



Department of Financial Services

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TO : FINANCE PORTFOLIO COMMITTEE
FROM : OFFICE OF THE CHIEF FINANCIAL OFFICER
DATE : 10 OCT 2023
**SUBJECT : REPORT OF SCM DEVIATIONS FOR FIRST QUARTER OF
2023/2024 FINANCIAL YEAR**

PURPOSE

The purpose of this submission is to bring to the attention of portfolio committee the first quarter report of 2023/2024 SCM deviations for the report to be recommended to council to note.

DISCUSSION

- Thulamela Municipality' SCM policy in sec 36 allows the Accounting Officer to deviate from the normal procurement system after which the accounting officer should record reasons for deviations and also report all expenses incurred in the council meeting and also disclose such as a note in the Annual Financial Statements.
- The reason for them was this that it was not feasible to make notices and the normal procurement process to be followed in this regard should have been a notices and competitive bidding process
- The procurement deviations will therefore be disclosed on the 2023-2024 Annual Financial Statements
- The list of expenditures incurred as a result of deviations has been attached on this report as "**Annexure A**" for the first quarter – 2023/2024 financial year.

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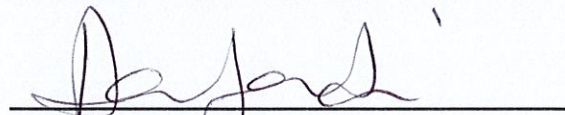


FINANCIAL IMPLICATION

Total expenditure of R 1,037,539.56 (Annexure A) has been spent for service delivery in this regard.

RECOMMENDATION

It is therefore recommend that the deviation listing for first quarter be recommended to EXCO for noting by council to promote compliance with SCMP sec 36 and also in order to avoid negative audit opinion by Auditor General.

A handwritten signature in dark ink, appearing to read 'Mufamadi', is written over a horizontal line.

MUFAMADI A.C

CHIEF FINANCIAL OFFICER

THULAMELA MUNICIPALITY

DEVIATION LISTING - JUL 2023

Annexure A

Pay No	Creditor Name	Pay Date	Value	Reason
EF003345-0001	CITY LODGE HOTEL WATERFALL	27/07/2023	56 350.00	It was impractical to follow SCM process because hotels do not bid
EF003333-0001	ESRI SOUTH AFRICA	21/07/2023	59 500.00	Sole supplier
EF003383-0007	CITY LODGE HOTEL WATERFALL	22/08/2023	33 810.00	It was impractical to follow SCM process because hotels do not bid
EF003403-0001	NTT TOYOTA	31/08/2023	48 525.29	Sole supplier
EF003416-0008	BARLOWORLD EQUIPMENT	14/09/2023	39 665.57	Sole supplier
EF003416-0009	BARLOWORLD EQUIPMENT	14/09/2023	95 879.07	Sole supplier
EF003425-0032	BARLOWORLD EQUIPMENT	19/09/2023	216 985.27	Sole supplier
EF003425-0007	BB TRUCK & TRACTOR	19/09/2023	78 711.58	Sole supplier
EF003426-0006	CFAO MOTORS PTY	20/09/2023	58 668.93	Sole supplier
EF003446-0001	CITY LODGE HATFIELD	29/09/2023	61 320.00	It was impractical to follow SCM process because hotels do not bid
EF003407-0001	CITY LODGE HATFIELD	2023/11/09	87 600.00	It was impractical to follow SCM process because hotels do not bid
EF003426-0005	ELB EQUIPMENT HOLDINGS	20/09/2023	59 005.39	Sole supplier
EF003440-0001	ELB EQUIPMENT HOLDINGS	28/09/2023	73 018.46	Sole supplier
EF003446-0006	KALAHARI WATERFRONT	29/09/2023	68 500.00	It was impractical to follow SCM process because hotels do not bid
TOTAL			1 037 539.56	