

PRESENTATION
MPAT PEER REVIEW
LIMPOPO DEPT OF AGRICULTURE

24 June 2013



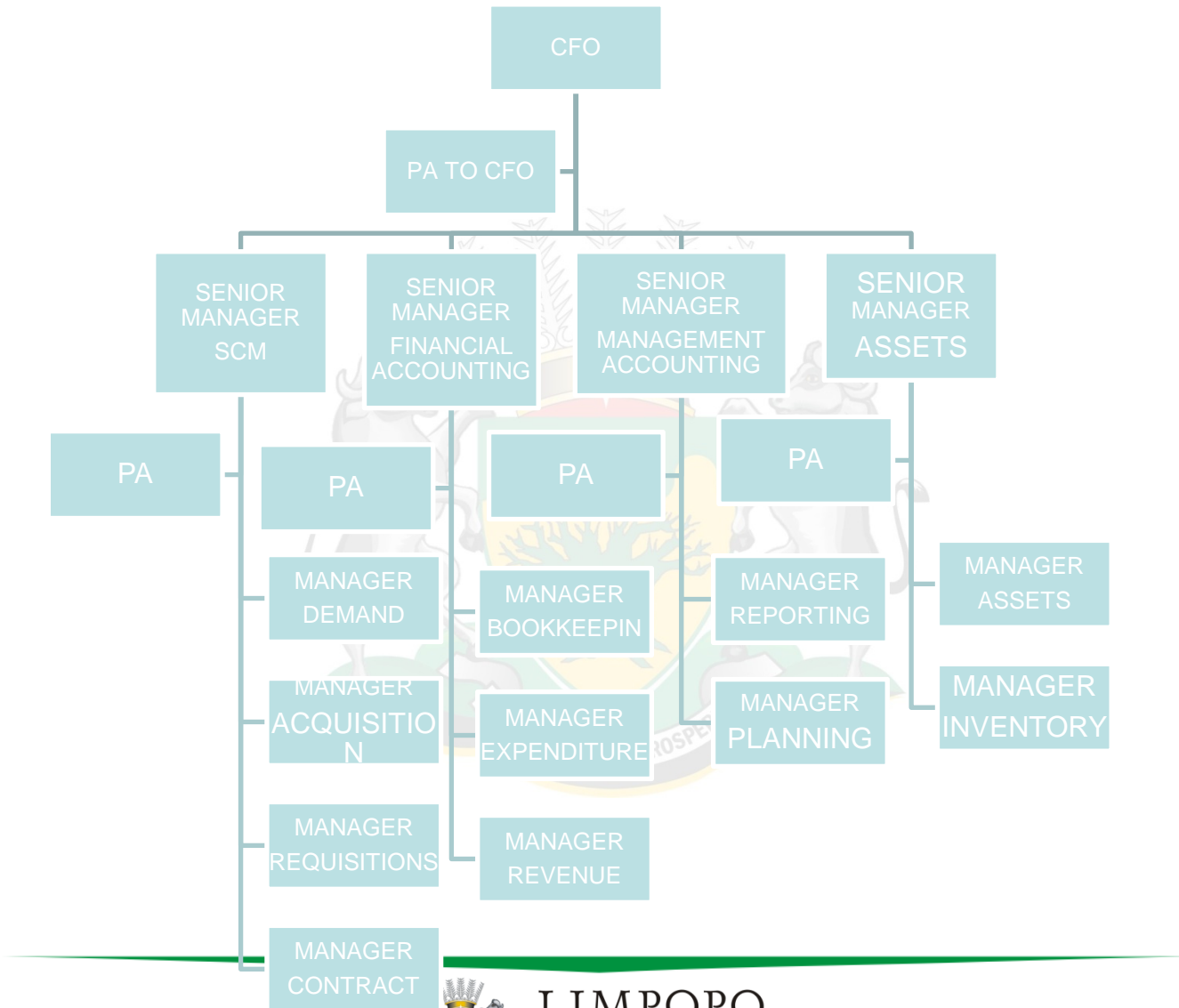
By Linford



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REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF AGRICULTURE

FINANCIAL MANAGEMENT ORGANOGRAM

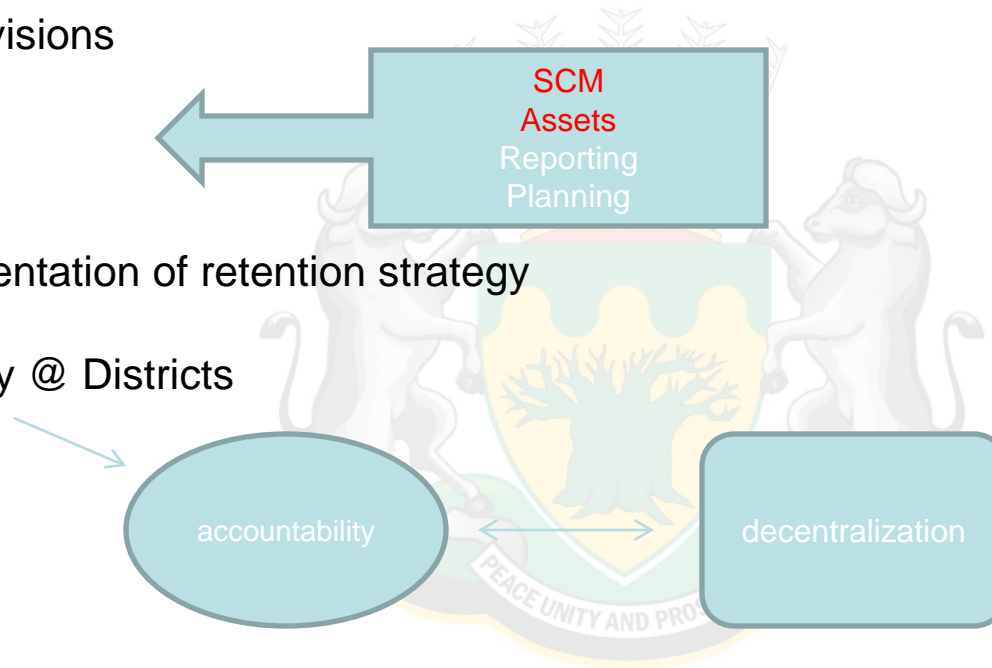


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IMPACT OF ORGANOGRAM ON PERFORMANCE

- Improved incentives for Financial Management personnel
- Split Divisions
- Implementation of retention strategy
- Capacity @ Districts



Strategic Planning

- Various finance teams involved in strategic planning
- Verification of APP targets by Financial Planning
 - achievability – funds vs target
- Budget bidding workshops – motivation for funding by GM's to GM's
 - Budget [bidding letter](#) guides expected results from bidding workshops
 - Cash flow projections – in line with approved procurement plan and personnel costing and recruitment plan
 - Monthly funds requisitions in line with cash flow projections



Cont..

- Expenditure control
 - Section 100 v/s Expenditure process within 30 days
 - Internal controls:-
 - ❖ Introducing one central point for submission of invoice by the suppliers (same principle taken care off even at district level)
 - ❖ Date stamp on invoices.
 - ❖ Payment process flow in line with department service standard: Payment of invoices within 5 days.

PRELIMINARY 2013-14 MTEF

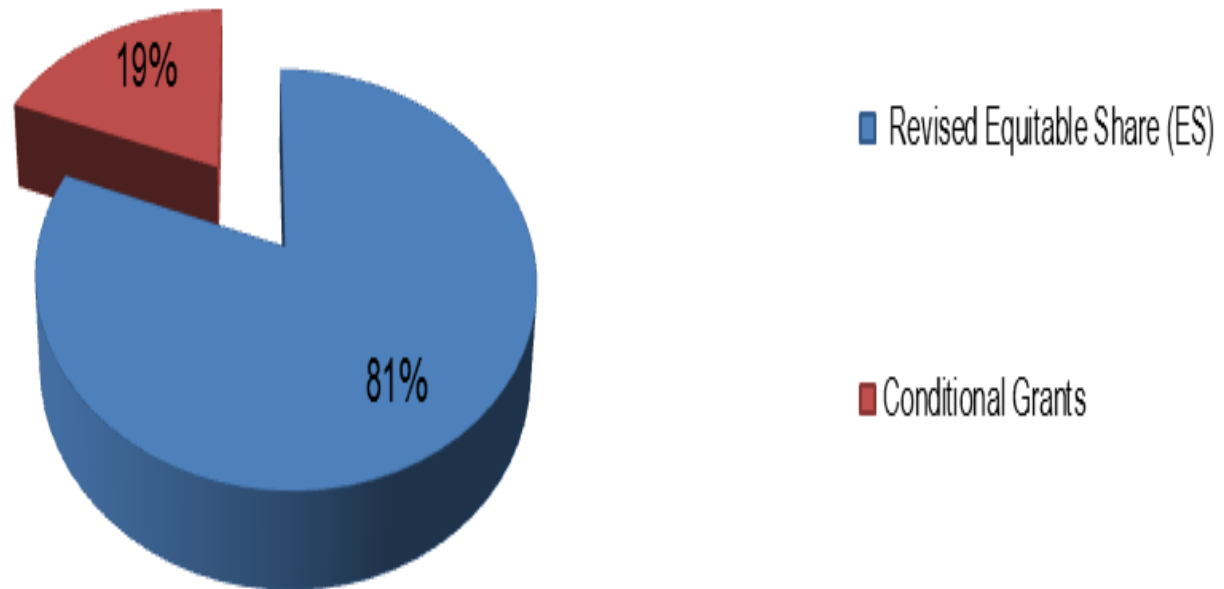
2013/14 Budget Analysis

	2013-14 Required Budget	2013/14 Proposed Budget	Difference
Total Budget	2,401,217	1,525,716	(875,501)
<i>of which</i>			
Compensation of Employees	1,078,935	948,291	(130,644)
Conditional Grants (excluding CoE)	232,676	254,153	21,477
Contractual Obligations	205,542	172,138	(33,404)
Other Operational budget	542,132	84,024	(458,108)
Projects Budget (excluding CG)	341,932	67,110	(274,822)



2013 MTEF BUDGET

2013-14 Budget Summary



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SUPPLY CHAIN MANAGEMENT

Demand Management

- ✓ beginning of SCM Process;
- ✓ conduct future and present needs analysis;
- ✓ link need to budget;
- ✓ Procurement plan ↔ APP
- ✓ Analyze current & past expenditure
- ✓ Develop sourcing strategy;

Demand Management

- ✓ Industry and commodity analysis, market research
- ✓ Preparation of specification (Appoint specification committee)
- ✓ Appointment of standing technical specification committee
- ✓ Approval by Accounting Officer or delegated official
- ✓ Reporting to GM's forum on the progress on weekly and monthly basis
- ✓ Development of procurement system (In-touch System)



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SUPPLY CHAIN MANAGEMENT

Acquisition Management : bidding methods

1. Competitive bidding

Up to R30 000	Three quotations preferably from database
Above R2000 to R30000	Three quotations if not possible reasons should be recorded and approved by accounting officer of his delegate If over R15000, tax clearance should be required
Above R30000 to 500000	RFQ invitation, PPPFA, Evaluation, Bid Adjudication, Contract/SLA, Order Generation. Decentralization of all bid committee to District level between R30 000 to R500 000



STRATEGIC UNDERSTANDING Cont.....

Above R500 000

Advertisement of a bid

Bid evaluation

Bid Adjudication , Award & SLA/contract

Order issuing

Contract Management



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SUPPLY CHAIN MANAGEMENT

Other bidding methods

Limited bidding	Multiple bidding (Close bid) Single source bidding
Sole source bidding	only one bidder exist (<u>patent or sole distribution rights</u>)
Public/Private Partnerships	Adhere to Treasury Regulation 16
Specific cases	impractical to invite competitive bids
Urgent and emergency cases	early delivery is of critical importance and immediate action is necessary