

1. **SUMMARY OF CHANGES TO POLICIES**

The complete detailed policies are available on the municipal website – [www.stevetshwetelm.gov.za/finance/budget related policies 2021/2022](http://www.stevetshwetelm.gov.za/finance/budget%20related%20policies%202021/2022) for public scrutiny.

Amendments to policies are made by removing words with a strikethrough (~~example~~) and underlining the words which is added.

2. **New policies**

None

3. **Amended existing policies**

3.1 **Budget policy**

- Point 5 - budget preparation process

5.2 - publication of the budget

(a) Immediately after the draft annual budget has been tabled, the ~~executive director corporate services must before 31 March of each year make public the budget~~ *must be made public* and invite the local community to submit ~~presentations~~ *comments* in connection with the budget.

(b) The executive director financial services must submit the tabled budget ~~in both printed and electronic formats to the National Treasury by uploading it on the National Treasury portal, the relevant provincial treasury.~~ chief financial officer amended to executive director financial services

(c) The ~~director information and communication technology~~ *budget must be displayed on the municipal website* must within ten (10) working days after the budget has been tabled ~~display it on the municipal website.~~

(d) The executive director financial services must ~~submit~~ *display* the tabled budget document ~~to~~ *in* all municipal libraries.

5.3 - publication participation process

Immediately after the draft annual budget has been tabled, the municipality will invite the public and stakeholders to consult on the budget at the budget indaba and *invite the community* to submit written comments to the accounting officer.

- Point 12 – budget implementation and monitoring

12.2.3 - publication of the budget

- (e) The report must be submitted to the relevant treasury in both printed and electronic format in the prescribed format be uploaded on the National Treasury portal which includes the municipal manager's certification.

3.2 Budget virement policy

The whole policy has been revised and is attached

3.3 Free basic services & indigent support policy

- Point 6 – criteria for qualification for indigent support

6.2 (e) ~~Monthly income is less than R3 600,00~~ R 3 780,00 per month (state social grant).

- (f) the party to whom the residential property is awarded in the event of a divorce (divorce decree); or

(g) where a deceased estate has not been wound up;

- (i) in the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed (letter of authority/will); or

- (ii) a surviving spouse, where the surviving spouse was married in community of property to the deceased, and where the residential property is registered in both spouses' names, and the surviving spouse is the sole heir; or

- (iii) a surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased; or

- (iv) in the case where a portion of a residential property is registered in the name of a deceased estate, the surviving registered owners together with the heirs to the deceased estate; or

(h) in the event of the residential property being registered in the name of a trust,

- (i) the beneficiaries, for the meantime, of a testamentary trust established in terms of the Administration of Estates Act, 66 of 1965; or

- (ii) the trustees together with any beneficiaries, for the meantime, of a trust established in terms of the Trust Property Control Act, 57 of 1988; or

- Point 10 – administration of indigent support

10.3 – Delistment of indigent support

(b) Should an indigent use more than an average of six hundred and fifty (650) units of electricity for the preceding financial year such persons will be delisted from the indigent scheme by August of each year and the full municipal account will be payable. The consumer can only reapply for indigent support after six (6) months from being delisted by council only if the electricity consumption has declined below 650 units during this period.

(c) Should there be an inspection performed and the ampere of the electricity tariff is incorrect but the other tariffs are linked as indigent, the applicant will be delisted.

(h) When a household request a second refuse bin, that household does not qualify for indigent support and will be delisted.

10.7 – Indigent Register review

Every third (3rd) financial year the entire register will be reviewed. This process will resume in January of the preceding financial year and finalized before the commencement of the new financial year.

Any applications not received by 30 June will be delisted before the July billing.

3.4 **Petty cash policy**

- Point 4 – Petty cash purchases

4.1 The executive director financial services must delegate personnel from the expenditure section in the ~~treasury expenditure office and the supply chain management unit~~ to keep a petty cash registers and make petty cash payments up to the maximum amount as allowed per transaction.

4.4 To limit the risk of cash handling and misuse of petty cash, purchases to a maximum amount of R1 500,00 will be paid by EFT subject to the following conditions:

(d) Claims will ~~only~~ be dealt with at ~~treasury office~~ expenditure office and ~~not at the supply~~

chain unit

- Point 5 – approved list of petty cash purchases
 - 5.2 (b) ~~Ad hoc stationery items;~~ only in exceptional cases where stock is not available at stores and it is an emergency
 - 5.2 (f) ~~Parts/material for vehicle repairs, excluding~~ including tyre repairs (such as punctures as well as tubes) to a value of R500.00, VAT inclusive.
 - ~~5.3 (h) Parts/material for vehicle repairs, excluding tyre repairs (such as punctures as well as tubes).~~
 - 5.5 Petty cash bins kept by the ~~supply chain unit~~ may expenditure office ~~can~~ only be utilized for materials and/or repair work (excluding steel gates) or work less than R500,00 where it is impractical to follow an official procurement process as per 5.1(e) and 5.3.
 - ~~5.6 Petty cash purchases as per 5.1(a-d) may~~ can only be claimed from petty cash bins kept at the treasury expenditure office.
- Point 6 – Safeguarding
 - 6.1 The petty cash, bank card as well as card pin is to be safeguarded in a lockable cash box and should be locked away when not in use during normal business hours.
 - 6.2 The keys of the petty cash bin must be safeguarded by the petty cash official.
- Point 7 – transfer of petty cash bins and keys
 - 7.1 When the petty cash bins are transferred to another delegated official, the petty cash must first be reconciled and be verified by the accountant expenditure before it is officially handed over. The new incumbent must sign for the petty cash bin, bank card with card pin as well as for the keys to the bin.
 - 7.2 The chief accountant expenditure and salaries will be responsible to record the transfer of the bin, bank card with card pin as well as the transfer of the keys in the appropriate register and also ensure that the officials sign the register.
 - 7.6 The assistant director ~~treasury~~ expenditure and salaries

office, the chief accountant expenditure and salaries and/or accountant expenditure are the only officials who are allowed to be in possession of the combination to the safe.

- Point 8 - other

- 8.1 Petty Cash will only be reimbursed by the Expenditure Office and the maximum amount allocated for petty cash for the 2020/2021 financial year will be as follows:

- 8.1.1 Expenditure office: R 26 000.00 (R 13 000.00 per bin)

- 8.2 The maximum amount allocated per petty cash bin ~~will~~ may be determined from time to time by the executive director financial services, based on the operational requirements of the municipality and the risk of safeguarding petty cash bins.

- 8.3 When the amount per petty cash bin is increased the accountant expenditure must do an eft payment and amount can be withdrawn from OTM. draw a cheque and encash it with the municipal bankers

- Point 9 – petty cash replenishment

- 9.3 (b) cost centre, ~~vote~~ segment to allocate petty cash transaction.

- 9.4 The petty cash register with all petty cash vouchers, receipts or slips must be attached to the EFT request ~~cheque~~ and/or request for payment voucher.

- Point 11 – shortages and losses

- 11.2 In the event of identified shortages and/or losses it must immediately be reported to both the assistant director expenditure and salaries and executive director financial services and be paid in by the holder of the petty cash bin(s).

- Point 12 – internal controls

- 12.3 The petty cash reconciliations must be verified by the chief accountant expenditure and salaries and be approved by the assistant director ~~treasury~~ expenditure and salaries office. A copy of the register must be submitted to the financial statements and assets section for audit purposes.

- Point 13 – reporting

13.2 The monthly reconciliation report of petty cash must be verified by the chief accountant expenditure and salaries or delegate and be approved by assistant director ~~treasury~~ expenditure and salaries office to be submitted to executive director financial services ~~on or~~ before the 10th of the following month.

- Point 14 – general administration

14.1 Petty cash will **ONLY** be reimbursed from Mondays to Thursdays between 14h00 until 16h00.

3.5 Property rates policy

- Point 13 – rates, exemptions and reductions

13.1.4(d) – add “ Consumer leasing a Council property for residential purposes will be eligible to apply if the property rates and the lease amount are billed accordingly.”

13.1.4(e) – amount of ~~R14 880,00~~ amended to R15 120,00

13.1.4(h) – average monthly earnings per month amended to:

R0	to	<u>R 3 720,00</u>	(state pension x2)	100%
<u>R 3 780,01</u>	to	<u>R 7 560,00</u>		70%
<u>R 7 560,01</u>	to	<u>R11 340,00</u>		50%
<u>R11 340,01</u>	to	<u>R15 120,00</u>		20%

13.1.4(i)(iv) the combined income from all sources exceeds R15 120,00 per month.

13.1.4(j) That applicants that are 80 years and older automatically receive a 100% rebate

13.1.5(h) – rebate granted in respect of combined preceding three (3) months average monthly earnings amended to:

R0	to	<u>R 3 780,00</u>	(state pension x2)	100%
<u>R 3 780,01</u>	to	<u>R 7 560,00</u>		70%
<u>R 7 4560,01</u>	to	<u>R11 340,00</u>		50%
<u>R11 340,01</u>	to	<u>R15 120,00</u>		20%

13.1.8

- should the municipal valuation exceeds an amount of R 20 000 000,00, the property rates will be phased in as follows:

- in the first year a rebate of 100%;
- in the second year a rebate of 100%;
- in the third year a rebate of 50%; and
- in the fourth year the full property tax will be payable.

3.6 Supply Chain Management policy

- Part 5 – Annexures

Annexure E NT Circular 105

- Part 1, Point 2 - Normative references

2.2.1(v) Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);

- Part 2, Point 16 – system of acquisition management

16.2.3 (d) Goods and services procured from other state organs e.g. Face Value Forms, Traffic Training

~~(d) accommodation in hotel/lodge where one has to attend a course/workshop/event, or from nearest available (not more than 3 star) hotel/lodge if fully booked.~~

~~16.4.2 The accounting officer shall ensure that the municipality's supplier database is updated at least quarterly and shall at least once per year, through newspapers commonly circulating locally, the website of the municipality, and any other appropriate ways, invite prospective suppliers of goods and services, construction works and consultant services to register on the municipality's supplier database.~~

- Point 58 – no formal bid process

58.1(xix) employee/councilors related costs; and
(xx) transactions with other organs of state

58.2(i) Purchases less than R2 000,00; and/or
(j) transactions with other organs of state
(k) Service and repairs of vehicles at dealers

3.7 Travelling and subsistence policy

- Point 6 - approval (new copies and document numbers)

6.5 Approval must be obtained prior the event by the delegate to travel for official municipal business outside the municipal boundaries on the prescribed form, "*application to travel outside municipal*

boundaries" attached as Annexure A and for councillors Annexure B.

6.6 Approval must be obtained prior to the event by an employee that does not receive a travel allowance ~~that does not receive a travel~~ not in position of a travel allowance to travel for official municipal business inside the municipal boundaries on the prescribed form "*application to travel inside municipal boundaries*" attached as Annexure D.

▪ Point 7 – submission of claims

7.3 Any claim for reimbursement of expenses must be submitted on the official claim forms:

7.3.1 Annexure C – subsistence claim form.

7.3.2 Annexure D – travelling expenses claim form (log sheet).

7.4 The following documents must be submitted with the claim form:

7.4.1 Approval form for attendance of the event (Annexure A or B).

▪ Point 8 – international and domestic flights

8.1 Councillors, municipal manager, executive directors and officials as delegated shall travel by means of economy class at the best available fare to the airport closest to the authorized destination.

8.7 Only one return trip will be paid to and from the airport.

▪ Point 9 – hiring of vehicles

9.3 Prior approval must be obtained from the delegated director, municipal manager and/or executive mayor on the prescribed form (Annexure A).

▪ Point 10 – private vehicles

10.3 Employees who are not in receipt of a travel allowance and use private transport outside the municipal boundaries will be reimbursed for travelling according to the applicable SARS rate per kilometre regardless of the value of the vehicle calculated from their normal place of work to the place of the approved official municipal business.

10.5 A claim submitted for travelling by a councillor will be taxed on 41% to ensure not high rebate on tax by end of tax year.

10.6 (iv) The travelling expenses claim form (Annexure C) is completed.

▪ Point 12 – subsistence allowance & meals

12.1.2 If a delegate stays overnight a maximum of ~~R435,00~~ R452.00 per day will be paid for meals and soft drinks only which may not include alcoholic beverages but includes a service charge of up to 15% of the total bill subjected to the submission of documentary proof of expenditure incurred. This will not be applicable if 12.1.1 applies.

12.2 A maximum of ~~R130,00~~ R139.00 per day for official municipal business events outside the municipal area will be payable for refreshments, meals and soft drinks, if a delegate is away from his workplace longer than six (6) hours, but who does not stay overnight, upon submission of documentary proof of expenditure incurred.

12.3 An advance allowance to a maximum of R 130.00 per day for official municipal business events outside the municipal area will be payable to a delegate if the employee will be travelling for more than three (03) days if accommodation booked does not include dinner, upon submission of documentary proof of expenditure incurred.

▪ Point 13 – miscellaneous expenses

13.1 incidental costs to a maximum of ~~R130,00~~ R139.00 per day. In the event where no proof can be provided by the supplier, such reimbursement must be motivated and certified by the municipal manager.

13.2 No incidental costs will be reimbursed if the daily subsistence allowance of ~~R130,00~~ R139.00 per day has been exceeded.

4 **By-laws**

4.1 Tariff by-laws

- Point 7 – electricity services
 - 7.1(a) – addition of (vi) small-scale embedded generators

5 Unchanged policies & By-laws

- Borrowing policy
- Asset management policy
- Blacklisting policy
- Borrowing policy
- Contractor development policy
- Cost containment policy
- Credit control & debt collection policy
- Funding & reserves policy
- Investment of surplus funds policy
- Impairment of Debtors write-off policy
- Pay day policy
- Methodology – classification treatment of land policy
- Methodology – impairment and assessment of useful lives of assets policy
- Methodology – impairment of receivables policy
- Short term risk and liabilities policy
- Tariff Policy
- Credit control by-law
- Customer care and revenue management by-law
- Property Rates by-law