

ITEM A113/2025[7]

REPORT FOR DEVIATIONS FROM THE 01 JULY 2024 UNTIL 30 JUNE 2025

8/1/2

EXCO: 29 JULY 2025

REPORT OF THE CHAIRPERSON OF PORTFOLIO COMMITTEE FOR GOVERNANCE, ADMINISTRATION; BUDGET AND TREASURY

1. PURPOSE

The purpose of this report is to report to Council the Deviations recorded from the 1st of July 2024 to 30 June 2025

2. LEGAL REQUIREMENTS

- Municipal Finance Management Act 56 of 2003
- National Treasury Regulations
- Lephalale Local Municipality Supply Chain Policy
- Municipal Supply Chain Regulation 868 of 2005

3. BACKGROUND

Section 36 (1) of the MFMA and (2) Municipal Supply Chain Policy stipulate as follows:

(1) The Accounting Officer may-

- a) Dispense with official procurement processes established by this policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-In the case where the required goods or services have been procured.
 - 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' foe zoos and food for such animals and/or Botanical specimens for nature and game reserves; or
 - v. In any exceptional case where it is impractical or impossible to follow the official procurement process."
- b) Ratify any minor breaches of the procurement processes by an official or Committee acting in terms of delegated powers of duties, which are purely of a technical nature.

(2) The Accounting Officer must record the reasons for any deviations in terms of sub-paragraphs (1) (a) and (b) of this policy and report them to the next meeting of the Council and include as a note to the Annual Financial.

From time to time the municipality finds itself in a situation where the normal procurement process cannot be followed due to different reasons. As such the Accounting Officer authorised Deviations after considering the circumstances of each case presented.

3.1 CHALLENGES

The attached report gives a brief overview of the reasons for deviations.

3.2 WAY FORWARD

- All Deviations to be reported to Council and be disclosed in the Annual Financial Statements.
- Promote the culture adherence to the Normal Procurement process.

4. STAFF IMPLICATIONS

None

5. FINANCIAL IMPLICATIONS

Total amount of deviations for 2024/2025 is **R3 750 667.29 Vat Inclusive**

6. OTHER PARTIES CONSULTED

Executive Management

7. ATTACHMENTS

Deviation report for Q1 – Q4 of 2024-2025



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- 7 July @ 11h42.xlsr

RECOMMENDED

1. That the report for Deviations for Q1 – Q4 of 2024-2025 financial period in terms of paragraph 36 (2) of Supply Chain Management Regulations be noted.
2. That the report be referred to MPAC for further scrutiny.

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COUNCIL: 29 JULY 2025

RESOLVED

1. That the report for Deviations for Q1 – Q4 of 2024-2025 financial period in terms of paragraph 36 (2) of Supply Chain Management Regulations be noted.
2. That the report be referred to MPAC for further scrutiny.

CFO