRAHIM

SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT

DATE: 29 / 10 / 2010