



SOC LTD

NTINGA SUPPLY CHAIN MANAGEMENT PARAGRAPH 36 REPORT FOR THE THIRD QUARTER ENDING 31 MARCH 2023

1. SUBJECT

Deviation from, and ratification of minor breaches of, procurement processes as per paragraph 36 of the Supply Chain Management Policy.

2. BACKGROUND AND PURPOSE

The paragraph 36 as stated above states that:

The accounting officer may –

- a) Dispense with the official procurement processes established by the Supply Chain Management Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a) and (b) of the Supply Chain Management Policy and report them to the next meeting of the board of directors and include as a note to the annual financial statements.

3. SUMMARY

In the implementation of the Supply Chain Management Policy there are instances where it is impractical to follow the normal procurement process. In such instances goods or services are procured through any convenient process. For the third quarter ending 31 March 2023 deviations from normal procurement processes amounted to **R 35,583,75**. As required by the policy, the deviations were approved by the Chief Executive Officer, and they will be reported to the Board of Directors for ratification in its next sitting.

4. DISCUSSION

Details of deviations approved during the period starting from 01 January 2023 and ending on the date of the Board meeting are attached as Annexure 1.

5. OTHER PORTFOLIO FUNCTIONAL AREAS CONSULTED

This report captures deviations recommended by the various senior managers, supported by Supply Chain Manager and the Chief Financial Officer and then approved by the Chief Executive Officer.

6. ORGANISATIONAL AND PERSONNEL IMPLICATIONS

This section is not applicable to this memorandum.

7. REPRESENTATIVITY

This section is not applicable to this memorandum.

8. CONSTITUTIONAL AND LEGAL IMPLICATIONS

This is in compliance with paragraph 36 of the Municipal Supply Chain Management policy and Regulations.

The accounting officer must record the reasons for any deviations and report them to the next meeting of the board of directors and include as a note to the annual financial statements.

9. FINANCIAL IMPLICATIONS

This does not have financial implications for the entity.

10. RECOMMENDATIONS

It is recommended that:

- a) The Board of Directors ratifies and adopts Ntinga's report on deviations from normal Supply Chain Management Policy for the period from 01 January 2023 and ending on the date of the Board meeting.

11. RESPONSIBILITY

This report is submitted to the Board of Directors by the Audit and Risk Committee Chairperson.

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ANNEXURE 1. SCM DEVIATIONS REGISTER

1. Seven (7) deviations from the normal procurement processes were approved. The total value of deviations for this period was **R 35,583,75**. Deviations from the supply chain management policy occurred when it was impractical to follow the policy. Details of deviations are as follows:-

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	27-Jan-23	N/A	EFT 01- 26	South African Meat Industry Company (SAMIC)	Coordination Fees for the grading of meat at the Abattoir for the months of November and December 2022	Trading Enterprises: Red Meat Abattoir	11 953.10	vat incl.	Ekurhuleni Metro -GP
2.	24-Feb-23	N/A	EFT 02-27	South African Meat Industry Company (SAMIC)	Coordination Fees for the grading of meat at the Abattoir	Trading Enterprises: Red Meat Abattoir	6 245.65	vat incl.	Ekurhuleni Metro -GP

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					for the month of January 2023				
3.	13-Mar-23	N/A	EFT 03-21	South African Board for People Practices	Single Source: Registration fees for 2x HR Practitioners of the Agency for the year 2022/23	Trading Enterprises: Red Meat Abattoir	5 260.00	vat incl.	Ekurhuleni Metro -GP
4.	14-Mar-23	N/A	EFT 03-22	The Old Orchard	One quotation Sourced: Accommodation for 3x officials for 1 night stranded in Kokstad due to poor accommodation facilities in their initial procurement	Budget & Treasury Office: SCM	3 075.00	vat incl.	Harry Gwala DM - KZN
5.	14-Mar-23	N/A	EFT 03-23	Adolf Refrigeration & Projects	Emergency: Repairs to a chillier which had broken down with stock inside.	Trading Enterprises: Red Meat Abattoir	5 150.00	no vat	ORTDM - EC

No.	Date	Purchase Order	Payment Voucher	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
6.	16-Mar-23	N/A	EFT 03-24	South African Board for People Practices	Single Source: Registration fees for 3x HR Practitioners of the Agency for the year 2022/23	Trading Enterprises: Red Meat Abattoir	3 900.00	vat incl.	Ekurhuleni Metro -GP
7.	27-Jan-23	N/A	EFT 01- 26	South African Meat Industry Company (SAMIC)	Coordination Fees for the grading of meat at the Abattoir for the months of November and December 2022	Trading Enterprises: Red Meat Abattoir	11 953.10	vat incl.	Ekurhuleni Metro -GP

2. No procurement was made where less than three quotations were received after following procurement processes to the value of R i.e. advertising for 7 days.

3. Total of **28** procurement requests were done through attending auctions and walk in sellers of livestock to the abattoir. Walk in are farmers selling livestock for slaughter at the abattoir particularly pigs. The total value of these procurements for this period was **R 511,458,08** details of which are as follows:

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
1.	13-Jan-22	EFT 01-01	N/A	Nicholas Cheba	11 x pigs (173,19)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Cheba Nicholas	Trading Enterprises: Umzikantu Red Meat Abattoir	15 805.31	no vat	ORTDM - EC
2.	13-Jan-22	EFT 01-11	N/A	Veliswa Titi	3 x pigs (173,19)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Veliswa Titi	Trading Enterprises: Umzikantu Red Meat Abattoir	4 416.48	no vat	ORTDM - EC
3.	13-Jan-22	EFT 01-02	N/A	Dotyeni Sibongisisa	3 x pigs (163,99)kg's @ R25.50/kg) for slaughter	Trading Enterprises: Umzikantu	4 181.83	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					purposes at the Abattoir brought in by Sibongisisa Dotyeni	Red Meat Abattoir			
4.	13-Jan-22	EFT 01-08	N/A	Manyadu Zola	4 x pigs (368,66)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Manyadu Zola	Trading Enterprises: Umzikantu Red Meat Abattoir	9 400.84	no vat	ORTDM - EC
5.	19-Jan-22	EFT 01-16	PO0650	Farmers Livestock Agents t/a Riverwalk Trading	13 x Cattle bought on auction at an average price of R 16,984,61/unit. Auction hosted by Farmers Livestock Agents in Cedarville	Trading Enterprises: Adam Kok Farms	220 800.00	vat incl	Alfred Nzo DM - EC
6.	23-Jan-22	EFT 01-15	N/A	Vuyiswa Taleni	5 x pigs (249,62)kg's @ R25.50/kg) for slaughter purposes at the Abattoir	Trading Enterprises: Umzikantu Red Meat Abattoir	6 365.45	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					brought in by Vuyiswa Taleni				
7.	27-Jan-23	EFT 01-24	N/A	Zwelitsha Nxasana	1 x pigs (147,77)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Zwelitsha Nxasana	Trading Enterprises: Umzikantu Red Meat Abattoir	3 768.01	no vat	ORTDM - EC
8.	27-Jan-23	EFT 01-27	N/A	Matitini Sono	1 x pigs (75,27)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Matitini Sono	Trading Enterprises: Umzikantu Red Meat Abattoir	1 919.26	vat incl.	ORTDM - EC
9.	07-Feb-22	EFT 02-03	N/A	N Mazambane	3 x pigs (55,47)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ms Mazambane	Trading Enterprises: Umzikantu Red Meat Abattoir	1 414.36	vat incl.	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
10.	07-Feb-22	EFT 02-04	N/A	N Dlangamandla	4 x pigs (387,52)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ms N Dlangamandla	Trading Enterprises: Umzikantu Red Meat Abattoir	9 881.74	vat incl.	ORTDM - EC
11.	13-Feb-22	EFT 02-12	N/A	LL Langa	2 x pigs (87,63)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ms L.L Langa	Trading Enterprises: Umzikantu Red Meat Abattoir	2 234.57	vat incl.	ORTDM - EC
12.	13-Feb-22	EFT 02-13	N/A	S Magingxi	1 x pigs (70,07)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mr S. Magingxi	Trading Enterprises: Umzikantu Red Meat Abattoir	1 786.91	no vat	ORTDM - EC
13.	13-Feb-22	EFT 02-14	N/A	Khandaliyaduma (Pty) Ltd	3 x pigs (298,79)kg's @ R25.50/kg) for slaughter purposes at the	Trading Enterprises: Umzikantu Red Meat Abattoir	7 619.28	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					Abattoir brought in by Khandaliyaduma (Pty) Ltd				
14.	13-Feb-22	EFT 02-15	N/A	N.W Ngcanasa	1 x pigs (41,47)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by N.W Ngcanasa	Trading Enterprises: Umzikantu Red Meat Abattoir	1 057.36	no vat	ORTDM - EC
15.	20-Feb-22	EFT 02-18	N/A	M Ncikidana	1 x pigs (91,17)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by M Ncikidana	Trading Enterprises: Umzikantu Red Meat Abattoir	2 324.71	vat incl.	ORTDM - EC
16.	20-Feb-22	EFT 02-20	N/A	Magabhula	3 x pigs (187,30)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Magabhula	Trading Enterprises: Umzikantu Red Meat Abattoir	4 776.03	vat incl.	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
17.	24-Feb-22	EFT 02-28	N/A	Mdlangathi Building & Civils	1 x pigs (227,18)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mdlangathi Building & Civils	Trading Enterprises: Umzikantu Red Meat Abattoir	5 793.09	vat incl.	ORTDM - EC
18.	24-Feb-22	EFT 02-29	N/A	Khandaliyaduma (Pty) Ltd	5 x pigs (6`8,43)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Khandaliyaduma (Pty) Ltd	Trading Enterprises: Umzikantu Red Meat Abattoir	15 769.85	no vat	ORTDM - EC
19.	24-Feb-22	EFT 0230	N/A	MM Nkohla	5 x pigs (338,83)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mr MM Nkohla	Trading Enterprises: Umzikantu Red Meat Abattoir	8 640.05	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
20.	24-Feb-22	EFT 0231	N/A	Nkabinde T	2 x pigs (142,03)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Ms Nkabinde	Trading Enterprises: Umzikantu Red Meat Abattoir	3 621.77	no vat	ORTDM - EC
21.	02-Mar-22	EFT 03-03	N/A	Z Mzaku	2 x pigs (64,23)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mr Z Mzaku	Trading Enterprises: Umzikantu Red Meat Abattoir	1 637.87	vat incl.	ORTDM - EC
22.	02-Mar-22	EFT 03-04	N/A	Ntshanga F	2 x pigs (209,83)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mr F Ntshanga	Trading Enterprises: Umzikantu Red Meat Abattoir	5 350.67	No Vat	ORTDM - EC
23.	02-Mar-22	EFT 03-05	N/A	Mawabo Siphondo	1 x pigs (88,77)kg's @ R25.50/kg) for slaughter purposes at the Abattoir	Trading Enterprises: Umzikantu Red Meat Abattoir	2 263.51	No Vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
					brought in by Mr SM Siphondo				
24.	02-Mar-23	EFT 03-17	N/A	L Ntshikilana	11 x Cattle at an average of R11,166.46/unit for slaughter purposes at the Abattoir brought in by Mr L Ntshikilana	Trading Enterprises: Umzikantu Red Meat Abattoir	122 831.05	N/A	ORTDM - EC
25.	16-Mar-23	EFT 03-28	N/A	L Jubase	1 x pigs (109,06)kg's @ R25.50/kg) for slaughter purposes at the Abattoir brought in by Mr L Jubase	Trading Enterprises: Umzikantu Red Meat Abattoir	2 781.01	No Vat	ORTDM - EC
26.	30-Mar-23	EFT 03-35	N/A	F Sokasi	1 x pigs (205,24)kg's @ R28.00/kg) for slaughter purposes at the Abattoir brought in by Mr F Sokasi	Trading Enterprises: Umzikantu Red Meat Abattoir	5 746.82	no vat	ORTDM - EC

No.	Date	Voucher No.	Purchase Order No.	Service provider	Services	End user department	Amount (R)	Vat/No Vat	Province
27.	30-Mar-23	EFT 03-36	N/A	Ngubu Henry Poswayo Agricultural Primary Co-operative	10 x pigs (1,192,59)kg's @ R28.00/kg) for slaughter purposes at the Abattoir brought in by Mr Ngubu Henry Poswayo Primary Co-operative	Trading Enterprises: Umzikantu Red Meat Abattoir	33 392.60	vat incl.	ORTDM - EC
28.	30-Mar-23	EFT 03-39	N/A	Mr Ntete	1 x cow at a price of 42/kg for slaughter purposes at the Abattoir brought in by Mr Ntete	Trading Enterprises: Umzikantu Red Meat Abattoir	5 877.65	no vat	ORTDM - EC

4. Unauthorized, Irregular Fruitless & Wasteful Expenditure: No instances of expenditure have been incurred during the quarter.

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