



## ACCOUNTING OFFICERS/ CHIEF FINANCIAL OFFICERS/ SCM HEADS

### REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION

Practice Note Number: **SCM-10 of 2006**

---

#### 1 Reporting Requirements

The Accounting Officer or Accounting Authority of an institution is required to submit the following information to Provincial Treasury on a monthly basis, in respect to each contract awarded, as well as regarding the overall Supply Chain Management implementation in the Department as a whole:

##### 1.1 Bids/ Quotations Award Analysis Report

This is a report on the spend analysis per sector on bid/quotation (over R20 000 - although this can be negotiated with Departments, based on their specific circumstances) awards that have taken place over the course of the past month. These details will be required within 15 days of the end of each month. The information required must be submitted for all contracts awarded above the threshold value for verbal or written quotations above R20 000 (or other agreed upon amount). The requirement of which is for the collation and summation of this information for National Treasury.

The following information will be required for each contract/quotation awarded for the designated month:

- Bid/Quotation number;
- Awarded date of bid/quotation;
- Contract description, amount and duration;
- Name of winning supplier;
- In accordance with the KZN SCM Policy Framework, the following categories must be listed in respect of awards up to R 500 000 per transaction:
  - Black;
  - Women;
  - Disabled Persons;
  - Youth;
  - Priority Population Group; and
  - Co-operatives.

- In respect of awards above R 500 000 per transaction the actual Contract Participation Goal achieved, broken down as follows:
  - ▶ HDI status as a Prime Contractor;
  - ▶ PPG status as a Prime Contractor;
  - ▶ Joint venture status as a Prime Contractor;
  - ▶ Subcontracting to HDI's/PPG's and
  - ▶ Subcontracting to joint ventures which have HDI/PPG partners.

*NOTE: Black in this case refers to all previously disadvantaged groups, namely Black, Asian and Coloured.*

Please refer to attached Annexure A which details the format to be utilised as part of the reporting requirements.

An analysis of this report by Provincial Treasury, will also serve as an assessment as to how each Department is performing in relation to its approved procurement plan and to what extent the monthly contractual awards correlate with the annual objectives stated in the Department's approved procurement plan.

## **1.2 Disposal Management Analysis Report**

This report is a quarterly disposal analysis summation per Department, which sets out which assets have been disposed of over the course of the last financial quarter. The following information is required as part of this report:

- Disposal date;
- To whom possession of the asset is transferred (i.e. supplier; private sector entity; charity organisation; etc...);
- Disposal method;
- Disposal reason;
- Proceeds of disposal of asset;
- Book value; and
- Profit/loss on disposal of asset.

Please refer to attached Annexure B which details the format and explanation of the reporting requirements, as outlined above. Please note that this information is available on HARDCAT and departments should only have to download the information to produce this report.

## **2 Reporting Tools**

- 2.1 Templates detailing a simple data entry and capture process have been provided by Provincial Treasury for each of the aforementioned reports (attached). These are available on Treasury's website.

## **3 Conclusion**

Reporting requirements as stated in this Practice Notice are essential for the following reasons:

- 3.1 To provide an analysis of the achievement of government's priorities/objectives;
- 3.2 To identify commonly procured goods and services;
- 3.3 To identify sectors that requires improvement; and
- 3.4 To enable Treasury to provide focused support and to assess the impact of provincial policies.

## **4 Effective Date**

This practice note takes effect from 1<sup>st</sup> February 2006.



**MRS C. COETZEE**  
**ACCOUNTANT GENERAL**