

PART 4
**SUMMARY OF
CHANGES TO
POLICIES**

1. **SUMMARY OF CHANGES TO POLICIES**

The complete detailed policies are available on the municipal website – www.stevetshwetelm.gov.za/finance/budget_related_policies_2018/2019 for public scrutiny.

Amendments to policies are typed in “*italic*” font.

2. **New policies**

2.1 Cost containment policy

The purpose of the policy is to ensure that municipal resources are used effectively, efficiently and economically. The policy relates to the implementation of cost containment measures.

2.2 Contractor development programme policy

The purpose of the policy is to develop contractors to form an integral part of the economy.

3. **Amended existing policies**

3.1 Asset management policy

- Amendments made in the table of contents.
- The word introduction replaced with purpose (point 2).
- Responsibilities and accountabilities (point 5) under asset champion – annually replaced with “*at each reporting date*”.
- Accounting for property, plant and equipment (point 11) – 11.9 – review of residual value the words reviewed annually replaced with “*assessed at each reporting date*”.
- Approval of impairment of assets included under point 11.2.
- Schedule 2 has been amended to align with National Treasury guidelines.

3.2 Borrowing policy

- Amendments made in the table of contents.
- The word introduction replaced with purpose (point 2) and first paragraph deleted.

- Addition of new point 6 – considerations when incurring long term or short term debt.
- The word legislative added to process (point 7).
- Addition of new point 16 – debt repayment period.

3.3 Budget policy

- Amendments made in the table of contents.
- The word introduction replaced with purpose (point 2)
- Capital budget (point 6) – sentence amended under point (d).
- Operating budget (point 7) – point (a)(vii) replaced.
- Limits for virements included under point 10.
- Authorized limits for virements included under point 10.
- mSCOA virements (point 10(f)) amended to include segment.

3.4 Credit control and debt collection policy

- Addition of new point 10.15 – deposit refunds

3.5 Free basic services and indigent policy

- Criteria for qualification for indigent support (point 6):
Addition of points 6.6 and 6.7.
6.8 (e) – limitation on amount.
6.8 (i) – new addition pertaining to information from SARS.

3.6 Funding & reserves policy

- Cosmetic changes made in policy.

3.7 Investment of surplus funds policy

- Changes made in the table of contents.

- Statement of policy (point 3) replaced with responsibility / accountability.
- New primary aim of the objectives of the policy removed and replaced (point 4).
- Standard of care (point 6) replaced with investment ethics with new additions and minor deletions.
- New paragraph added to portfolio diversification (point 12).
- Control and registering of investments (point 18) – point 18.1 amended with the addition of points 18.2 – 18.4.
- Process of investment of funds (point 21) – short term investments (point 21.1) numerous new additions made.
- Numbering changed from bullets to numbers.

3.8 Methodology for the impairment and assessment of useful lives of assets policy

- Cosmetic changes made throughout policy.
- Documentary proof of impairment (point 6.4) – addition of new paragraph.

3.9 Property rates policy

- Pensioner rebate (point 13.1.4 (h)) qualifying rate amounts adjusted.
- Point 13.1.4 (i)(iv) combined income amount adjusted.
- Disability grantees/medically boarded (point 13.1.5) qualifying rebate amounts adjusted.

3.10 Supply chain management policy

- Sub-delegations point 5.2 (c) amendment of composition of bid adjudication committee.
- General preconditions for consideration of written quotations or bids (point 13.1 (b)) – amendment to tax status.

- Lists of accredited prospective providers (point 14.4) – deletion of non-compliant with registration documents.
- One (1) written quotations above R500,00 (VAT included) up to R2 000,00 (VAT included) (point 16(d)) – deletion of paragraph.
- Written quotations above R2 000,00 (VAT included) up to R30 000,00 (VAT included) (point 17(c)) – amendment of tax status.
- Procedures for procuring goods or services through formal written price quotations (point 19.1(f)) – amendment of tax status.
- Bid documentation for competitive bids (point 22.1(a)) – deletion of point (v).
- Public invitation for competitive bids (point 23) – inclusion of e-tender under (a) and addition of points (viii) and (ix).
- Point 23.5 – amendment to tax status.
- Opening of bids (point 24.2(a)) – addition of points (iii) – (v).
- Point 24.2(b) addition of opening tender committee members.
- Bid specification committees (point 30) – inclusion of words “*and ensure that*” as well as addition of points (i) – (ix) compilation of specifications.
- Specifications (point 30.2 (vi)) – inclusion of words “*equal to or*”.
- Bid specification committee point 30.3 amendment of composition of committee.
- Bid evaluation committees:

31(1)(a) - wording replaced by – “must evaluate bids according to the pre-qualification criteria and specification.

31(1)(b) – point extended to include “*once the tender achieves the prescribed minimum qualifying score for functionality, the stipulated minimum threshold for local production and content must be evaluated, if applicable*”.

31(1)(c) – point extended to include “*and if a tender fails to achieve the stipulated minimum threshold for local production and content the bid is disqualified*”.

31(1)(d) – point extended to include “*Only qualifying bids after functionality, pre-qualification and local production and content is then evaluated on the preference point system*”.

- Bid evaluation committee point 31.2 amendment of composition of committee.
- Deletion of point 31.6(i).
- Bid adjudication committee point 32.2 amendment of composition of committee.
- Number of quorum members increased from three (3) to four (4) (point 32.4).
- Point 32.6 replaced with “*chairperson of bid evaluation committee must be part of BAC as on other official*”.
- Addition of paragraph 32.7 – no tender may be awarded - points (a) to (j).
- Prohibition on awards to persons whose tax matters are not in order (point 48) – points 48.2 and 48.3 replaced.
- Cancellation of tenders (point 58) – amended of value stipulated in (a) from R30-million to R50-million and addition of new point 58.7.

3.10 Supply chain management policy – Infrastructure procurement and delivery management

- Infrastructure delivery management requirements (point 6) – point 6.1.1.3 specific committee meeting stipulated.
- Evaluation committee (6.1.1.3) – inclusion of “official from legal and administration and technical expert” under point 6.1.1.3.2.
- Tender committee (point 6.1.1.4) – under 6.1.1.4.1(b) “*head of*” deleted and replaced with “*senior official from*” and also inclusion of point (e).

- 6.1.1.4.2 – addition of “*chairperson of bid evaluation committee must serve on bid adjudication committee as another official*”.
- Tax and rates compliance (point 6.2.2) – point 6.2.2.1 SARS tax clearance point 6.2.2.1.1 replaced with new paragraph.
- Point 6.2.2.1.2 replaced with new paragraph.
- Points 6.2.2.1.3 to 6.2.2.1.5 deleted.

3.11 Travelling and subsistence policy

- The word introduction replaced with purpose (point 2).
- Legislative framework (point 4) – inclusion of point 4.7.
- Approval (point 6) – addition of “*and as per the cost containment policy section 9.3*” (point 6.4).
- Point 6.6 wording “*not in the position of*” replaced with “*that does not receive*”.
- Submission of claims (point 7) – addition of the wording “*and the cost containment policy of the municipality*” (Point 7.10).
- International and domestic flights (point 8) – inclusion of point 8.8.
- Hiring of vehicles (point 9) – inclusion of points 9.5.1 and 9.9.
- Amendment of accommodation limits from R1 550,00 to R1 600,00 and R2 500,00 to R3 000,00.
- Amendment of subsistence expense from R390,00 to R415,00
- Amendment of daily allowance from R120,00 to R125,00.
- Point 17.1 under general addition of wording “*and National Treasury guidelines*”.

4. **Unchanged policies**

- Blacklisting policy
- Methodology – classification treatment of land policy
- Methodology – impairment of receivables policy
- Pay Day policy
- Petty cash policy
- Short term risk and liabilities policy
- Tariff policy
- Unclaimed monies policy
- Write- off debtors' policy

CONTRACTOR DEVELOPMENT POLICY

NEW

1 JULY 2018



**STEVE TSHWETE
LOCAL MUNICIPALITY
MP 313**

CONTENTS

1. Purpose
2. Objective
3. Legislative Requirements
4. Integrated emerging contractor development stakeholders
5. Monitoring and evaluation
6. Financial upgrading
7. Policy alignment
8. Review
9. Short title
10. Review
11. Short title

1. **PURPOSE**

One of the goals of the national contractor development programme (NCDP) is that small businesses, particularly those owned and operated by black entrepreneurs, must form an integral part of the national economy and economic policy. However, there are still a number of constraints that small, medium and micro enterprises are still faced with such as:

- Access to finance;
- Slow pace on the uptake into the supply chain management policy;
- Management skills;
- Lack of proper monitoring and evaluation systems ;
- Delayed payment to emerging contractors ;
- The fact that the contractor development programme is not mandatory;
- Management skills; and
- Supportive institutional arrangements.

2. **OBJECTIVES OF THE POLICY**

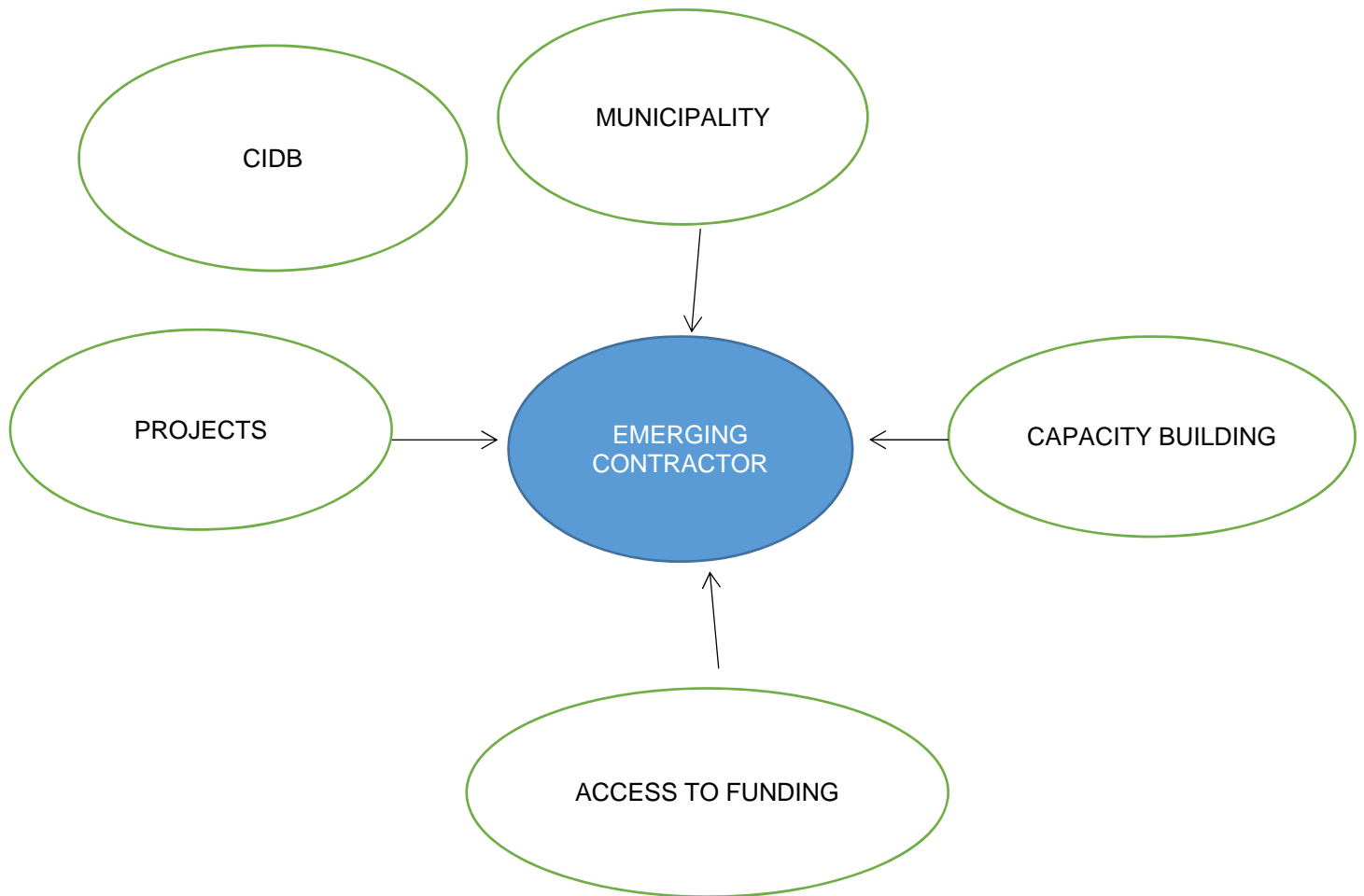
The objectives of the policy are to:

- Improve the grading status of contractors in targeted categories and grades;
- Increase the number of black women, disabled, and youth-owned companies in targeted categories;
- Create sustainable contracting enterprises by enabling continuous work through a competitive process;
- Improve the performance of contractors in terms of quality, employment practices, skills development, safety, health and the environment; and
- Improve the business management and technical skills of these contractors.

3. **LEGISLATIVE REQUIREMENTS**

- Constitution of Republic of South Africa Act, 1996;
- Construction Industry Development Board Act, Act No. 38 of 2000;
- Broad Based Black Economic Empowerment Act, Act No. 53 of 2003;
- Preferential Procurement Policy Framework Act, Act No. 5 of 2000; and
- Steve Tshwete Local Municipality Supply Chain Management Policy.

4. INTEGRATED EMERGING CONTRACTOR DEVELOPMENT STAKEHOLDERS



4.1 Emerging Contractors

An advertisement will be placed in the municipal notice boards on an annual basis for interested applicants to participate in the programme. The database of participants shall abide to the following rules:

- Contractors **MUST** strictly be residents of Steve Tshwete Local Municipality.
- Contractors must adhere to statutory business requirements (Tax, VAT registered, registered with CIDB, NHBRC or any relevant body).
- Contractors with shareholders in government, either provincial, national or municipality are prohibited from participating in the programme.
- Contractors must inform the municipality if in case of change in the ownership on the business.
- Contractors may be required to spend a number of days on site.

- Contractors must complete any training assigned in the course of the programme.
- Contractors must make themselves available for capacity building programmes arranged by the municipality.
- **ONLY** contractors registered on the municipality's "*emerging contractors' database*" will be considered for the programme.

The development of the database will assist the municipality in planning to support and sustain the various levels of contractors with CIDB grading level of 1-3. Unregistered contractors will not be considered by the programme.

Targeting of contractors should be primary in municipal projects. Targeting will be read in conjunction with targeting for contractor development programmes guidelines which indicates the following:

4.1.1 Process for the appointment of emerging contractors

The following are consideration in the appointment of subcontractors:

- Only emerging contractors who are registered on the municipality's "*emerging contractors' database*" will be considered for the programme.
- Emerging contractors should be residents of Steve Tshwete Local Municipality.
- Appointment of subcontractors will be done in an alphabetical order per town/unit of their residence for a two (2) year period circle.

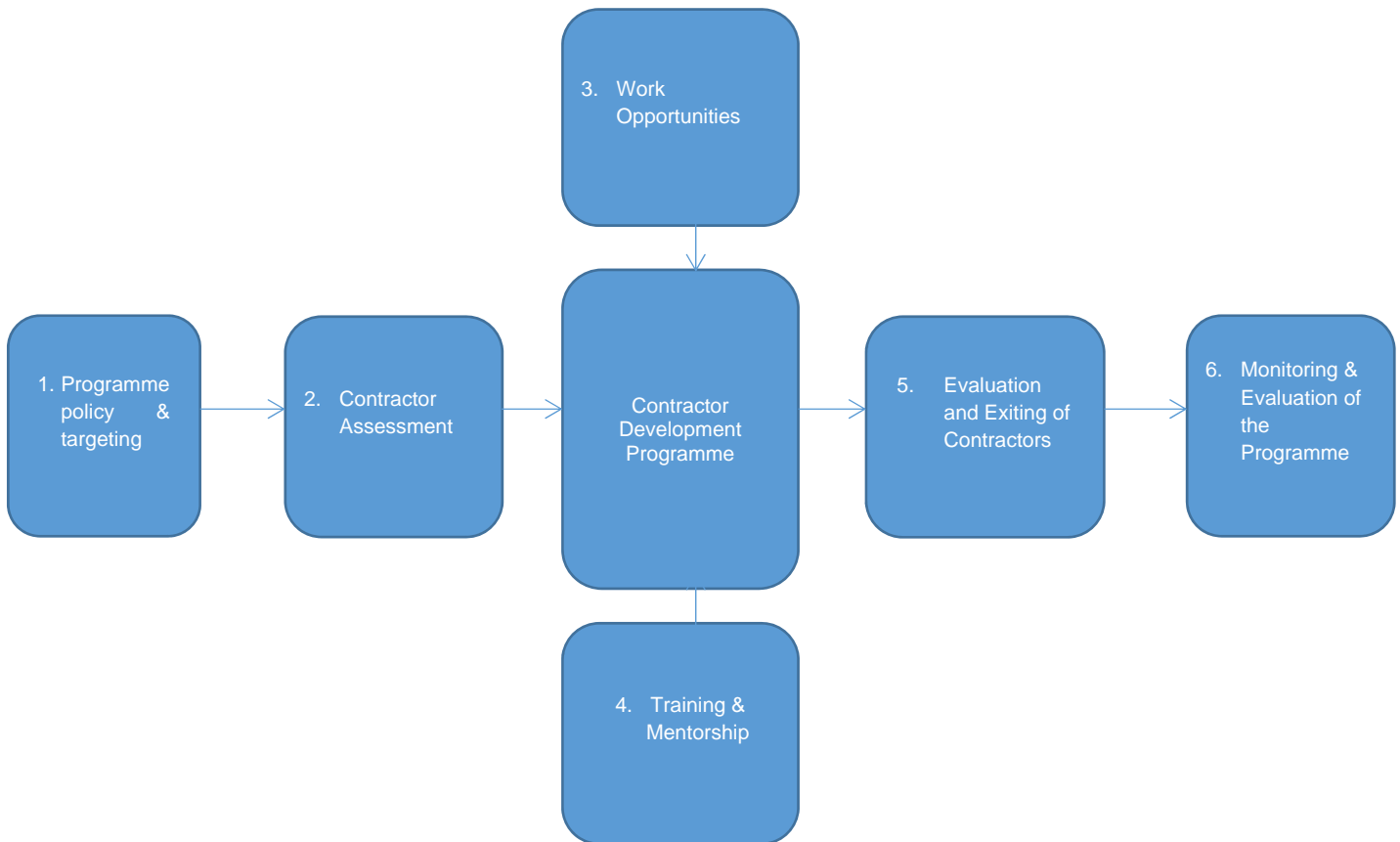
The following principle guideline should be applied to establish the number of contractors to be targeted for enrolment into contractor development programmes (that is, the "*how many*").

Affordability and Sustainability:

The number of emerging contractors to be enrolled into and supported by a CDP should be limited by the affordability of the municipality to provide:

- Work opportunities that will sustain all participants
- The necessary training and mentoring for all participants

Overall process for implementing contractor development



4.2 Municipality

The role of the municipality is ensure adherence in the implementation of the programme, ensure economic development of emerging contractors, improvements in CIDB grading and a conducive environment for SMME's to grow. The municipality will continually liaise with the relevant stakeholders to ensure the success of the programme.

4.3 Projects

The municipality should annually identify projects for contractor development based on the CIDB grade of contractors targeted (1-3). Project identification will consider project complexities.

4.4 CIDB

The role of the CIDB will be the registration of contractors, support, facilitate and promote the industry. The government is spending a lot on infrastructure delivery, and so the CIDB is intending to simultaneously meet socio-economic objectives and transform the industry. Another objective is to promote sustainable contracting, as it was one thing to move up to higher grade, and another to sustain it.

4.5 Capacity Building

Guidelines for Implementing Contractor Development by CIDB suggest it is a good practice to require contractors to contribute to their own development. This commitment ensures that contractors are not only participating in the CDP to obtain work. Human resource development in the construction and building industries largely relates to the development of management and trade skills capacity building must be conducted with all relevant stakeholders e.g. CETA and NHBRC and focus on the following main areas to ensure the success of the programme:

- Technical skills;
- Access to finance;
- Mentorship/contract management support;
- Financial and business training support

Mentoring should be provided for emerging contractors in order to avoid non-performance. Although guidelines for implementing contractor development proposes that mentors must be registered with the Council of Project and Construction Management Professionals, the municipality suggest that the project engineers and/or main contractors.

5. **MONITORING AND EVALUATION**

Monitoring and evaluation must be the responsibility of local economic development, supply chain and project management unit. Contractors should be re-evaluated and meet the requirements for:

- CIDB contractor competence accreditation
- Upgrading to a higher grade designation

It must be noted that the contractor must lodge a formal application to the CIDB for an accreditation of the contractor's competence and for a contractor upgrade

6. **FINANCIAL UPGRADING**

The contractor must be assessed to determine a financial upgrading factor and to measure how close the contractor is to upgrading to the next grade designation. This determination is in line with the requirements of the CIDB Register of Contractors based on best annual turnover, largest contract and available capital.

7. **POLICY ALIGNMENT**

This policy is aligned to the Guidelines for Implementing Contractor Development Programme by Construction Industry Development Board. It is also important that other best practices be derived from other municipalities and government departments

8. **REVIEW**

This policy will be revised annually to ensure it complies with changes in applicable legislation and regulation.

9. **SHORT TITLE**

This policy shall be called the contractor development policy of the Steve Tshwete Local Municipality.

COST CONTAINMENT POLICY

NEW

1 JULY 2018



**STEVE TSHWETE
LOCAL MUNICIPALITY
MP 313**

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10. Domestic accommodation
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13. Communication
14. Conferences, meetings & study tours
15. Other related expenditure items
16. Enforcement procedures
17. Disclosures of cost containment measures
18. Implementation & review process
19. Consequences for non-adherence to the cost containment measures
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1. **DEFINITIONS**

“*consultant*” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

“*cost containment*” the measures implemented to curtail spending in terms of this policy.

“*municipality*” Steve Tshwete Local Municipality

2. **PURPOSE**

The purpose of the policy is to regulate spending and to implement cost containment measures at Steve Tshwete Local Municipality.

3. **OBJECTIVES OF THE POLICY**

The objectives of this policy are to:

3.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.2 To implement cost containment measures.

4. **SCOPE OF THE POLICY**

This policy will apply to all:

4.1 Councilors'; and

4.2 Municipal employees.

5. **LEGISLATIVE FRAMEWORK**

This policy must be read in conjunction with the -

5.1 The Municipal Finance Management Act, Circular 82, published on 7 December 2016;

5.2 Municipal Cost Containment Regulations, 2018; and

5.3 Travelling and subsistence policy.

6. **POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

- (i) Use of consultants
- (ii) Vehicles used for political office-bearers
- (iii) Travel and subsistence
- (iv) Domestic accommodation
- (v) Credit cards
- (vi) Sponsorships, events and catering
- (vii) Communication
- (viii) Conferences, meetings and study tours
- (ix) Any other related expenditure items

7. **USE OF CONSULTANTS**

7.1 Consultants may only be appointed after an assessment of the needs and requirements has been conducted to support the requirement of the use of consultants.

7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

7.3 When consultants are appointed the following should be included in the Service Level Agreements:

- (i) Consultants should be appointed on a time and cost basis that has specific start and end dates;
- (ii) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
- (iii) Ensure that cost ceilings are included to specify the contract price as well as travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence; and
- (iv) All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy.

7.4 Consultancy reduction plans should be developed.

7.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.

- 7.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

8. **VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

- 8.1 The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed seven hundred thousand rand (R700 000) or 70% of the total annual remuneration package for the different grades, whichever is greater.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism.
- 8.3 If any other procurement process is used, the cost may not exceed the threshold set out in 8.1.
- 8.4 Before deciding on another procurement process as in 8.2, the chief financial officer must provide the council with information relating to the following criteria that must be considered:
- (i) Status of current vehicles
 - (ii) Affordability
 - (iii) Extent of service delivery
 - (iv) Terrain for effective usage of vehicle
 - (v) Any other policy of council
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometers.
- 8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometers only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9. **TRAVEL & SUBSISTENCE**

- 9.1 An accounting officer:
- (i) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less; and

- (ii) For flights that exceed five (5) hours of flying time, may purchase business class tickets *only* for accounting officers, and persons reporting directly to accounting officers.
- 9.2 Notwithstanding 9.1, an accounting officer may approve the purchase business class tickets for officials with disabilities.
- 9.3 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.
- 9.4 Officials of the municipality must:
 - (i) Utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
 - (ii) Make use of a shuttle service if the cost of such a service provider is lower than:
 - the cost of hiring a vehicle;
 - the cost of kilometers claimable by the employee; and
 - the cost of parking.
 - (iii) not hire vehicles from a category higher than Group B; and
 - (iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- 9.5 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

10. **DOMESTIC ACCOMMODATION**

- 10.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, and the travel and subsistence policy of the municipality.

11. **CREDIT CARDS**

- 11.1 An accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.

11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal credit cards or cash, and will request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

12. **SPONSORSHIPS, EVENTS & CATERING**

12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

- (i) Hosting of meetings;
- (ii) Conferences;
- (iii) Workshops;
- (iv) Courses;
- (v) Forums;
- (vi) Recruitment interviews; and
- (vii) Council proceedings

12.3 Entertainment allowances of officials may not exceed two thousand rand (R2 000,00) per person per financial year, unless otherwise approved by the accounting officer.

12.4 Expenses may not be incurred on alcoholic beverages.

12.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the municipal budget or by any supplier or sponsor such as but not limited to:

- staff year-end functions
- staff wellness functions
- attendance of sporting events by municipal officials

12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials.

12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

13. **COMMUNICATION**

13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.

13.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.

13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.

13.4 The acquisition of mobile communication services must be done by using the transversal term contracts that have been arranged by the National Treasury.

13.5 Allowances for officials for private calls is limited to R50,00 per official.

13.6 Provision of diaries be limited to secretaries and electronic diaries be kept by directorates.

14. **CONFERENCES, MEETINGS & STUDY TOURS**

14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

14.2 The benchmark costs may not exceed an amount determined by National Treasury.

14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (i) The officials role and responsibilities and the anticipated benefits of the conference or event;

- (ii) Whether the conference or event will address the relevant concerns of the municipality;
 - (iii) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
 - (iv) Availability of funds to meet expenses related to the conference or event.
- 14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:
- (i) Conference or event registration expenses; and
 - (ii) Any other expense incurred in relation to the conference or event.
- 14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- 14.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.
- 14.7 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.
- 14.8 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.
- 14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

15. **OTHER RELATED EXPENDITURE ITEMS**

- 15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.
- 15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

16. **ENFORCEMENT PROCEDURES**

16.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

17. **DISCLOSURES OF COST CONTAINMENT MEASURES**

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

18. **IMPLEMENTATION & REVIEW PROCESS**

18.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

19. **CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES**

19.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.

19.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.

19.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.

19.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:

- Findings and recommendations; and/or
- Whether disciplinary steps should be taken against the alleged transgressor.

19.5 The accounting officer must table the report with recommendations to the municipal council.

19.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

20. **SHORT TITLE**

20.1 This policy shall be called the Cost Containment Policy of the Steve Tshwete Local Municipality.