



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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**TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS AND
CONSTITUTIONAL INSTITUTIONS**

**: ACCOUNTING AUTHORITIES OF SCHEDULE 3A AND 3C
PUBLIC ENTITIES**

: HEAD OFFICIALS OF PROVINCIAL TREASURIES

SUPPLY CHAIN MANAGEMENT CIRCULAR

POSTPONING IMPLEMENTATION OF CERTAIN PARAGRAPHS IN INSTRUCTION NOTE NUMBER 32 DATED 31 MAY 2011 RELATED TO ENHANCING COMPLIANCE MONITORING AND IMPROVING TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT (SCM)

1 PURPOSE

- 1.1 This Circular serves to inform accounting officers and accounting authorities that certain paragraphs in Instruction Note Number 32 dated 31 May 2011 have been postponed for implementation.
- 1.2 This postponement shall be for the period up until a revised Instruction Note is issued in this regard.

2. BACKGROUND

- 2.1 Instruction Note dated 31 May 2011 contains various measures to enhance compliance monitoring and to improve transparency and accountability in supply chain management.
- 2.2 From feedback received from departments and provincial treasuries as well as from information sessions conducted with various institutions, it has become clear that certain paragraphs are problematic for implementation and there is also a need to provide clarity on certain requirements in order to eliminate possible misinterpretations and/or misunderstandings.

3. POSTPONEMENT OF IMPLEMENTATION

- 3.1 Taking cognisance of paragraph 2.2 above, the following paragraphs in Instruction Note Number 32 dated 31 May 2011 are postponed for implementation until such time as the revised Instruction Note is issued:

(i) Paragraph 3.3

Verifying the names and identity numbers of directors/trustees/shareholders of companies, enterprises, closed corporations and trusts against the relevant staff structure

(ii) Paragraph 3.4

Information on bids in excess of R10 million (including all applicable taxes)

(iii) Paragraph 3.5

Auditing of bidding processes for bids in excess of R 10 million (including all applicable taxes)

4. STATUS OF INSTRUCTION NOTE NUMBER 32 DATED 31 MAY 2011

With the exception of the paragraphs referred to in paragraph 3 above, all other provisions in Instruction Note Number 32 dated 31 May 2011 remain effective until the revised Instruction Note is issued.

5. APPLICABILITY

This Circular applies to all departments, constitutional institutions and Schedule 3A and 3C public entities.

6. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

- 6.1 Heads of provincial treasuries are requested to bring the contents of this Circular to the attention of all accounting officers of their respective provincial departments.
- 6.2 Accounting officers of departments are requested to bring the contents of this Circular to the attention of accounting authorities of all Schedule 3A and 3C public entities reporting to their respective executive authorities.

7. NOTIFICATION TO THE AUDITOR-GENERAL

A copy of this Circular will be forwarded to the Auditor-General for notification.



**SF NOMVALO
ACCOUNTANT-GENERAL**

DATE: 28 September 2011