

mSCOA REGULATIONS
NATIONAL TREASURY SCM WORKING GROUP MEETINGS

No.	Presented Agenda Item	Description of Comments/ Questions	Potential Impact	Contributor Name	Contributor Organisation	Date Received	Date Closed	Action Owner	Progress Status	Notes
1	ICF - Supply Chain Management	Clarity is required as to why municipalities are allowed to appoint VAT consultants, as this has a major cost (contingency fees) to these municipalities. Consideration should be given to a discussion between NT and SARS on the matter	Financial impact.	Hannes Scheepers	SARS	24-Apr-24	20-Aug-24	Silma	Completed.	As per the circular.
2	ICF - Supply Chain Management	The Preferential Procurement Regulation to be used should be the latest version utilised in the business process modelling, and therefore correction should be done in terms of the presentation content.	Noted - no impact yet.	Seratha Balgobind	KZN PT	24-Apr-24	26-Apr-24	Silma	Completed.	Noted
3	ICF - Supply Chain Management	Ensure that the processes which will be implemented align to legislation because ultimately municipalities will be audited against legislation and applicable policies in terms of SCM	Noted - no impact yet.	Theodore Williams	Saldanha Bay Municipality	24-Apr-24	26-Apr-24	Silma	Completed.	Noted
4	ICF - Supply Chain Management	Consider the impact of the Procurement Bill in this process in undertaking the business process modelling	Noted - no impact yet.	Tebello Mponu	Unidentified	24-Apr-24	26-Apr-24	Silma	Completed.	Noted
5	ICF - Supply Chain Management	Deviations to be considered in terms of sourcing, for the modelling purposes.	Additional sub-process required.	Nadia Du Toit	Munsoft	24-Apr-24	23-Aug-24	Silma	Completed.	Process developed
6	ICF - Supply Chain Management	Consider including a level concerning the integration of CSD and financial systems.	Integration requirements.	Johan Van Wyk	National Treasury	24-Apr-24		Silma	In the system specifications	System specifications.
7	SCM Slide 9 Modelling	Is it correct to conclude that Silma was talking about the (process modelling) tool, and will it be available to each municipality?	Financial impact for all municipalities.	Duane Scholtz	Mossel Bay Municipality	15-May-24	16-May-24	Silma	Completed.	The documented processes will be made available to all municipalities. There is no need to purchase any
8	SCM Slide 9 Modelling	Is it safe to assume that this will be the case for every business processes, they are all going to start with a similar methodology?	Take note of the process.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	16-May-24	Silma	Completed.	That is correct.
9	SCM Slide 9 Modelling	What is the level of prescription from NT and will the municipalities receive the ARIS Tool?	Operational impact for all municipalities.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	15-May-24	Silma	Completed.	The purpose of this forum is to discuss the processes, which will inform the minimum system specifications.
10	SCM Slide 10 Legal	The wording of the flow should align with the legislation / regulations. Perhaps a document with definitions would be helpful.	Noted.	Fabian Kennedy, and others.	Cape Town Metro	15-May-24	10-Jul-24	Silma	Completed.	Wording reviewed and updated.
11	SCM Slide 11 Strategy	On what level is going to be prescribed in the regulations? If this is the process that is prescribed and if this level is going to be prescribed in the regulation that would mean the municipality will have to conform to this. If you can give clarity, especially on the portion of Strategies as it has a high value. If the municipality needs a SCM strategy, how does the municipality get an example of what to include in the document to understand the process from the beginning and not leave out anything. It is very important to understand what level is going to be regulated.	Level of process / system regulation - requirement of municipalities to comply.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	16-May-24	Silma	Completed.	The level 4 process steps will inform the system specifications and the regulations. National and Provincial Treasuries can assist with development / assistance related to SCM strategy formulation.
12	SCM Slide 14 Risk Man.	If a municipality already has a risk management tool, and has a tool to manage the risk, will it be sufficient for this process or must it all need to be integrated to the procurement process?	Integration requirement for all processes.	Duane Scholtz	Mossel Bay Municipality	15-May-24	16-May-24	Silma	Completed.	MFMA Circular 80 clearly indicated that sub-systems should be integrated with the core system of the municipality. Hence, if the municipality already has a
13	SCM Slide 14 Risk Man.	Currently, the risk management is done by the CRO in the municipalities. With the new processes are we saying now it will be done in SCM or it doesn't matter as long as it is done?	Organisational Risk Management.	E Ngobeni	Gauteng Treasury	15-May-24	16-May-24	Silma	Completed.	The responsibility is not being moved to a different official or unit. It is being emphasised that Risk
14	SCM Slide 14 Risk Man.	Request or suggestion to standardise the format and process for risk management in the municipalities.	Organisational Risk Management.	Neo Morakile	Northern Cape	15-May-24	15-May-24	Silma	Completed.	Issue to be escalated to National Treasury for consideration.
15	SCM Risk and Demand Man.	Is there a Risk Register Template, also a Demand Plan Template, so that the municipalities can populate the information into these?	Preparation of risk registers and demand plans.	Neo Morakile	Northern Cape	15-May-24	15-May-24	Kashnee	Completed.	Municipalities can consult their Provincial Treasuries, or the representatives from the National Treasury.
16	SCM Slide 18 Demand Man.	Requested for clarity: should the budget be broken down to these levels? Should it be prepared per components / commodities?	Componentisation of the budget.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	17-May-24	Silma	Completed.	Yes, the budget should be the driver of procurement, which should be prepared at a component and project level, from the sub-systems. This will be further
17	SCM Slide 19 Demand Man. (Planning & Forecasting)	Where do we manage the item master, is there a separate process for that?	Componentisation of the budget.	Nokuthula Khuzwayo	NT OCPO	15-May-24	11-Jul-24	Silma	Completed.	Added to Inventory Management.
18	SCM Slide 19 Demand Man.	On the demand management (supply planning) slide there is a missing step, in the analysis of the needs and determining how to satisfy these needs, where we already have a (transversal) contract in place, we can procure from that, and not start a new procurement process.	No new impact.	E Ngobeni	Gauteng Treasury	15-May-24	03-Jun-24	Silma	Completed.	Updated slide 19.
19	SCM Slide 19 Demand Man.	Requested for clarity as to who is responsible for the procurement plan?	Operations / Budget.	Chat comment	Unidentified	15-May-24	15-May-24	Silma	Completed.	MFMA Circular 80 requires a demand / procurement plan, and that contributions to the municipal budget should originate from the sub-systems, and be integrated into the main budget. In terms of
20	SCM Slide 19 Demand Man.	Lack of monitoring of the procurement plan as the municipalities every year submit the procurement plan to the Provincial Treasury but they are unable to show that they are achieving what they initially put on the procurement plan. What are the best practices to monitor the procurement plan?	Governance and oversight	Morakile Neo	Northern Cape	15-May-24	17-May-24	Silma	Completed.	The procurement plan is linked to the budget, projects and expenditure. When the municipalities submit their monthly data, it can be compared with the procurement plan and specific targeted questions asked, which will provide an indication. The municipalities can also be requested to provide a
21	SCM Slide 31 Sourcing	On the slide initiation to BSC, looking at the step where the compliance issues are being checked, the documents that are listed there may no longer be relevant because now we are using the PPR 22. Perhaps we need to substitute with the documents that are in the legislation, i.e. rates and taxes, and the status of the service providers. The reason why I bring this up is because the Municipalities in my province tend to disqualify service providers unfairly and not in line with the legislation.	Slide update required.	E Ngobeni	Gauteng Treasury	15-May-24	12-Jun-24	Silma	Completed.	Slides amended.
22	SCM Slide 31 Sourcing	System issues: e-procurement processes; automated / online bid submissions; document flow between committees; automated evaluations and committee support; automated reconciliations and notifications; online requisitions; shortening the procurement process while reducing fraud and corruption; reduction of UIFW expenditure.	Automation and containment of fraud and corruption	Chat comment	Unidentified	15-May-24	23-Aug-24	Silma	Referred	To be addressed with system requirements
23	SCM Slide 31 Sourcing	Discussion on CSD integration and use thereof to be referred to meeting with OCPC.	Integration.	Chat comment	Unidentified	15-May-24	23-Aug-24	Silma	Referred	To be addressed with system requirements
24	SCM Slide 31 Sourcing	From a practical point of view, how will the bidders or prospective bidders submit the bid and how will this bid document move between the bid committees?	System requirements	Tarulethu Mafungwa	Unidentified	15-May-24	15-May-24	Silma	Completed.	All system issues raised to be escalated to Andre.

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25	SCM Slide 33 Sourcing	Is there a memo needed every time there is an issue of an order for the informal process? We do automated requisitions that serve as a request on the financial system.	Noted.	Chat comment	Unidentified	15-May-24	07-Jun-24	Silma	Completed.	These slides document a process with steps, and not a system specification yet. It is generic in nature to accommodate all municipalities and systems. It might
26	SCM Slide 33 Sourcing	Written / informal quotes has been removed. Process must be aligned with latest regulations.	Noted - to be updated.	Unidentified	Cape Town Metro	15-May-24	12-Jun-24	Silma	Completed.	Slides amended.
27	SCM Slides 35 to 36 BSC, BEC, BAC	The process of validation and authentication of bidders is incorrect. It impacts the process at contract stage resulting in the BAC not being able to award.	Noted.	Unidentified	Cape Town Metro	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
28	SCM Slides 35 to 36 BSC, BEC, BAC	The roles and responsibilities of the BSC, BEC, BAC should be identified to avoid issues in the process.	Noted.	OCPO	National Treasury	15-May-24	12-Jun-24	Silma	Completed.	Not directly related to system specifications or regulation of minimum business processes.
29	SCM Slide 36 Sourcing	Shouldn't we consider the process of how the BEC needs to go about the validation and authentication of the bid information received from the bidders? This will assist in preventing fraud or falsification of information by the bidders.	Noted.	Sandisile Koza	City of Cape Town	15-May-24	12-Jun-24	Silma	Completed.	Request considered - not in the current scope, but noted. Could be indicated in process RASCI.
30	SCM Slide 37 RFI	Requested clarity, based on this visual are we now saying that emanating from the RFI process will result to an appointment?	TBA	Fabian Kennedy	City of Cape Town	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
31	SCM Slide 37 RFI	Based on the previous question discussion, if you are saying you are going to enter into an agreement at this point, sure you would have taken into consideration pricing and this type of thing, or is that excluded in the process in that point in time?	TBA	Hennie Le Roux	Mossel Bay Municipality	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
32	SCM Slide 37 RFI	I would rather say once we have a RFI, then you go for tender to satisfy the request instead of including the two steps which are to compile the contract or SLA for pilot implementation / to appoint for implementation.	TBA	Hennie Le Roux	Mossel Bay Municipality	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
33	SCM Slide 37 RFI	Without repeating what is already said, when you go out for the request for information you are saying you don't know what you want, when evaluating you must ensure that there's fairness. Now if you appoint, the other service providers may challenge that it is not fair because there were no clearly stated requirements allowing them to bid fairly only a request for information.	TBA	David Gwabeni	Buffalo City	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
34	SCM Slide 37 RFI	If the RFI is intended for pilot implementation and/or implementation, it should be shown as a separate process.	Separate process.	Chat comment	Unidentified	15-May-24	15-May-24	Silma	Completed.	To be plotted separately and indicated on own models.
35	SCM Slide 37 RFI	In terms of CIPC, if the suppliers are deregistered or in the process of being deregistered, they are inactivated which means that they won't be found when searched on CSD.	Noted.	Nokuthula Khuzwayo	NT OCPO	15-May-24	15-May-24	Silma	Noted.	
36	SCM Slide 38 EOI	A separate process is required for EOI.	Noted.	Chat comment	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
37	SCM Slide 39 Appeals	In the case of an appeal, the process loops back to the BEC and BAC.	Noted.	Hennie Le Roux	Mossel Bay Municipality	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
38	SCM Slide 39 Appeals	If the appeal is dismissed, then the appointment will resume, but if it is upheld then it is looped back to BEC and BAC.	Noted.	Nemeree Juthe	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
39	SCM Slide 39 Section 33	Section 33 should be indicated for processes over 3 years, versus 13/30 years (banking services). Add process slide.	Noted.	Unidentified	Mossel Bay Municipality	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
40	SCM Slide 39 Section 33	Request for clarity on section 33 vs regulation 30 which is the procurement of financial services. Is there no confusion between the two?	Noted.	N Morakile	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
41	SCM Slide 41 Variation Orders	Request an incorporation of section 116 of the MFMA because there are requirements mentioned in section 116.		Tarulethu Mafungwa	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
42	SCM Slide 41 Variation Orders	Please take note of expansion orders (sec 116) items, outside of the contract, and all other items like revenue which are dealt with.		Unidentified	Mossel Bay Municipality	15-May-24	23-Aug-24	Silma	Completed.	Slides amended.
43	SCM Slide 41 Variation Orders	I haven't heard about an award that is subject to the negotiation of scope. If available budget is not sufficient and there is subject to negotiation of scope, we need to have something that mentions that.		Hennie Le Roux	Mossel Bay Municipality	15-May-24	22-Aug-24	Silma	Completed.	Process amended.
44	SCM Slide 41 Variation Orders	We see a variation order as an order that is issued in terms of contingencies when we do the initial award, excluding the contingencies, but we list the contingencies and the contingency amount so as not to follow a new contract. The contract entered into is for the full contract value with contingencies, but the contingencies are only released upon request.		Hennie Le Roux	Mossel Bay Municipality	15-May-24	22-Aug-24	Silma	Completed.	Process amended.
45	SCM Slide 41 Variation Orders	Meet with OCPO to discuss the use of commodities in planning and projects.		Chat comment	Unidentified	15-May-24	23-Aug-24	Silma	Completed.	Use of commodities required.
46	SCM Slide 42 Deviations	Suggest a change of "Emergency Procurement" to "Deviations" instead.	Noted.	Le Roux Hennie	Mossel Bay Municipality	15-May-24	15-May-24	Silma	Completed.	As requested.
47	SCM Slide 42 Deviations	There is a need for an issue of an urgent process due to certain circumstances where the municipality cannot follow normal procurement policy. Can we please define the process for these urgent needs?	Noted.	N Morakile	Unidentified	15-May-24	23-Aug-24	Silma	Noted.	Process updated.
48	SCM Slide 42 Deviations	Sec 36: the emergency / deviation should have clear delegations to avoid irregularities.	Noted.	Unidentified	Oudtshoorn	15-May-24	15-May-24	Silma	Noted.	Noted
49	SCM Slide 42 Deviations	Variations must go via the BEC / BAC for approval, with clear guidelines required for approval thereof, to prevent audit findings.	Noted.	Unidentified	Umhlatuze	15-May-24	15-May-24	Silma	Completed.	Updated.
50	SCM Slide 42 Deviations	It is necessary to define the circumstances and the process for Section 36, as the AG wants to review and decide on deviations.	Noted.	Chat comment	Unidentified	15-May-24	15-May-24	Silma	Completed.	Noted.
51	SCM Slide 42 Deviations	It should not be necessary to define an emergency, as it is covered in the regulations and should be included in the policy. What is in the SCM Policy is important and should be clearly defined, as the AG will look at the policy.		Patrick Lekay	Cape Town Metro	15-May-24	15-May-24	Silma	Completed.	Noted.
52	SCM Slide 42 Deviations	How is urgent defined? Transformers burned, pipe burst etc. Consider urgent parts to define the process. Look at interventions in the policy and process.	Noted.	Chat comment	Unidentified	15-May-24	15-May-24	Silma	Completed.	Noted.
53	Supplier / Vendor Man.	Is there a way that a municipality can identify that the service provider has been flagged or is on the defaulters' list of service providers?		Chat comment	Unidentified	15-May-24	15-May-24	Silma	Completed.	Responded by OCPO.
54	Supplier / Vendor Man.	In terms of what OCPO does, if there is a performance issue and the organ of the state feels strongly that they can restrict that supplier, and has evidence to restrict the supplier, then the OCPO will look at the whole process and open the opportunity for the supplier to respond. The organ of the state needs to give consent, and once the supplier is restricted, then what treasury does is to capture it on CSD, and then it is published on the database of restricted suppliers on the website.	Noted.	Nokuthula Khuzwayo	NT OCPO	15-May-24	15-May-24	Silma	Noted.	Noted.
55	Commodity list	Use of standard commodity list - should the same list be used in processes that interface with SCM?	Noted	SJ Niemand	Vendor	30-Sep-24	30-Sep-24	Silma	Noted.	Noted.
56	Self-assessment	Municipalities should be encouraged to self-assess SCM practices - evergreen contracts, Section 32	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	Added to the discussion slides.
57	CSD	Integration with CSD addresses "employee of state" identification.	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	Job-aid available to assist with integration options.
58	Probity audits	Probity audits should be included for all SCM process above certain values, and irregular or process deviations.	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	To be included in policy.
59	SCM using a panel	Municipalities requiring support to implement and procure through panels can contact OCPO for guidance.	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	Sourcing and use of panel - contact OCPO.
60	Sourcing using quotes	Municipalities can use the functionality provided by OCPO for sourcing through quotations.	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	Contact OCPO directly.
61	System ebaled SCM	All municipalities should implement system supported SCM processes.	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	To be addressed in 2025 - OCPO supported. Regulated
63	VAT treatment	Review VAT parameters to GRAP and mSCOA	Noted	Internal review	Internal review	18-Nov-24	18-Nov-24	Silma	Noted.	Addressed in 2025 - system specifications.