

**ANNUAL REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT  
POLICY AND THE PREFERENTIAL PROCUREMENT POLICY: 1 JULY 2023 – 30 JUNE 2024**

**JAARLIKSE VERSLAG VAN DIE IMPLEMENTERING VAN VOORSIENINGSKANAALBELEID EN  
DIE VOORKEUR VERKRYGINGS BELEID: 1 JULIE 2023 - 30 JUNIE 2024**

**INGXELO YONYAKA YOKUPHUNYEZWA KOMGAQO-NKQUBO WOLAWULO LWETHUBA  
NOMGAQO-NKQUBO OKHETHEKILEYO WOKUTHENGA IZINTO: 1 JULY 2023 –  
30 EYESILIMELA 2024**

File Number: 8/1/2/1

Collaborator Number: 2065898

Committees: Finance Portfolio; Mayoral Committee 1; Council

Meeting Cycle: July

Key Performance Area: KPA 2: Finance

Access Level: Public

**1. PURPOSE**

On an annual basis a report on the implementation of the Supply Chain Management Policy and the Preferential Procurement Policy must be submitted to Council for noting purposes.

**2. FOR DECISION BY**

Council

**3. RECOMMENDATIONS**

It is recommended that:

3.1 Council takes note of the content of this report; and

3.2 The report be made public in accordance with section 21A of the Municipal Systems Act.

### **3. AANBEVELINGS**

Dit word aanbeveel dat:

- 3.1 Die Raad kennis neem van die verslag; en
- 3.2 Die verslag gepubliseer word in terme van artikel 21A van die Munisipale Stelsels Wet.

### **3. BACEBISE**

Bacebise ukuba:

- 3.1 iBhunga malinike ingqalelo kwisiquqatho salengxelo; kunye
- 3.2 Lengxelo mayasizwe kuwowonke umntu njengoko ibekiwe kwicandelo 21A yoMthetho weNkqubo zooMasipala.

### **4. INTRODUCTION**

The annual implementation report on the Supply Chain Management Policy and the Preferential Procurement Policy must be submitted to Council in order for Council to exercise its oversight role.

### **5. DISCUSSION**

Paragraph 6(2) of the Supply Chain Management Policy determines the following:

*“For the purposes of such oversight the Accounting Officer must –*

- (a) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and*
- (b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.”*

Paragraph 8 of the Preferential Procurement Policy determines the following:

*“For the purposes of oversight the Accounting Officer must within 30 days of the end of each financial year, submit a report on the implementation of this Policy to the Council.*

No serious or material problems were experienced with the implementation of both the Supply Chain Management Policy and the Preferential Procurement Policy. These policies are in line with the prescribed legal framework.

The amended Supply Chain Management Policy and the amended Preferential Procurement Policy was adopted by Council on 30 January 2024. These amendments was required due to a change in the Municipal Supply Chain Management Regulations that were issued by the Minister of Finance on 4 December 2023 and matters raised by the Auditor-General of South Africa during the regulatory audit of the 2022/2023 financial year.

The Supply Chain Management Division is currently in the process of automating internal administrative procurement processes. The goal is to move towards a more efficient and paperless environment that will improve document retention, turn-around times and reporting. It is anticipated that this process will be finalised and implemented during the third quarter of the 2024/2025 financial year.

<b>6. IMPLICATIONS</b>
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**6.1 POLICY**

None.

**6.2 FINANCIAL**

None.

**6.3 LEGAL**

None.

**6.4 STAFF**

None.

**6.5 ENVIRONMENTAL**

None.

**6.6 RISK**

None.

<b>7. PREVIOUS COUNCIL RESOLUTIONS</b>
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Not Applicable.

<b>8. ANNEXURES</b>
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None.

<b>9. COMMENTS FROM WARD COUNCILLORS AND DATE SIGNED</b>
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None.

<b>10. COMMENTS FROM DEPARTMENTS AND DIVISIONS</b>
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**10.1 CORPORATE AND PLANNING SERVICES**

Not Applicable.

**10.2 FINANCIAL SERVICES**

Not Applicable.

**10.3 ENGINEERING SERVICES**

Not Applicable.

**10.4 COMMUNITY SERVICES**

Not Applicable.

**10.5 RISK MANAGEMENT**

Not Applicable.

**HEINRICH VERGOTINE**  
**MANAGER: SUPPLY CHAIN MANAGEMENT**

**BRADLEY BROWN**  
**CHIEF FINANCIAL OFFICER**

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Signed off by Executive Mayor:  
Signed off by City Manager: