

QUARTERLY SUPPLY CHAIN MANAGEMENT REPORT TO THE ACCOUNTING OFFICER (March 2009)

A. PURPOSE OF REPORT

To report to the Accounting Officer in respect of compliance, progress, challenges and constraints as well as the way forward of supply chain management issues during the past six months.

B. COMPLIANCE/PROGRESS

The SCM unit was established during May 2008 and a Head of SCM was appointed on 1 October 2008. A report to the financial portfolio committee was submitted on 27 November 2008 containing the following;

- Revision of SCM Policy
- Oversight report
- Report by the Accounting Officer with an action plan

Bid committees have been established and are functioning well. Documents have been developed and circulated to all section heads in respect of SCM processes for compliance in terms of the SCM policy for the procurement of goods and services.

Monthly reports are submitted in respect of procurement of goods and services on approval of quotations and minutes of the relevant bid committees.

C. CHALLENGES AND CONSTRAINTS

Although documents and information were distributed to section heads, problems still occur. The information in respect of quotations and deviations do not go through the SCM office. A system needs to be put in place in order to solve this issue, because this creates problems with the reporting that can lead to non-compliance of the SCM Policy of the Council.

The SCM office faces the following challenges:

- Training in respect of the supply chain processes to all sections in each department.
- Development of templates in order to comply with reporting in terms of the SCM Policy
- Upgrading of SAMRAS in order to develop a database of all service providers
- Process plan to deal with deviations that must be stated in the annual financial statement.
- Delegations need to be finalized urgently.

D. WAY FORWARD

The following needs to be put in place;

- Involve new appointed Internal Auditor to assist in the compliance issues in respect of SCM as mentioned above.
- Develop a Training Programme to train all sections in each department
- Develop templates in order to comply with SCM issues in respect of the procurement of goods and services as well as the reporting.
- Finalized delegations
- Develop a process template in respect of deviations
- Develop reporting templates to adhere to the SCM Policy

E. FINANCIAL IMPLICATIONS

Funds need to be secured for the upgrading of the SAMRAS system.

F. STAFF IMPLICATIONS

One of the newly appointed financial interns is situated in the SCM office to assist in the development of a database of service providers on the SAMRAS system.

RECOMMENDATION

That quarterly SCM report to the Accounting Officer be noted

HEAD: SUPPLY CHAIN MANAGEMENT

Date: 31 March 2009