



# **SENTRAAL KAROO DISTRIKS MUNISIPALITEIT**

## **KONTANTBESTUUR – EN BELEGGINGSBELEID**

**2022/2023**

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## **1. INLEIDING**

- 1.1 In terme van Artikel 13(2) van die Munisipale Finansiële Bestuurswet, 2003 (Wet No. 56 van 2003) (Die Wet), moet die munisipaliteit 'n toepaslike en effektiewe kontant bestuurs-en beleggingsbeleid implementeer teen 1 Julie 2004.

## **2. RAAMWERK VAN DIE BELEID**

- 2.1 Ten einde deeglike en volhoubare bestuur van die kontant hulpbronne van die munisipaliteit te verseker, spreek hierdie beleid alle beginsels en prosesse ingesluit in kontant bestuur en beleggings aan, en sluit in:

- Die doelwitte van die beleid;
- Standaard van sorg;
- Delegasie van bevoegdheid;
- Bestuur en interne kontrole prosedures;
- Kontantvloei-begroting;
- Bestuur van Bedryfskapitaal;
- Kwitering en banking van kontant;
- Betalings;
- Kort- en langtermyn skuld en skuld herstrukturering;
- Beleggings etiek, beginsels en praktyke;
- Verlagdoening en monitor van vereistes;
- Prestasie standarde en meting; en
- Hersiening van die beleid.

## **3. DOELWITTE VAN DIE BELEID**

- 3.1 Die doelwitte van die beleid is om optimale prestasie met die laagste moontlike risiko te verseker, deur kontant hulpbronne van die munisipaliteit te bestuur en te belê en om deursigtigheid, rekenpligtigheid en toepaslike lyne van verantwoordelikheid in die proses te verseker.

#### **4. STANDAARD VAN SORG**

- 4.1 Elke amptenaar in die kontant bestuur en beleggings proses moet dit so doen met soveel oordeel en sorg, onder heersende omstandighede, soos 'n persoon van verstandigheid, diskressie en intelligensie sou uitoefen in die bestuur van haar of sy eie aangeleenthede en met sy of haar primêre doel met die waarskynlike veiligheid van sy of haar eie kapitaal, in die tweede geval van sy of haar likiditeits behoeftes en laastens die waarskynlike inkomste daaruit verkry.
- 4.2 Spekulاسie mag nie onderneem word in enige van die prosesse nie.

#### **5. DELEGASIE VAN BEVOEGDHEID**

- 5.1 Die bestuur van al die kontant hulbronne van die munisipaliteit is die verantwoordelikheid van die Munisipale Bestuurder wie, vir die behoorlike aanwending van die beleid, 'n toepaslike stelsel van delegasie moet ontwikkel wat beide administratiewe en operasionele effektiwiteit sal verseker en van geskikte kontroles en balansering in die bestuur van die kontant hulpbronne sal voorsien.
- 5.2 Die Hoof Finansiële Beamppte, soos skriftelik aangewys deur die Munisipale Bestuurder, moet die Munisipale Bestuurder adviseer oor die uitoefening van magte en pligte met betrekking tot die beleid en moet die Munisipale Bestuurder in die administrasie van die kontant hulpbronne, die bankrekeninge en die beleggings rekeninge bystaan.
- 5.3 Die Hoof Finansiële Beamppte mag nie die plig om die Munisipale Bestuurder in die administrasie van die munisipaliteit se bank- en beleggings rekeninge by te staan, deleger nie.
- 5.4 Die delegasie om geld uit die munisipaliteit se bank- of beleggingsrekeninge te onttrek mag slegs gegee word aan die Hoof Finansiële Beamppte of enige ander senior finansiële amptenaar soos bepaal, in skrif, deur die Munisipale Bestuurder en waarvan 'n afskrif, geteken deur die Munisipale Bestuurder,



gehou moet word met die amptelike stel delegasies van die munisipaliteit.

- 5.5 Die Munisipale Bestuurder mag nie enige magte of pligte in die administrasie van die munisipaliteit se kontant hulpbronne aan enige politieke struktuur of raadslid delegeer nie en geen raadslid word toegelaat om in te meng of poog om in te meng in die bestuur van die munisipaliteit se kontant hulpbronne nie.

- 5.6 Enige delegasie deur die Munisipale Bestuurder in terme van hierdie beleid:

- Moet in skrif wees;
- Is onderhewig aan enige beperkinge en voorwaardes soos die Munisipale Bestuurder mag voorskryf;
- Mag òf aan 'n spesifieke individu of aan die houer van 'n spesifieke pos in die munisipaliteit wees en mag nie aan 'n komitee van amptenare wees nie;
- Mag nie die Munisipale Bestuurder ontnem van die verantwoordelikheid met betrekking tot die uitoefening van die gedelegeerde magte of die prestasie van die gedelegeerde plig nie.

- 5.7 Die Munisipale Bestuurder mag enige besluit wat geneem is as gevolg van 'n delegasie of sub-delegasie in terme van hierdie beleid bevestig, wysig of herroep, maar geen so 'n wysiging of herroeping van 'n besluit mag afbreek doen aan enige regte wat sou voortspuit as gevolg van die besluit nie.

- 5.8 Vir die aanwending van hierdie beleid sal enige verwysing na "Munisipale Bestuurder" ook beteken "enige ander persoon wat waarneem onder 'n gedelegeerde mag of funksie uitoefen soos gedelegeer deur die Munisipale Bestuurder" in terme van paragraaf 5.

## **6. BESTUUR EN INTERNE KONTROLE PROSEDURES**

- 6.1 Die Munisipale Bestuurder, bygestaan deur die Hoof Finansiële Beampte, moet alle redelike stappe neem om te verseker:

- Dat die munisipaliteit 'n bestuurs-, rekeningkundige- en inligtingstelsel het en onderhou wat van alle bank- en beleggingsrekeninge, kwitering-, onttrekkings-, kontantbestuurs- en

beleggingstransaksies rekenskap gee;

- Dat, in die geval van beleggings, sulke beleggings waardeer word in ooreenstemming met algemene aanvaarde rekeningkundige praktyk;
- Dat, in die geval van beleggings, inkomste verskuldig op 'n maandelikse basis bereken word;
- Dat die munisipaliteit 'n stelsel van interne kontrole oor die bank en beleggings rekeninge, kwitering, onttrekkings, kontant bestuur en beleggings transaksies in plek het en handhaaf.

## **7. KONTANT BESTUUR**

### **7.1 Administrasie van bankrekeninge:**

7.1.1 Die Munisipale Bestuurder is verantwoordelik vir die administrasie van die munisipaliteit se bankrekeninge, ingesluit die opening van die bankrekeninge, die aanwysing van die primêre bankrekening en alle bank- en onttrekkingsprosedures. Die bank rekening mag slegs beheer word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in die besonder Hoofstuk 3 van die Wet asook Artikel 64 van die Wet.

7.1.2 Die Munisipale Bestuurder mag die pligte, gekoppel aan die administrasie van die bankrekeninge, soos per paragraaf 5 van hierdie beleid delegeer.

### **7.2 Bestuur van Kwitering:**

7.2.1 Die Munisipale Bestuurder is verantwoordelik vir die administrasie van alle kwitering prosedures en moet alle redelike stappe neem om te verseker dat kwitering bestuur word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in besonder Artikel 64 van die Wet.

7.2.2 Die Munisipale Bestuurder mag die pligte, gekoppel aan kwitering, soos per paragraaf 5 van hierdie beleid delegeer.

### **7.3      Bestuur van Uitgawes:**

- 7.3.1      Die Munisipale Bestuurder is verantwoordelik vir die administrasie van alle uitgawe prosedures en moet alle redelike stappe neem om te verseker dat uitgawes beheer word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes ingesluit soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in besonder Artikel 65 van die Wet.
- 7.3.2      Die Munisipale Bestuurder mag die pligte, gekoppel aan uitgawes, soos per paragraaf 5 van hierdie beleid delegeer.

### **7.4      Onttrekkings:**

- 7.4.1      Die Munisipale Bestuurder is verantwoordelik vir die administrasie van alle onttrekkings prosedures en moet alle redelike stappe neem om te verseker dat onttrekkings beheer word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes ingesluit soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in besonder Artikel 11 van die Wet.
- 7.4.2      Die Munisipale Bestuurder mag die pligte, gekoppel aan onttrekkings, soos per paragraaf 5 van hierdie beleid delegeer.

### **7.5      Bestuur van Skuld:**

- 7.5.1      Ten einde voldoende kontantvloei te verseker, mag die munisipaliteit kort of langtermyn skuld aangaan, op voorwaarde dat die Raad alle skuld ooreenkomste goedkeur, die Burgemeester die besluit ten opsigte van die goedkeuring van die skuld ooreenkoms onderteken en die Munisipale Bestuurder die skuld ooreenkomste onderteken het.



- 7.5.2 Die munisipaliteit word, in terme van Artikel 46(5) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003, toegelaat om lantermyn skuld te herfinansier met die doel om te spaar op koste van skuld. Die Munisipale Bestuurder moet, vir hierdie doel, ten minste jaarliks en as deel van die begrotingsproses evalueer en verslag doen aan die Raad oor die koste van bestaande skuld en of die herfinansiering van sodanige skuld tot voordeel vir die munisipaliteit sal wees. As deel van die evaluasie moet die Munisipale Bestuurder die tipes terugbetalings bepaal en of eenmalige betalings aan die einde van die skuld periode en die redelike bepaalde netto koste daarvan nie meer voordelig vir die Raad sal wees nie indien die terugbetalings belê word in delgingsfondse en die redelike voorgenome opbrengs op die beleggings in berekening gebring word.
- 7.5.3 Die Munisipale Bestuurder is verantwoordelik vir die administrasie van alle skuld prosedures en moet alle redelike stappe neem om te verseker dat skuld beheer word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes ingesluit soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in besonder Hoofstuk 6 van die Wet.
- 7.5.4 Die Munisipale Bestuurder mag die pligte, gekoppel aan skuld, soos per paragraaf 5 van hierdie beleid delegeer.

## **7.6 Kontantvloei Begroting:**

- 7.6.1 Ten einde te verseker dat die munisipaliteit voldoende kontant beskikbaar het om te voldoen aan die munisipaliteit se verpligtinge aan sy leners, krediteure, statutêre betalings en enige ander verpligtinge is dit noodsaaklik om jaarliks, as deel van die begrotingsdokumentasie, 'n kontantvloei raming vir die begrotingsjaar opgedeel per inkomstebron, per maand, op te stel en aan die Raad voor te lê.



## **7.7      Bestuur van Bedryfskapitaal:**

7.7.1      Die Munisipale Bestuurder moet alle redelike stappe neem om te verseker dat die munisipaliteit maksimum prestasie behaal op sy bates en vir hierdie doel moet die bedryfskapitaal van die munisipaliteit so ver moontlik bestuur word tot die maksimum voordeel van die munisipaliteit.

7.7.2      'n Aanvaarbare vlak vir die Bedryfskapitaal Reserwe is 2:1 of beter en die Munisipale Bestuurder moet alle redelike stappe neem om te verseker dat die vlak gehandhaaf word. Met die berekening van hierdie vlak, moet uitstaande debiteure vir 'n periode van langer as 90 dae asook enige onbenutte voorwaardelike skenkings en toewysings afgetrek word vanaf die bedryfsbates en verpligtinge en voorraad moet in berekening gebring word teen die laagste van koste en netto realiseerbare waarde. Die oefening om te voorsien vir 'n voldoende vlak van bedryfskapitaal moet as deel van die begrotings proses gedoen word ten einde ooreenstemmend te begroot. Voorraad vlakke vir eie gebruik, moet so laag as moontlik gehou word, krediteure moet binne 30 dae vanaf datum van ontvangs van faktuur of rekeningstaat, watter een ookal die laatste is of van toepassing is maar so laat as moontlik betaal word maar met inagneming van moontlike afslag en alle stappe, ooreenstemmend met die Raad se Kredietbeheer- en Skuldinvorderings Beleid, moet geneem word om gelde verskuldig aan die munisipaliteit te verhaal.

7.7.3      Die Munisipale Bestuurder moet, as deel van die maandelikse verslagdoening aan die Burgemeester binne 10 werksdae na die einde van elke maand, verslag doen oor:

- Die gekombineerde netto balans van die bank- en beleggingsrekeninge van die munisipaliteit, uitgesluit uit enige balanse van onbenutte voorwaardelike skenkings, trust gelde gehou ooreenkomstig enige trust aktes, delgingsfonds beleggings gemaak ooreenkomstig enige lenings- of ander ooreenkoms met beleggers/leners, ander voorwaardelike fondse waarvoor gelde ontvang is ooreenkomstig Artikel 12 van die Wet, Skuld Waarborg

Reserwe Fondse en ander kontant- gerugsteunde fondse waarvoor magtiging vir spandering verkry moet word vanaf ander persone of sfere van die Regering.

- Of die bogenoemde netto balans voldoende is om 'n betaling van ten minste 2% van die bedryfsbegroting van die munisipaliteit te kan maak.
- Of alle verpligtinge en rekeninge reeds betaal is of betyds betaal kan word vanuit die bogenoemde netto balans en netto realiseerbare rekeninge ontvangbaar.
- Of daar 'n netto uitvloeï van kontant is wat nie in ooreenstemming met die kontantvloeï begroting is nie.
- Of al die bogenoemde 'n finansiële implikasie kan veroorsaak waarop die Burgemeester moet reageer ooreenkomstig die bepalings van die Wet.

7.7.4 Die Burgemeester moet, binne 30 dae vanaf die einde van elke kwartaal, aan die Munisipale Raad verslag doen oor die bogenoemde en indien enige finansiële probleem identifiseer word, moet die raad onmiddelik in kennis gestel word en ooreenkomstig die voorsienings van die Wet opgetree word.

## **8. BELEGGINGS**

### **8.1 Bestuur van Beleggings:**

8.1.1 Die Munisipale Bestuurder is verantwoordelik vir die administrasie van alle beleggings prosedures en moet alle redelike stappe neem om te verseker dat beleggings beheer word in ooreenstemming met enige oudit voorskrifte asook enige wetlike vereistes ingesluit soos voorgeskryf in die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en in besonder Artikel 13 van die Wet.

8.1.2 Die Munisipale Bestuurder mag die pligte, gekoppel aan beleggings, soos per paragraaf 5 van hierdie beleid delegeer.

8.1.3 Ten einde te verseker dat die Munisipale Bestuurder, of enige gedelegeerde persoon in terme van paragraaf 5, voldoen aan hierdie beleid in terme van beleggings en om die munisipaliteit verder te kapasiteer, mag die Munisipale Bestuurder 'n Beleggings Bestuurder inkontrakteer wie 'n natuurlike persoon of 'n wetlike entiteit is wat as 'n portefeulje bestuurder geregistreer is in terme van die Finansiële Markte Bestuurs Wet (Wet No. 55 van 1989) en Aandeel Verwisseling Beheer Wet (Wet No. 1 van 1985). Die Beleggings Bestuurder moet die Munisipale Bestuurder of gedelegeerde amptenare adviseer oor beleggings en mag beleggings bestuur namens die munisipaliteit, onderhewig aan enige voorwaardes en kontroles soos deur die Munisipale Bestuurder bepaal.

## **8.2 Belegging Etiek:**

8.2.1 Alle amptenare betrokke by die beleggingsbestuursproses moet optree met getrouheid, eerlikheid, integriteit en in die beste belang van die munisipaliteit en moet daarna streef, binne die sfeer van invloed van die amptenare, om enige benadeling van beleggings van die munisipaliteit te voorkom.

8.2.2 Geen amptenare betrokke by die beleggingsbestuursproses mag sy of haar posisie of voorregte gebruik as, of vertroulike inligting verkry as, amptenare in die proses vir persoonlike voordeel of om onregmatige bevoordeling aan 'n ander persoon nie.

8.2.3 Geen persoon wat gekontrakteer is deur die munisipaliteit vir die doel van beleggings of geen persoon wat kwotasies voorlê, bie of enige ander middel van mededingende voorlegging maak mag, of direk of deur 'n verteenwoordiger of tussenpersoon/skakel 'n belofte, aanbod of skenking maak van enige vergoeding, geskenk, borg, lening, beurs, guns of gasvryheid nie aan –

- Enige amptenaar, eggenoot/te of nabye familielid van sodanige amptenaar of eggenoot/te;
- Enige raadslid, eggenoot/te of nabye familielid van sodanige raadslid of eggenoot/te.



8.2.4 Die Munisipale Bestuurder moet so gou doenlik aan die Burgemeester sowel as die Nasionale Tesourie enige beweerde oortreding van die bogenoemde rapporteer en mag ook aanbevelings maak of die beweerde oortredende party gelys moet word op die Nasionale Tesourie se databasis van persone wat verbied word om enige besigheid met die publieke sektor te doen. Enige so 'n verslag deur die Munisipale Bestuurder moet volledige besonderhede van die beweerde oortreding en 'n skriftelike antwoord vanaf die beweerde oortredende party, asook 'n bewys dat die beweerde oortredende party die aantuigings in skrif ontvang het en ten minste 7 (sewe) werksdae gegun is om te reageer op die aantuigings, bevat.

8.2.5 Enige borg wat belowe, geoffer of toegeken is aan die munisipaliteit moet onmiddelik aan die Nasionale Tesourie openbaar gemaak word.

### 8.3 **Beleggings Doelwitte:**

#### 8.3.1 Doelwit 1 – Sekuriteit:

Die eerste en vernaamste doelwit vir beleggings is die bewaring en veiligheid van die hoofsaaklike belê. Dit is 'n vereiste van hierdie munisipaliteit dat beleggings slegs by instellings, wat 'n kredietwaardigheidsgradering van A 1 en beter het, belê. Enige belegging gemaak moet onmiddelik onttrekn word indien 'n instituut se kredietwaardigheidsgradering onder die vlak van A 1 daal.

#### 8.3.2 Doelwit 2 – Likiditeit:

Die kontantvloei begroting moet gebruik word as 'n instrument vir die bepaling van likiditeits behoeftes. Ander faktore soos die betalings lopies van krediteure, datums van salarisse en statutêre betalings en datums vir skuld terugbetalings moet ook in berekening gebring word om kontant vereistes te verseker, en gevolglik beleggings periodes vas te stel, wat tot so 'n mate bereken word dat maksimum opbrengs op surplus kontant verkry kan word.



### 8.3.3 Doelwit 3 – Opbrengs:

Dit is noodsaaklik om te verseker dat optimale opbrengs op die munisipaliteit se beleggings verkry word, maar 'n hoër opbrengs moet nooit die risiko van die behoud en veiligheid van die hoofsom belê of die nie-nakoming van kontantvloeï vereistes verhoog nie. Waar 'n instelling 'n skielike verhoging bo die gemiddelde markkoerse vir beleggings aanbied, moet die Munisipale Bestuurder bepaal of die instelling onder likiditeits- of ander finansiële probleme ondervind, en in sodanige geval die beleggings by so instelling so gou doenlik onttrek.

## 8.4 Tipes Beleggings Rekeninge:

8.4.1 Die volgende kontant gerugsteunde beleggingsrekeninge moet gestig word:

- Algemene surplus kontant;
- Bate finansiering reserwe fonds;
- Opgehoopte verloffonds;
- Trust fondse waar 'n trust akte bestaan;
- "Toewysings" fondse soos omskryf in Artikel 1 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003, maar sluit billike deel toekennings uit;
- Delgingsfondse, indien van toepassing;
- Skuld waarborg reserwe fonds, indien van toepassing;
- Na-aftrede voordefonds;
- Self-versekering reserwe, indien van toepassing;
- Behuising Ontwikkelingsfonds.

8.4.2 Dit is 'n algemene beginsel, hoe hoër die belegging hoe beter die opbrengs en om hierdie rede moet die Munisipale Bestuurder soveel as moontlik kontant toegewys aan die bogenoemde fondse kombineer, en dit saam belê. Die opbrengs moet dan toegewys word ooreenkomstig die kapitaal van die individuele kontant gerugsteunde fondse, deur die Verslag van Finansiële

Prestasie.

## **8.5      Gemagtigde Beleggings:**

- 8.5.1      Beleggings moet gestruktureer word volgens die beste opbrengs beskikbaar en die likiditeits behoeftes van die munisipaliteit. Dit kan Opvraagbare Depositos, Vaste Termyn Depositos and Versekerings polisse vir die doel van delgingsfondse alleenlik insluit. Delgingsfondse moet geskep word vir die doel van enkelbedragbetalings en om te voorsien vir toekomstige verpligtinge soos om genoegsame kontant op te bou om in staat te wees om na-aftrede voordele volledig te delg.

## **8.6      Gekwalifiseerde Instellings:**

- 8.6.1      Dit is van kardinale belang dat die beleggings slegs by kredietwaardige instellings, met 'n kredietgradering van A 1 en beter, gemaak word.

- 8.6.2      Die volgende beleggings word toegelaat:

- Sekuriteite uitgereik deur die Nasionale Regering;
- Gelyste korporatiewe verbande met 'n beleggings gradering van 'n nasionale of internasionale erkende krediet graderings agent;
- Depositos by banke wat geregistreer is in terme van die Bankwet, 1990 (Wet 94 van 1990);
- Depositos met die Openbare Beleggingskommissaris soos beoog deur die Wet op die Openbare Beleggingskommissaris, 1984 (Wet 45 van 1984);
- Depositos by die Korporasie vir Openbare Depositos soos beoog deur die Wet op die Korporasie vir Openbare Depositos, 1984 (Wet 46 van 1984);
- Bankiers se aksepsertifikate of verhandelbare sertifikate van deposito van banke geregistreer in terme van die Bankwet, 1990 (Wet 94 of 1990);
- Gewaarborgde begiftigings polisse met die doel om 'n delgingsfonds te vestig;

- Terugkoop ooreenkomste met banke geregistreer in terme van die Bankwet, 1990 (Wet 94 van 1990);
- Munisipale effekte uitgereik deur die munisipaliteit;
- Enige ander soos deur die Minister van Finansies goedgekeur.

## **8.7 Beleggings-Diversifikasie:**

8.7.1 Sonder om die Munisipale Bestuurder te beperk tot enige spesifieke bedrag of persentasie van beleggings, word dit hiermee gevestig dat beleggings gemaak deur die munisipaliteit verdeel moet word soverl moontlik tussen verskillende instellings, verval datums en tipes, maar niks verhoed die Munisipale Bestuurder om meer kontant by een instelling as by 'n ander instelling te belê nie maar met deeglike inagneming van die standaard van sorg en doelwitte soos in die beleid uiteengesit.

## **8.8 Kompeterende Seleksie van Aanbiedinge:**

8.8.1 Met die vasstelling waar beleggings gemaak moet word, moet ten minste 3 (drie) geskrewe kwotasies verkry word deur die Munisipale Bestuurder vanaf enige van die instellings gelys in paragraaf 8.6 hierbo.

8.8.2 Die Munisipale Bestuurder mag nie rentekoerse aan ander instellings openbaar maak gedurende die kwoterings proses nie.

8.8.3 Indien Beleggings Bestuurders gebruik maak van tesouriekantore met die doel om kwotasies te verkry, moet die kwotasies, met 'n geskrewe rede waarom 'n spesifieke instelling gekies was indien die opbrengs laer is as by 'n ander instelling, aan die Munisipale Bestuurder gerig word, wie die redes moet evalueer en sodanige instruksies uitreik wat noodsaaklik geag word.

## **8.9 Kommissie of Koste:**

8.9.1 Geen kommissie vir beleggings gemaak of verwys is betaalbaar aan 'n amptenaar of raadslid, of eggenoot/te, besigheids vennoot of nabye familielid van 'n amptenaar of raadslid deur 'n instelling of beleggings bestuurder nie.



- 8.9.2 Enige kommissie, ander vergoeding of koste betaal aan 'n beleggings bestuurder deur 'n instelling moet verklaar word aan die munisipaliteit deur die instelling en Beleggings Bestuurder deur middel van sertifikate.
- 8.9.3 Enige kwotasie aan die munisipaliteit gegee deur 'n instelling of Beleggings Bestuurder moet netto van koste, belonings of kommissie wees, maar moet ook kommissie, belonings of koste aandui wat ten opsigte van die beleggings betaal sal word.

#### **8.10 Prestasie:**

- 8.10.1 Die Munisipale Bestuurder moet jaarliks meet en raporteer aan die Raad oor die prestasie van sy:
- Beleggings in terme van die gestipuleerde doelwitte van hierdie beleid;
  - Beleggings Bestuurders in terme van die gestipuleerde doelwitte van hierdie beleid.
- 8.10.2 Die meting moet gedoen word deurdat die prestasie op beleggings van omliggende munisipaliteite in ag geneem word.

#### **8.11 Verbode Aktiwiteite:**

- 8.11.1 Geen beleggings mag gemaak word anders as in die naam van die munisipaliteit nie.
- 8.11.2 Geld mag nie geleen word vir die doel van beleggings nie.
- 8.11.3 Geen persoon, insluitend amptenare en raadslede, mag inmeng of poog om in te meng in die bestuur van beleggings toevertrou aan die Munisipale Bestuurder of persone gedelegeer deur die Munisipale Bestuurder nie, ingesluit met die Beleggings Bestuurders.
- 8.11.4 Geen beleggings mag gemaak word anders as gedenomineer in Rand nie, en wat nie gekoppel is, of geaffekteer word, deur enige wisseling in die waarde van die Rand teenoor enige buitelandse betaalmiddel nie.



## **8.12      Verslagdoening:**

8.12.1      Die Munisipale Bestuurder moet, addisioneel tot die verslagdoening in paragraaf 7.7 hierbo, binne 10 werksdae na die einde van elke maand 'n verslag aan die Burgemeester indien wat in detail die beleggings portefeulje van die munisipaliteit soos aan die einde van die vorige maand, weergee.

8.12.2      Die bogenoemde verslag moet ten minste 'n staat, opgestel in ooreenstemming met algemeen aanvaarde munisipale rekeningkundige beginsels, soos aangepas van tyd tot tyd bevat, wat die onderstaande weergee:

- Begin mark waarde van elke belegging vir die maand;
- Toevoegings en veranderings aan die beleggingsportefeulje vir die maand;
- Eind markwaarde van elke belegging vir die maand;
- Volle opgelope rente/opbrengs vir die maand insluitend rente/opbrengs gekapitaliseer of uitbetaal.

8.12.3      Die Munisipale Bestuurder, met die maak van beleggings, moet die betrokke instellings herinner aan die instelling se wetlike verslagdoeningsverantwoordelikheid in terme van Artikel 13 (3) en 13 (4) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 en moet 'n sertifikaat vanaf die instelling verkry dat die instelling sal voldoen aan die Wet. 'n Enkele sertifikaat per instelling vir enige huidige en toekomstige beleggings mag verkry word en moet op die munisipaliteit se beleggingsleër geliaser word.

## **9.      TOEPASLIKE WETGEWING**

9.1      Plaaslike Regering: Munisipale Finansiële Bestuurswet, 56 van 2003;

9.2      Kredietbeheer en Skuldinvorderingsbeleid;

9.3      Finansiële Markte Bestuurswet, 55 van 1989;

- 9.4 Aandeel Verwisseling Beheer Wet, 1 van 1985;
- 9.5 Bankwet, 94 van 1989;
- 9.6 Wet op die Korporasie vir Openbare Depositos, 46 van 1984,

## **10. HERSIENING VAN DIE BELEID**

- 10.1 Hierdie Kontant Bestuurs- en Beleggings Beleid is die enigste beleid wat heers oor kontant bestuur en beleggings in die munisipaliteit. Enige hersiening van hierdie beleid moet deur die Munisipale Raad goedgekeur word.
- 10.2 Die Burgemeester moet enige voorgestelde veranderinge aan hierdie beleid aan die Raad voorlê as deel van die jaarlikse hersiening van beleide voorgelê met die begrotings dokumentasie.
- 10.3 Wanneer ookal die Minister van Finansies of die Nasionale Tesourie of die Ouditeur- Generaal enige veranderinge aan die beleid vereis deur middel van wetgewing of versoeke moet dit so gou doenlik hersien word ooreenkomstig sulke vereistes, wat die volle besonderhede van die redes vir die hersiening verskaf.



# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **LONG TERM FINANCIAL PLAN POLICY**

**2022/2023**

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## **1. INTRODUCTION**

- 1.1 The Local Government: Municipal Finance Management Act No 56 of 2003 (hereafter MFMA) has instituted various financial reform measures. Sound financial management practices have been identified as essential to the long-term sustainability of municipalities. In this regard the MFMA necessitates that municipality's must have a policy related the Long Term Financial Plan (hereafter LTFP).
- 1.2 A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (hereafter IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.
- 1.3 The Municipality has developed a financial model that aims to determine the appropriate mix of parameters and assumptions within which the Municipality should operate to facilitate budgets which are affordable and sustainable at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operational budget.

## **2. PROBLEM STATEMENT**

- 2.1 Preceding the inception of the MFMA municipal budgets usually catered for immediate demands with little or no view to future needs or the future consequences of particular decisions. This poor planning practice fragmented the sustainability of municipal budgets.

## **3. PURPOSE**

- 3.1 The policy aims to ensure that all long-term financial planning is based on a structured and consistent methodology thereby ensuring long-term financial affordability and sustainability.

#### 4. DEFINITIONS AND ABBREVIATIONS

- 4.1 **“Basic Municipal Service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;
- 4.2 **“Budget-Related Policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality, including—
- a) *the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;*
  - b) *the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or*
  - c) *the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;*
- 4.3 **“Municipality”** means the Central Karoo District Municipality;
- 4.4 **“IDP”** means the Integrated Development Plan;
- 4.5 **“LTFP”** means Long Term Financial Plan;
- 4.6 **“Long-Term Debt”** means debt repayable over a period exceeding one year;
- 4.7 **“MBRR”** means the Municipal Budget and Reporting Regulations;
- 4.8 **“MFMA”** means the Local Government: Municipal

- 4.9            **“MTREF”**            Finance Management Act No 56 of 2003; means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;
- 4.10          **“Municipal Tariff”**            means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
- 4.11          **“Municipal Tax”**            means property rates or other taxes, levies or duties that a municipality may impose;
- 4.12          **“National Treasury”**            means the National Treasury established by section 5 of the Public Finance Management Act;
- 4.13          **“Short Term”**            refers to a period up to 3 (three) years;
- 4.14          **“Medium Term”**            refers to a period between 3 (three) and 5 (five) years;
- 4.15          **“Long Term”**            refers to any period longer than 5 (five) years.

## **5. GUIDING PRINCIPLES**

- 5.1            The policy is based on the following principles:
- 5.1.1        Future financial sustainability;
  - 5.1.2        Optimal collection of revenue, taking into consideration the socio-economic environment;
  - 5.1.3        Optimal utilisation of grant funding;
  - 5.1.4        Continuous improvement and expansion in service delivery framework, and



5.1.5 Prudent financial strategies.

## **6. ROLE-PLAYERS AND STAKEHOLDERS**

6.1 The following role players will ensure that the LTFP is implemented in accordance with the prescribed legislative requirements and Council processes:

### **6.1.1 Budget Office:**

6.1.1.1 Responsible for the preparation and the compilation of the LTFP;

6.1.1.2 Responsible for overall oversight;

6.1.1.3 Present long term financial plan outcome to the Budget Steering Committee;

6.1.1.4 Review Policy and Strategy, in consultation with relevant stakeholders, to ensure maximum compliance in terms of legislation.

### **6.1.2 Directorates and Departments:**

6.1.2.1 Responsible for providing reasons on past performance outcomes;

6.1.2.2 Responsible for providing information to Budget Office to update the financial plan;

6.1.2.3 Required to identify revenue and expenditure plans for both operating and capital budgets for at least 3 years;

6.1.2.4 Required to make recommendations on future service delivery matters.

## **7. REGULATORY CONTEXT**

7.1 Section 17 (3) of the MFMA states that *“when an annual budget is tabled it must be accompanied by, amongst others, “any proposed amendments to the budget-related policies of the municipality”.*

7.2 Section 21 of the MFMA states that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for, amongst others:

7.2.1 the annual review of—

- a) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
- b) the budget-related policies;

7.2.2 the tabling of any amendments to the integrated development plan and the budget-related policies; and

7.2.3 any consultative processes forming part of the processes referred to in subparagraphs (ii) and (iii).

7.3 Section 7 (1) of the Local Government: Municipal Finance Management Act, 2003, Municipal Budget and Reporting Regulations, 2009 (hereafter MBRR) states that: *“the Municipal Manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of budget-related policies of the municipality, or any or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1) (b) of the MFMA”*.

7.4 Section 7 (1) reference (1) of the MBRR, further states that *“as defined in section 1 of the MFMA. Policies that affect or are affected by the annual budget of a municipality include ....“(g) a policy related to the long term financial plan”*.

7.5 Section 4 (1) of the MBRR states *“that the mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA”*.

7.6 Section 26 (h) of the Local Government: Municipal Systems Act 32 of 2000 (hereafter the MSA) states that *“An Integrated Development Plan must reflect*

*a financial plan, which must include a budget projection for at least the next three years”.*

## **8. POLICY DIRECTIVE DETAILS**

### **8.1 Financial Strategies:**

8.1.1 An intrinsic feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies include:

- a. Increasing funding for asset maintenance and renewal;
- b. Continuous improvement to the financial position;
- c. Ensuring affordable debt levels to fund the capital budget;
- d. Maintaining fair, equitable and affordable rates and tariff increase;
- e. Maintaining or improving basic municipal services;
- f. Achieving and maintaining a breakeven/surplus Operating budget;  
and
- g. Ensuring full cost recovery for the provision of internal services.

### **8.2 Non-Financial Strategies:**

8.2.1 The LTFP is a key component for achieving the goals listed in the IDP of the Municipality. The LTFP must consider the following non – financial strategic strategies:

- a. The Municipality's Strategic Focus Areas;
- b. Infrastructure led growth strategies; and
- c. The Municipality's Spatial Development Framework.

### **8.3 Preparation of the LTFP:**

8.3.1 The LTFP process should commence by latest June of each year.

8.3.2 The LTFP should consider the *fiscal overview* by reviewing past financial



performance, projection of long-term financial outlook and financing and funding arrangements. The following matters should be considered annually:

- 8.3.2.1 Revising the long-term financial plan for events that may have impacted during the recent past;
- 8.3.2.2 Assessing the outcomes and achievements of the past few years financial performance as per the audited financial statements;
- 8.3.2.3 Reviewing the financial objective and assumptions;
- 8.3.2.4 Reviewing the past and summarize long term financial outlook;
- 8.3.2.5 Assess the current overall financial position and liquidity situation;
- 8.3.2.6 Identify any financial challenges and constraints;
- 8.3.2.7 Identifying strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;
- 8.3.2.8 Identify overall funding mix and implications for own revenue and external funding; and
- 8.3.2.9 Assess compliance with the MFMA and other relevant legislation etc.

8.3.3 The LTFP is prepared in an uncertain environment it is therefore required to make certain assumptions. Assumptions on the following internal and external factors must be made:

- 8.3.3.1 Reviewing the external factors (population migration, employment, health, development of businesses, and new residential areas, etc.);
- 8.3.3.2 General inflation outlook and its impact on the municipal activities;
- 8.3.3.3 Credit rating outlook;
- 8.3.3.4 Interest rates for borrowing and investment of funds;
- 8.3.3.5 Rates, tariffs, charges and timing of revenue collection;
- 8.3.3.6 Growth or decline in tax base of the municipality;
- 8.3.3.7 Collection rates for each revenue source;
- 8.3.3.8 Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc.;
- 8.3.3.9 Average salary increases;
- 8.3.3.10 Industrial relations climate, reorganization and capacity building;

- 8.3.3.11 Trends in population and households (growth, decline, stable);
  - 8.3.3.12 Changing demand characteristics (demand for services);
  - 8.3.3.13 Trends in demand for free or subsidized basic services;
  - 8.3.3.14 Impact of national, provincial and local policies;
  - 8.3.3.15 Ability of the municipality to spend and deliver on the programs;  
and
  - 8.3.3.16 Implications of restructuring and other major events into the future.
- 8.3.4 Intergovernmental fiscal transfers/allocations from National and Provincial government play a pivotal role in the finances of the Municipality. The following unconditional transfers/allocations must be considered, as a minimum, when projecting the budget:
- 8.3.4.1 Local Government Equitable Share;
  - 8.3.4.2 Grants related to the provision of Provincial government functions.

#### **8.4 The Municipality's LTFP model and scenario planning:**

- 8.4.1 The Municipality financial model gives effect to the LTFP. It enables the forecasting of the operating and capital budgets for at least 10 years into the future. The model embodies National Treasury's budget preparation guidelines, drawing on assumptions and parameters to forecast the operating budget.
- 8.4.2 Strategic initiatives should be prioritized and quantified to be included in the financial model.
- 8.4.3 The financial forecasting model must be updated using the fiscal overview, assumption and intergovernmental fiscal transfers/allocations information to identify immediate opportunities and/or risks.
- 8.4.4 The medium and long-term financial viability should be evaluated.
- 8.4.5 Reiterative scenario planning should be executed to ensure optimum use of resources to cater for strategic initiatives.
- 8.4.6 To identify the optimum balance between revenue collection and municipal

spending the following should be taken into account:

- 8.4.6.1 The impact each scenario has on the financial sustainability and affordability of the Municipality;
  - 8.4.6.2 Whether scenarios are realistic in terms of revenue projections;
  - 8.4.6.3 Potential revenue enhancement strategies which may have a long-term impact on the revenue base of the Municipality;
  - 8.4.6.4 Potential cost saving mechanisms related to strategic initiatives; and
  - 8.4.6.5 The impact of infrastructure investments and maintenance programs on future revenue streams.
- 8.4.7 Presentations on scenarios should be presented to the council as may be requested.
- 8.4.8 Council should endorse the final MTREF scenario inclusive of assumptions and parameters annually by latest end of January.

**8.5 The annual updated LTFP should identify the following:**

- 8.5.1 Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;
- 8.5.2 Future Operating revenue and expenditure projections based on assumptions and parameters;
- 8.5.3 Future affordability of projected Capital Plans;
- 8.5.4 The level of infrastructure development required to achieve the Municipal priorities, within the funding restrictions; and
- 8.5.5 External funding requirements in respect of long term debt.

**8.6 Implementation of the LTFP:**

- 8.6.1 The annual updated LTFP should provide the parameters and assumptions for the compilation of the operating and capital budgets for the next MTREF.
- 8.6.2 This information should be provided to the departments by latest January of each year.



**9. EVALUATION AND REVIEW**

- 9.1 This policy shall be implemented once approved by Council.
- 9.2 This policy must be reviewed on an annual basis.
- 9.3 Changes in financial strategy, non – financial strategic strategies and legislation must be taken into account for future amendments to this policy.
- 9.4 Any amendments must be tabled to Council for approval as part of the budget process.



# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **MFMA DELEGATIONS REGISTER**

**2022/2023**

**DELEGATION AND FURTHER SUB-DELEGATION OF POWERS AND DUTIES IN  
TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003)  
BY THE ACCOUNTING OFFICER, CHIEF FINANCIAL OFFICER AND DIRECTORS  
FOR THE CENTRAL KAROO DISTRICT MUNICIPALITY**

**REVIEWED: 2022**

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Under the powers vested in me by section 79 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I, **S W VATALA**, Accounting Officer (and Municipal Manager) for the Central Karoo District Municipality, hereby delegate the powers and duties assigned to me by the said Act, as well as any powers and duties to assist me in complying with a duty, as set out in Annexure A hereto. I furthermore authorise the sub-delegation of such powers and duties as contemplated in section 79(3)(d) of the Act.

SIGNED AT **BEAUFORT WEST** ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

**ACCOUNTING OFFICER (MUNICIPAL MANAGER)  
CENTRAL KAROO DISTRICT MUNICIPALITY**

**CHIEF FINANCIAL OFFICER FOR THE CENTRAL KAROO DISTRICT  
MUNICIPALITY**

Under the powers vested in me by section 82 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I, **MOEGAMAT RIDWAAN ABDULLAH**, Chief Financial Officer for the Central Karoo District Municipality, hereby sub-delegate the powers and duties delegated to me in writing by the Accounting Officer, as set out in Annexure A hereto.

SIGNED AT **BEAUFORT WEST** ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

**CHIEF FINANCIAL OFFICER  
CENTRAL KAROO DISTRICT MUNICIPALITY**



## **CENTRAL KAROO DISTRICT MUNICIPALITY**

### **DELEGATION AND FURTHER SUB-DELEGATION OF POWERS AND DUTIES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) BY THE ACCOUNTING OFFICER, CHIEF FINANCIAL OFFICER AND DIRECTORS FOR THE CENTRAL KAROO DISTRICT MUNICIPALITY**

**REVIEWED: 2022**

---

Under the powers vested in me by section 79 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I,....., Accounting Officer (and Municipal Manager) for the Central Karoo District Municipality, hereby delegate the powers and duties assigned to me by the said Act, as well as any powers and duties to assist me in complying with a duty, as set out in Annexure A hereto. I furthermore authorise the sub-delegation of such powers and duties as contemplated in section 79(3)(d) of the Act.

Signed at Beaufort-West this \_\_\_\_\_ day of \_\_\_\_\_

**ACCOUNTING OFFICER (MUNICIPAL MANAGER)**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**

**CHIEF FINANCIAL OFFICER FOR THE CENTRAL KAROO DISTRICT MUNICIPALITY**

Under the powers vested in me by section 82 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I, \_\_\_\_\_ Chief Financial Officer for the Central Karoo District Municipality, hereby sub-delegate the powers and duties delegated to me in writing by the Accounting Officer, as set out in Annexure A hereto.

Signed at Beaufort-West this \_\_\_\_\_ day of \_\_\_\_\_

**CHIEF FINANCIAL OFFICER**  
**CENTRAL KAROO DISTRICT MUNICIPALITY**

## ANNEXURE A

## CENTRAL KAROO DISTRICT MUNICIPALITY

## DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
1	8(5)	<b>Submit</b> to the National Treasury, the Provincial Treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account.	Municipal Manager	Chief Financial Officer	To be confirmed annually. This function can only be delegated to the CFO [Section 10 (2)] But This forms part of KPI's of Accountant: Income and Expenditure	
2	8(5)	<b>Inform</b> the National Treasury and the Auditor-General, in writing, at least 30 days before changing the municipality's primary bank account,	Municipal Manager	Chief Financial Officer		

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

## DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
3	9	<p><b>Submit</b> to the Provincial Treasury and the Auditor-General, in writing—</p> <p>(a) within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and</p> <p>(b) annually before the start of a financial year, name of each bank where the municipality holds a bank account, and the type and number of each account.</p>	Municipal Manager	Chief Financial Officer	<p>This function can only be delegated to the CFO [Section 10 (2)]</p> <p>But</p> <p>This forms part of KPI's of Accountant: Income and Expenditure</p>	



## CENTRAL KAROO DISTRICT MUNICIPALITY

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
4	10(1)(a)	<b>Administer</b> all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d).	Municipal Manager	Chief Financial Officer	Administration to imply monitoring of bank reconciliations. Each signatory to remain responsible for authorisations re withdrawals made by them.	
5	10(1)(b)	<b>Accountable</b> to the municipal council for the municipality's bank accounts.	Chief Financial Officer Municipal Manager		Each signatory to remain responsible for authorisations re withdrawals made by them.	
6	10(1)(c)	<b>Enforce</b> compliance with sections 7, 8 and 11.	Chief Financial Officer Municipal Manager			
7	11(1)	<b>Withdraw</b> money or <b>authorise</b> the withdrawal of money from any of the municipality's bank accounts, subject to stipulated provisos (a) to (j).	Signatories on bank account as appointed by Council resolution		Each signatory to remain responsible for authorisations re withdrawals made by them.	

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
8	11(4)	Within 30 days after the end of each quarter— (a) <b>table</b> in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and  (b) <b>submit</b> a copy of the report to the Provincial Treasury and the Auditor-General.	Chief Financial Officer  Chief Financial Officer		The format must be in accordance with the prescribed formats as prescribed by NT  Accountant: Budget and Accounting to prepare report and submit to all parties	
9	12(4)	<b>Grant</b> authority to withdraw money from a bank account envisaged in section 12(2) without appropriation in terms of an approved budget.	Municipal Manager		No additional bank account to be opened for this purpose	

## CENTRAL KAROO DISTRICT MUNICIPALITY

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
10	22	<p>Immediately after an annual budget is tabled in a municipal council—</p> <p>(a) in accordance with Chapter 4 of the Municipal Systems Act—</p> <p>(i) <b>make</b> public the annual budget and the documents referred to in section 17(3); and</p> <p>(ii) <b>invite</b> the local community to submit representations in connection with the budget; and</p> <p>(b) <b>submit</b> the annual budget—</p> <p>(i) in both printed and electronic formats to the National Treasury and the Provincial Treasury; and</p> <p>(ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.</p>	Chief Financial Officer	Accountant: Accounting	Budget and	
			Chief Financial Officer	Accountant: Accounting	Budget and	



## CENTRAL KAROO DISTRICT MUNICIPALITY

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
11	24(3)	<b>Submit</b> the approved annual budget to the National Treasury and the Provincial Treasury.	Chief Financial Officer	Accountant: Budget and Accounting		
12	32(1)	<b>Advise</b> a political office-bearer of a municipality that any anticipated expenditure is likely to result in unauthorised expenditure;	Municipal manager	Chief Financial Officer	Every manager responsible per vote to inform Municipal Manager if unauthorised expenditure is within their areas of responsibility	
13	32(3)	<b>Inform</b> the council, the mayor or the executive committee, in writing, that the expenditure that would result from a decision taken is likely to be unauthorised, irregular or fruitless and wasteful expenditure.	Municipal manager	Chief Financial Officer HOD: Roads Director: Corporate and Strategic Services	Chief Financial Officer HOD: Roads Director: Corporate and Strategic Services to inform the Municipal Manager in writing if UIF&W falls within their areas of responsibility	

## CENTRAL KAROO DISTRICT MUNICIPALITY

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
14	32(4)	<p><b>Inform</b> the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—</p> <p>(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;</p> <p>(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and</p> <p>(c) the steps that have been taken—</p> <p>(i) to recover or rectify such expenditure; and</p> <p>(ii) to prevent a recurrence of such expenditure.</p>	Municipal manager	Chief Financial Officer	CFO to maintain register	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
15	32(6)	<p><b>Report</b> to the South African Police Service all cases of alleged—</p> <p>(a) irregular expenditure that constitute a criminal offence; and</p> <p>(b) theft and fraud that occurred in the municipality.</p>	Director: Corporate and Strategic Services Municipal Manager	Human Resources officer responsible for the administration of disciplinary hearings.	The disciplinary hearing procedures should be amended to include this section of the MFMA	
16	37(2)	<b>Notify</b> the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next three financial years, no later than 120 days before the start of its budget year.	Municipal manager		Not applicable	



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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
17	45(2)(2)	<b>Sign</b> the agreement or other document that creates or acknowledges the creation of short-term debt for a municipality, after such debt-agreement had been approved by the Council.	Chief Financial Officer Municipal Manager		Only <del>once</del> <del>municipal manager was informed of</del> such debt.	
18	45(3)(iii)	<b>Notify</b> the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of a credit facility that is limited to emergency use, as well as options for repaying such debt.	Chief Financial Officer Municipal Manager		CFO to assist MM in compilation of item for Council	
19	46(2)(b)	<b>Sign</b> the agreement or other document that creates or acknowledges the creation of long-debt for a municipality, after such debt-agreement had been approved by the Council.	Municipal manager and Chief Financial Officer		Both the individuals must sign such contracts	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
20	46(3)(a)	<p>To incur long-term debt — has, in accordance with section 21A of the Municipal Systems Act—</p> <p>(i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, <b>made public</b> an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and</p> <p>(ii) <b>invited</b> the public, the National Treasury and the Provincial Treasury to submit written comments or representations to the council in respect of the proposed debt.</p>	Chief Financial Officer Municipal Manager	Accountant		

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21	46(3)(b)	<p>To incur long-term debt —</p> <p><b>Submitted</b> a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of —</p> <p>(i) the essential repayment terms, including the anticipated debt repayment schedule; and</p> <p>(ii) the anticipated total cost in connection with such debt over the repayment period.</p>	Chief Financial Officer Municipal Manager	Accountant		



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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
22	54(2)(a)	<p><b>Propose</b> any remedial or corrective steps to the mayor, if the municipality faces any serious financial problems, which may include—</p> <p>(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;</p> <p>(ii) the tabling of an adjustments budget; or</p> <p>(iii) steps in terms of Chapter 13.</p>	Chief Financial Officer Municipal Manager	Chief Financial Officer	Proposal to mayor only once it has been agreed with the municipal manager	

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23	60	<p>Must -</p> <p>(a) <b>exercise</b> the functions and powers assigned to an accounting officer in terms of this Act; and</p> <p>(b) <b>provide</b> guidance and advice on compliance with this Act to—</p> <p>(i) the political structures, political office-bearers and officials of the municipality; and</p> <p>(ii) any municipal entity under the sole or shared control of the municipality.</p>	Municipal manager		This section is also applicable to senior management and other officials referred to in section 77 of the MFMA. Municipal manager to issue a directive in this regard.	

## CENTRAL KAROO DISTRICT MUNICIPALITY

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24	61(1)	<p>Must—</p> <p>(a) <b>act</b> with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;</p> <p>(b) <b>disclose</b> to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or the mayor; and</p> <p>(c) <b>seek</b>, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interests of the municipality.</p>	Municipal manager		This section is also applicable to senior management and other officials referred to in section 77 of the MFMA. Municipal manager to issue a directive in this regard.	



# DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

## Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
25	62(1)	<p><b>Responsible</b> for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—</p> <p>(a) that the resources of the municipality are used effectively, and efficiently and economically;</p> <p>(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;</p> <p>(c) that the municipality has and maintains effective, efficient and transparent systems—</p> <p>(i) of financial and risk management and internal control; and</p> <p>(ii) of internal audit operating in accordance with any prescribed norms and standards;</p>	<p>Chief Financial Officer</p> <p>HOD: Roads</p> <p>Director: Corporate and Strategic Services</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Municipal Manager</p>	The directors are responsible to delegate this sub-section to all staff in their area of responsibility.	The directors and other officials are only responsible as far as it relates to their area of responsibility.	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;</p> <p>(e) that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15; and</p> <p>(f) that the municipality has and implements—</p> <p>(i) a tariff policy referred to in section 74 of the Municipal Systems Act;</p> <p>(ii) a rates policy as may be required in terms of any applicable national legislation;</p> <p>(iii) a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act; and</p> <p>(iv) a supply chain management policy in accordance with Chapter 11.</p>	<p>Chief Financial Officer HOD: Roads Director: Corporate and Strategic Services</p> <p>Chief Financial Officer</p>		<p>The Chief Financial Officer must implement and maintain the policies and procedures relating to this sub-section</p>	

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26	62(2)	<b>Responsible</b> for and <b>must</b> <b>account</b> for all bank accounts of the municipality, including any bank account opened for— (a) any relief, charitable, trust or other fund set up by the municipality in terms of section 12; or (b) a purpose referred to in section 48(2)(d).	Municipal manager	Chief Financial Officer	The delegated officials must take responsibility for transactions authorised by them on the bank accounts	
27	63(1)	<b>Responsible</b> for the management of— (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and (b) the liabilities of the municipality.	Municipal manager Chief Financial Officer HOD: Roads Director: Corporate and Strategic Services Accountant: Budget and Accounting	The directors are responsible to delegate this sub-section to all staff in their area of responsibility.	The directors and other officials are only responsible as far as it relates to their area of responsibility.  The Accountant must implement and maintain the policies and procedures relating to this sub-section	



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28	63(2)	<p><b>Ensure—</b></p> <p>(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;</p> <p>(b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and</p> <p>(c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.</p>	Chief Financial Officer	Accountant: Budget and Accounting		

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29	64(2)	<p>Take all reasonable steps to ensure—</p> <p>(a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy;</p> <p>(b) that revenue due to the municipality is calculated on a monthly basis;</p> <p>(c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;</p> <p>(d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;</p> <p>(e) that the municipality has and maintains a management, accounting and information system which—</p>	Chief Financial Officer	Respective Treasury officials responsible for the particular functions		

# **CENTRAL KAROO DISTRICT MUNICIPALITY**

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(i) recognises revenue when it is earned;</p> <p>(ii) accounts for debtors; and</p> <p>(iii) accounts for receipts of revenue;</p> <p>(f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;</p> <p>(g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and</p> <p>(h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.</p>	Chief Financial Officer	Accountant: Expenditure Income and		



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30	64(3)	Inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.	Chief Financial Officer	Accountant: Income and Expenditure		
31	64(4)	Take all reasonable steps to ensure— (a) that any funds collected by the municipality on behalf of another organ of state is transferred to that organ of state at least on a weekly basis; and (b) that such funds are not used for purposes of the municipality.	Chief Financial Officer	Accountant: Income and Expenditure		

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32	65(2)	<p><b>Take all reasonable steps—</b></p> <p>(a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;</p> <p>(b) that the municipality has and maintains a management, accounting and information system which—</p> <ul style="list-style-type: none"> <li>(i) recognises expenditure when it is incurred;</li> <li>(ii) accounts for creditors of the municipality; and</li> <li>(iii) accounts for payments made by the municipality;</li> </ul> <p>(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;</p>	<p>Chief Financial Officer</p>          <p>Chief Financial Officer</p>	Accountant: Income and Expenditure	The CFO must implement and maintain policies and procedures to guide all staff of the municipality.	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(d) that payments by the municipality are made—            (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and            (ii) either electronically or by way of non-transferable cheques, provided that cash payments and cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;</p> <p>(e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;</p> <p>(f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;</p>	Chief Financial Officer	Accountant: Income and Expenditure		
			Chief Financial Officer	Accountant: Income and Expenditure	In the instance where the financial position of the municipality does not allow compliance with this section, the CFO must inform provincial and national Treasury accordingly.	



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		(g) that any dispute concerning payments due by the municipality to another organ of state is disposed of in terms of legislation regulating disputes between organs of state;	Chief Financial Officer	Accountant: Income and Expenditure		
		(h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;	Chief Financial Officer	Accountant: Income and Expenditure		
		(i) that the municipality's supply chain management policy referred to in section 111 is implemented in a way that is fair, equitable, transparent, competitive and cost-effective; and	Municipal manager	Chief Financial Officer	The Accountant: SCM is responsible for the management and administration of the supply chain management function.	
		(j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.	Chief Financial Officer	Accountant: Income and Expenditure		Page 24

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33	66	<b>Report</b> to the council, in a format and for periods as may be prescribed, on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure as stipulated.	Chief Financial Officer	Accountant: Budget and Accounting		

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34	67(1)	<p><b>Ensure</b> before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that the organisation or body—</p> <p>(a) has the capacity and has agreed—</p> <p>(i) to comply with any agreement with the municipality;</p> <p>(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;</p> <p>(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and</p>	Municipal Manager	Chief Financial Officer	CFO to advise the Municipal Manager	



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		<p>(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;</p> <p>(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and</p> <p>(c) has in respect of previous similar transfers complied with all the requirements of this section.</p>				
35	67(3)	<b>Enforce</b> , through contractual and other appropriate mechanisms, compliance with section 67(1).	Chief Financial Officer Municipal Manager		CFO to advise the Municipal Manager	

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36	67(4)	<p>Where section 67(1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor,</p> <p>(i) <b>takes</b> all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and</p> <p>(ii) <b>certifies</b> to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.</p>	Municipal manager	Chief Financial Officer	CFO to advise the Municipal Manager	

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37	68	<p>(a) <b>assist</b> the mayor in performing the budgetary functions assigned to the mayor in terms of Chapters 4 and 7; and</p> <p>(b) <b>provide</b> the mayor with the administrative support, resources and information necessary for the performance of those functions.</p>	Chief Financial Officer	Accountant: Budget and Accounting		



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38	69(1)	<p><b>Ensure—</b></p> <p>(a) that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and</p> <p>(b) that revenue and expenditure are properly monitored.</p>	<p>Municipal manager Chief Financial Officer HOD: Roads Director: Corporate and Strategic Services Accountant</p>	<p>The directors are responsible to delegate this sub-section to all staff in their area of responsibility.</p>	<p>The directors and other officials are only responsible as far as it relates to their area of responsibility.</p> <p>The Accountant: Income and Expenditure must inform the various parties re monthly spending.</p>	
39	69(2)	<p><b>Prepare</b> when necessary an adjustments budget and submit it to the mayor for consideration and tabling in the municipal council.</p>	Chief Financial Officer	<p>Accountant: Budget and Accounting</p>	<p>Proposal to mayor only once it has been agreed with the municipal manager and directors – CFO cannot prepare adjustment budget without being requested to so only to address unauthorised expenditure in general. Respective HOD's must provide motivations.</p>	

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40	69(3)	<p><b>Submit</b> no later than 14 days after the approval of an annual budget to the mayor—</p> <p>(a) a draft service delivery and budget implementation plan for the budget year; and</p> <p>(b) drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers.</p>	<p><del>Chief Financial Officer</del> Director: Corporate and Strategic Services</p> <p>Municipal manager</p>		All Directors must provide the Key Performance Indicators for their respective functions.	

# CENTRAL KAROO DISTRICT MUNICIPALITY

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41	70(1)	<p><b>Report</b> in writing to the municipal council—</p> <p>(a) any impending—</p> <p>(i) shortfalls in budgeted revenue; and</p> <p>(ii) overspending of the municipality's budget; and</p> <p>(b) any steps taken to prevent or rectify such shortfalls or overspending.</p>	Chief Financial Officer	Accountant: Budget and Accounting		



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42	70(2)	<p><b>Notify</b> the National Treasury, if a municipality's bank account, or if the municipality has more than one bank account, the consolidated balance in those bank accounts, shows a net overdrawn position for a period exceeding a prescribed period, in the prescribed format of—</p> <p>(a) the amount by which the account or accounts overdrawn;</p> <p>(b) the reasons for the overdrawn account or accounts; and</p> <p>(c) the steps taken or to be taken to correct the matter.</p>	Chief Financial Officer			

# **CENTRAL KAROO DISTRICT MUNICIPALITY**

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Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
43	71(1)	<p><b>Submit</b> no later than 10 working days after the end of each month to the mayor of the municipality and the Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:</p> <p>(a) Actual revenue, per revenue source;</p> <p>(b) actual borrowings;</p> <p>(c) actual expenditure, per vote;</p> <p>(d) actual capital expenditure, per vote;</p> <p>(e) the amount of any allocations received;</p> <p>(f) actual expenditure on those allocations, excluding expenditure on—</p> <p>(i) its share of the local government equitable share; and</p> <p>(ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and</p>	Chief Financial Officer	Accountant: Budget and Accounting		

## CENTRAL KAROO DISTRICT MUNICIPALITY

### DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(g) when necessary, an explanation of—</p> <p>(i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;</p> <p>(ii) any material variances from service delivery and budget implementation plan; and</p> <p>(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.</p>	Chief Financial Officer	Accountant: Accounting to Budget and		

# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **DELEGATION OF POWERS AND DUTIES BY THE ACCOUNTING OFFICER (MUNICIPAL MANAGER) AND RELATED SUB-DELEGATIONS**

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
44	71(2)	<p>The monthly budget statement must <b>include</b>—</p> <p>(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and</p> <p>(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).</p>	Chief Financial Officer	Accountant: Accounting Budget and		



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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
45	71(5)	<b>Submit</b> that part of the statement reflecting the particulars referred to in section 71(1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation referred to in section 71(1)(e) during any particular month, by no later than 10 working days after the end of that month.	Chief Financial Officer	Accountant: Budget and Accounting		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
46	72(1)(a)	<p>Must by 25 January of each year—</p> <p>(a) <b>assess</b> the performance of the municipality during the first half of the financial year, taking into account—</p> <p>(i) the monthly statements referred to in section 71 for the first half of the financial year;</p> <p>(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;</p> <p>(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and</p> <p>(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.</p>	Municipal manager	<p><del>Internal Auditor</del></p> <p>Chief Financial Officer</p>	<p><del>Internal Auditor</del> CFO must submit the draft to the municipal manager after input from the various directors was obtained by 20 January of each year.</p> <p>CFO can request Accountant: Budget and Accounting to prepare the report</p>	

## CENTRAL KAROO DISTRICT MUNICIPALITY

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
47	72(1)(b)	<b>Submit</b> a report on such assessment required in terms of section 72(1) to— (i) the mayor of the municipality; (ii) the National Treasury; and (iii) the Provincial Treasury.	Chief Financial Officer	Accountant: Budget and Accounting		
48	72(3)	Must, as part of the review required in terms of section 72(1)— (a) <b>make</b> recommendations as to whether an adjustments budget is necessary; and (b) <b>recommend</b> revised projections for revenue and expenditure to the extent that this may be necessary.	Chief Financial Officer	Accountant: Budget and Accounting		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
49	73	<p><b>Inform</b> the provincial treasury, in writing, of—</p> <p>(a) any failure by the council of the municipality to adopt or implement a budget-related policy or a supply chain management policy referred to in section 111; or</p> <p>(b) any non-compliance by a political structure or office-bearer of the municipality with any such policy.</p>	Municipal manager		The Directors must inform the Municipal Manager of any such non-compliance which may come to their knowledge.	



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50	74	<p>(1) <b>Submit</b> to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.</p> <p>(2) If the accounting officer of a municipality is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly <b>report</b> the inability, together with reasons, to the mayor and the provincial treasury.</p>	<p>Chief Financial Officer</p> <p style="text-align: center;">Municipal manager</p>	Accountant: Accounting Budget and		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
51	75(1)	<p><b>Place</b> on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:</p> <p>(a) The annual and adjustments budgets and all budget-related documents;</p> <p>(b) all budget-related policies;</p> <p>(c) the annual report;</p> <p>(d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;</p> <p>(e) all service delivery agreements;</p> <p>(f) all long-term borrowing contracts;</p> <p>(g) all supply chain management contracts above a prescribed value;</p> <p>(h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter;</p>	Chief Financial Officer	Accountant: Budget and Accounting		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;</p> <p>(i) public-private partnership agreements referred to in section 120;</p> <p>(k) all quarterly reports tabled in the council in terms of section 52(d); and</p> <p>(l) any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.</p>				
52	101(2)	Table a report referred to in section 101(1) in the municipal council at its next meeting.	Municipal manager		Municipal Entity - Not applicable	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
53	114	If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, must, in writing, <b>notify</b> the Auditor-General, the Provincial Treasury and the National Treasury, of the reasons for deviating from such recommendation. Does not apply if a different tender was approved in order to rectify an irregularity.	Chief Financial Officer Municipal Manager			



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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
54	115(1)	<p>Must—</p> <p>(b) <b>implement</b> the supply chain management policy of the municipality or municipal entity; and</p> <p>(b) <b>take</b> all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.</p>	Municipal manager	Chief Financial Officer		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
55	116(2)	<p>Must—</p> <p>(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;</p> <p>(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;</p> <p>(c) establish capacity in the administration of the municipality or municipal entity—</p> <p>(i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and</p> <p>(ii) to oversee the day-to-day management of the contract or agreement; and</p> <p>(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.</p>	<p>Municipal manager</p> <p>Chief Financial Officer</p> <p>HOD: Roads</p> <p>Director: Corporate and Strategic Services</p>	It is the responsibility of the directors to delegate specific responsibilities to their relevant managers		

## CENTRAL KAROO DISTRICT MUNICIPALITY

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
56	120(6)	<p>Must when a feasibility study has been completed—</p> <p>(a) submit the report on the feasibility study together with all other relevant documents to the council for a decision, in principle, on whether the municipality should continue with the proposed public-private partnership;</p> <p>(b) at least 60 days prior to the meeting of the council at which the matter is to be considered, in accordance with section 21A of the Municipal Systems Act—</p> <p>(i) make public particulars of the proposed public-private partnership, including the report on the feasibility study; and</p> <p>(ii) invite local community and other interested persons to submit to the municipality comments or representations in respect of the proposed public-private partnership; and</p>	Director: Corporate and Strategic Services Municipal Manager	Manager PIMS Director: Corporate and Strategic Services	<p>The following needs to support the Director: Corporate and Strategic Services with information and reports as required executing this delegated task.</p> <p>Chief Financial Officer HOD: Roads Manager: Strategic Services</p>	

# CENTRAL KAROO DISTRICT MUNICIPALITY

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
		<p>(c) solicit the views and recommendations of—</p> <p>(i) the National Treasury;</p> <p>(ii) the national department responsible for local government;</p> <p>(iii) if the public-private partnership involves the provision of water, sanitation, electricity or any other service as may be prescribed, the responsible national department; and</p> <p>(iv) any other national or provincial organ of state as may be prescribed.</p>				



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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
57	124	Include a statement to the notes to the annual financial statements whether or not the salaries, allowances and benefits of political office-bearers and councilors of the municipality, whether financial or in kind, are within the upper limits of the framework envisaged in section 219 of the Constitution.	Chief Financial Officer			

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
58	126(1)	<p>Must—</p> <p>(a) prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and</p> <p>(b) in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.</p>	Chief Financial Officer Municipal Manager	Chief Financial Officer		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
59	127(5)	<p>Must immediately after an annual report is tabled in the council in terms of section 127(2)—</p> <p>(a) in accordance with section 21A of the Municipal Systems Act—</p> <p>(i) <b>make</b> public the annual report; and</p> <p>(ii) <b>invite</b> the local community to submit representations in connection with the annual report; and</p> <p>(b) <b>submit</b> the annual report to the Auditor-General, the Provincial Treasury and the provincial department responsible for local government in the province.</p>	Chief Financial Officer Director: Corporate and Strategic Services	Accountant		

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
60	128	<p>Must—</p> <p>(a) <b>monitor</b> whether the accounting officer of any municipal entity under the sole or shared control of the municipality has complied with sections 121(1) and 126(2);</p> <p>(b) <b>establish</b> the reasons for any non-compliance; and</p> <p>(c) promptly <b>report</b> any non-compliance, together with the reasons for such non-compliance, to the council of the parent municipality, the Provincial Treasury and the Auditor-General.</p>			<p>Municipal Entity applicable.</p> <p>– not</p>	



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61	129(2)	<p>Must—</p> <p>(a) <b>attend</b> council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and</p> <p>(b) <b>submit</b> copies of the minutes of those meetings to the Auditor-General, the Provincial Treasury and the provincial department responsible for local government in the province.</p>	Chief Financial Officer Municipal Manager		All directors to attend these meetings and assist the CFO Municipal Manager	

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Item No.	Section	Cryptic Description of Power or Duty	Delegated to	Lowest Level Sub-delegated to	Remarks, Limitations or Conditions	Authorisation Number
62	129(3)	<b>Make public</b> an oversight report referred to in section 129(1) within seven days of its adoption in accordance with section 21A of the Municipal Systems Act.	Municipal manager	Chief Financial Officer Director: Corporate and Strategic Services		
63	132(2)	<b>Submit</b> the documents referred to in section 132(1)(a) and (b) to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report in terms of section 129(1).	Municipal manager	Accountant: Budget and Accounting		

May 2020



# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **MUNICIPAL ENTITIES POLICY**

**2022/2023**

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**1. DEFINITIONS AND ABBREVIATIONS:**

- 1.1 **“CKDM”** means the Central Karoo District Municipality, a municipality established in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the CKDM acting in terms of delegated authority;
- 1.2 **“Council”** means the Municipal Council of the CKDM;
- 1.3 **“Companies Act”** means the Companies Act, 2008 (Act No.71 of 2008);
- 1.4 **“Director”** means a director serving on the board of directors of a municipal entity;
- 1.5 **“MAYCO”** means the Mayoral Committee appointed in terms of section 60 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- 1.6 **“MFMA”** means the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003);
- 1.7 **“Municipal Entity”** means a municipal entity referred to in section 868 (1) of the Systems Act;
- 1.8 **“Municipal Representative”** means a council or an official of the CKDM, or both who has been designated as such in terms of Section 930 of the Systems Act to -
- (a) represent the City as a non -participating observer at meetings of the board of directors of the municipal entity concerned; and

- (b) attend shareholder meetings and to exercise the CKDM's rights and responsibilities as a shareholder, together **with** such other councilors or officials that the Council may designate as representatives.

- 1.9      **“Municipal Representative (Councilor)”**      means a Councilor who has been designated as a municipal representative;
- 1.10     **“Municipal Representative (Official)”**      means an official who has been designated as a municipal representative;
- 1.11     **“Performance Audit Committee”**      means the Performance Audit Committee of the CKDM appointed in terms of Regulation 14(2) of the Municipal Planning and Performance Management Regulations made in terms of the Systems Act;
- 1.12     **“Systems Act”**      means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

## **2.      PROBLEM STATEMENT:**

As parent municipality the CKDM is responsible for oversight and monitoring of its municipal entities.

## **3.      DESIRED OUTCOMES:**

This policy seeks to supplement existing legal imperatives to enable the CKDM to perform its monitoring and oversight role over municipal entities. The policy further consolidates existing policies relating to municipal entities in to one policy and clarifies lines of authority for municipal representatives.

**4. STRATEGIC INTENT:**

The Strategic focus area of this policy is to assist the CKDM in one of the Integrated Development Plan (IDP) mandates i.e. "*The well-run CKDM*". The objective is to ensure a transparent and corruption-free government which is essential for the success of all other programs of the CKDM.

**5. POLICY PARAMETERS:**

The CKDM, as parent municipality to its municipal entities, is required to monitor and have oversight of the entities. As part of its oversight role, the CKDM aims to adopt a process for appointing directors to the boards of the municipal entities. The Municipal Entity policy set out –

- 5.1 The legal imperatives as required by the Systems Act, MFMA and the Companies Act;
- 5.2 The authorizations needed to effectively monitor and conduct the necessary oversight of the municipal entities;
- 5.3 The manner in which the CKDM's rights and responsibilities as a shareholder are exercised.

**6. ROLE PLAYERS AND STAKEHOLDERS:**

**6.1 Municipal entity, including –**

- a. The board of directors and administration;
- b. Chairperson of the Board of a Municipal Entity;
- c. Accounting Officer of a Municipal Entity; and
- d. Members of the Audit Committees.

**6.2 CKDM –**

- a. Executive Mayor;

- b. MAYCO Members who have oversight of municipal entities;
- c. Performance Audit Committee and Audit Committee;
- d. Municipal Representatives; and
- e. Line Departments of the CKDM.

## 7. REGULATORY CONTEXT:

7.1 Parent municipalities and municipal entities are governed by Chapter 8A of the Systems Act and in terms of the MFMA, particularly Chapter 10. Where municipal entities are companies, the requirements of the Companies Act must also be considered and applied.

7.2 Section 56 of the MFMA provides for the oversight framework:

*“(1) The mayor of a municipality which has sole or shared control over a municipal entity, must guide the municipality in exercising its rights and powers over the municipal entity in a way—*

- (a) that would reasonably ensure that the municipal entity complies with this Act and at all times remains accountable to the municipality; and*
- (b) that would not impede the entity from performing its operational responsibilities.”*

7.3 Section 93D of the Systems Act requires that the Council of the CKDM must designate a councilor or an official of the CKDM, or both, as the representative or representatives of the CKDM –

- a. To represent the CKDM as a non-participating observer at meetings of the board of directors of the municipal entity concerned;
- b. To attend shareholder meetings; and
- c. To exercise the CKDM’s rights and responsibilities as a shareholder.



7.4 The monitoring and oversight exercised over the municipal entities by the CKDM should always be governed by the following principle as found in the municipal legislation set out below:

a. Section 93A of the Systems Act:

*"Duties of parent municipalities with respect to municipal entities....*

*The parent municipality of a municipal entity –*

*(b) must allow the board of directors and chief executive officer of the municipal entity to fulfil their responsibilities."*

b. Section 56(2) of the MFMA – Exercise of rights and powers over municipal entities:

*In guiding the municipality in the exercise of its rights and powers over a municipal entity in accordance with subsection (1), the mayor may monitor the operational functions of the entity, but may not interfere in the performance of those functions."*

7.5 Section 93E(2) of the Systems Act provides that *"the parent municipality of a municipal entity must, before nominating or appointing a director, establish a process through which –*

- (a) applications for nomination or appointment are widely solicited;*
- (b) a list of all applicants and any prescribed particulars concerning applicants is compiled; and*
- (c) the municipal council makes the appointment or nomination from such list."*

8. **POLICY DIRECTIVE DETAILS:**

In accordance with Section 93E(2) of the Systems Act, the following process must be followed in the appointment process for Directors nominated by the CKDM to a board of a municipal entity:

1. The Nominations Committee of the municipal entity, in consultation with the relevant Municipal Representatives shall identify the requirements needed on the board in terms of skills, demographics and diversity.
2. The relevant Municipal Representative (official) must advertise for the recruitment of directors in accordance with the CKDM's requirements.
3. The relevant Municipal Representative (official) must compile a list of all candidates who have applied and create a shortlist of candidates to be interviewed.
4. The relevant Municipal Representative (official) must convene a City selection panel. The panel may include the Members of Mayco responsible for the Municipal Entity, the relevant Executive Director and the relevant Municipal Representatives.
5. The selection panel will interview candidates, agree on the suitable candidates to be nominated for recommendation to the Executive Mayor for appointment.
6. If the advertising process does not produce suitably qualified candidates, the Municipal Representatives may approach suitable candidates directly to be interviewed by the selection panel.
7. The relevant Municipal Representative (official) must ascertain whether

successful candidates are fit and proper and whether they are not disqualified from being directors in terms of section 93F of the Systems Act, the Companies Act and the King Code on Corporate Governance before submitting the name of the suitable candidates to the Executive Mayor.

8. One the Executive Mayor has approved the recommendation for appointment on the boards of various municipal entities, such decision will be communicated and the list of newly appointed directors provided to boards of directors for formal appointments.
9. The relevant Municipal Representative (official) shall maintain a database where all the details of the shortlisted candidates will be kept for a period of two years for the possible future appointment to the boards of municipal entities. The CKDM may utilize any names on the database for future appointments.

**9. DESIGNATED MUNICIPAL REPRESENTATIVES:**

- 9.1 The Executive Mayor may designate a councilor or an official, or both, as a municipal representative for a municipal entity.
- 9.2 The Executive Mayor may instruct the municipal representatives on how to exercise the rights and responsibilities of the CKDM as shareholder at shareholder meetings.
- 9.3 The Municipal Representative/s must –
  - a. attend board meetings of municipal entities and represent the Council as a non-participating observer/s;
  - b. give feedback to the CKDM on the discussions and any decisions taken at board meetings;
  - c. not participate in any decision making by the board of directors;



- d. attend any shareholder meetings and exercise the rights and responsibilities of a parent municipality as a shareholder and in this respect, vote as instructed by the Executive Mayor. The municipal representative (official) must submit a report to the Executive Mayor before any shareholder meeting of a municipal entity to obtain the Executive Mayor's mandate in this regard;
- e. represent the CKDM faithfully at shareholder meetings, without consideration of personal interest or gain;
- f. inform the Council in a report format of how voting rights were exercised at shareholder meetings;
- g. inform the Council in a report format of all relevant actions taken on its behalf at shareholder meetings;
- h. ensure that all issues of concern or queries raised by the municipal entity and affecting the CKDM are attended to and resolved by the line departments within the CKDM;
- i. bring to the attention of the CKDM any non-compliance issues in respect of service delivery agreements or strategy alliance with the CKDM, if such issues are raised at board meetings;
- j. ensure that the relevant mayoral committee members are kept up to date with any new developments taking place within the municipal entities;
- k. be accountable to the Executive Mayor.

9.4 The municipal representative may, in terms of Section 93D(3)(b)(ii) of the Systems Act, be reimbursed for expenses in connection with his or her duties as a municipal representative, but may not receive any additional compensation or salary for such duties.

9.5 Municipal Representatives may attend board committee meetings if invited by the municipal entity.



**10. PERFORMANCE MANAGEMENT AND BUDGETING:**

- 10.1 The relevant Municipal Representatives (official) must undertake an annual assessment of the performance of the municipal entity in respect of its approved business plan for the previous financial year based on agreed indicators.
- 10.2 The Executive Mayor is authorized to approve the key financial and non-financial performance objectives and measurement criteria of each municipal entity and must ensure that these align with the IDP. Any amendment to key performance objectives requested by the board of a municipal entity during a financial year may be authorized by the Executive Mayor.
- 10.3 The CKDM's Chief Financial Officer or his/her nominee is authorized to make recommendations and refer back any proposed budget amendments to each municipal entity as required by Section 87(2) of the MFMA. The amended budget and business plan submitted by a municipal entity must be assessed against the recommendations made by the CKDM's Chief Financial Officer before submission to full council.
- 10.4 The relevant Municipal Representative (official) must ensure that each municipal entity completes a quarterly Performance Assessment, including the Mid-Year review, which will form part of the CKDM's SDBIP reporting processes.
- 10.5 The Performance Audit Committee may request the attendance of the Chief Executive Officer of a Municipal Entity to attend any meetings of the Committee to answer any performance related questions.
- 10.6 The relevant Municipal Representative (official) must ensure that the municipal entities meet their in year reporting requirements as required by the MFMA and the Regulations on Budgeting and Reporting.

**11. DELEGATION BY MUNICIPAL REPRESENTATIVE (OFFICIAL):**

The relevant Municipal Representative (official) may delegate any power or authorization conferred on him/her in terms of this Policy to any person reporting directly to him/her, including powers and authorizations of a municipal representative.

**12. IMPLEMENTATION PROGRAMME:**

The amended policy will replace its former version upon approval by Council.

**13. MONITORING, EVALUATION AND REVIEW:**

The Policy will be reviewed annually by the Chief Financial Officer.



# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **RELIEF FUND POLICY**

**2022/2023**

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## **1. INTRODUCTION:**

- 1.1 The Mayor receives regular requests for grants, donations and financial assistance. Most of these are dealt with through the Central Karoo District Municipality's allocation of Section 67 Grants Policy, but some deserving requests fall outside of the ambit of the Policy.
- 1.2 A special fund has been established by the Central Karoo District Municipality and subjected to the guidelines set out below, the Mayor, in consultation with and with the consent of the Municipal Manager, is authorised to decide on the use of the Fund for grants to such exceptional beneficiaries.

## **2. APPLICABLE LEGISLATION:**

- 2.1 Local Government: Municipal Finance Management Act, 56 of 2003;
- 2.2 Grants-in-Aid Policy.

## **3. LEGAL FRAMEWORK:**

- 3.1 Section 12 of the Local Government: Municipal Finance Management Act, 56 of 2003, permits the establishment of a "relief, charitable, trust or other fund" in the name of the Central Karoo District Municipality.
- 3.2 The Central Karoo District Municipality may open a separate bank account and any money received for the purpose of the fund must be paid into the funds bank account.
- 3.3 Money paid into the separate bank account may be withdrawn from the account without appropriation in terms of an approved budget but only by or on the written authority of the accounting officer acting in accordance with the decisions of the Council and for the purpose of which the fund was established.

**4. PURPOSE OF FUND:**

- 4.1 The Fund is created for the purpose of allocating grants by the Mayor, and Municipal Manager, at their discretion in respect of applications made or at the initiative of the Mayor, and in consultation with the Municipal Manager, and in respect of cases set out in the Fund guidelines.

**5. FUND GUIDELINES:**

- 5.1 The fund may be used for:
- 5.1.1 Causes that will promote the profile of the Central Karoo District Municipality both Nationally and Internationally;
  - 5.1.2 Causes of hardship;
  - 5.1.3 Emergency/ disaster situations where the Central Karoo District Municipality has no other provisions to cater for the event;
  - 5.1.4 The specific use and conditions as may be set out by a donor to the Fund;
  - 5.1.5 Grants may be paid directly to any individual only on such conditions the Mayor and Municipal Manager will approve;
  - 5.1.6 Grants may be used for travelling, accommodation or subsistence of individuals or teams participating in events such as sport or cultural activities only when the Mayor is satisfied that it is a real need as a result of historical disadvantage.
- 5.2 A written agreement must be entered into with the recipient of the grant funding to ensure that the funds are used for the purpose intended.

**6. PROHIBITED USES:**

- 6.1 The Fund may not be used for any purpose that benefits a political party.
- 6.2 Appropriations may not benefit any member of the Council or a family member or relative of any member of the Council.
- 6.3 Appropriations may not benefit any employee of the Central Karoo District

Municipality or a family member or relative of any employee of the Central Karoo District Municipality.

- 6.4 Only in exceptional cases may grants be made for activities occurring outside the boundaries of the Central Karoo District Municipality, and only after approval by the Mayor and Municipal Manager, in consultation with the Mayoral Committee.
- 6.5 Any grant from the fund shall not result in repeat commitments, nor may any expectation be created that funding will automatically be made available in future.
- 6.6 Grants may not be used in conjunction with other Central Karoo District Municipality funding or grants.

## **7. PROCESS FOR RELEASE OF FUNDS:**

- 7.1 The Mayor identifies an appropriate use and determines the amount as well as the beneficiary and forwards the request to the Accounting Officer of the Central Karoo District Municipality.
- 7.2 The Mayor may impose conditions in respect of any grant made from the Fund.
- 7.3 The Accounting Officer, or his/her nominee, must assess the request and determine whether it meets the Guidelines set out above as is required by Section 12(4) of the Local Government: Municipal Finance Management Act, 56 of 2003.
- 7.4 Provided that sufficient funds are available, the Accounting Officer or his/her nominee will withdraw the amount from the Fund.

## **8. REPORTING REQUIREMENTS:**

- 8.1 The Mayor, together with the Municipal Manager, must report to Council on a quarterly basis in respect of the status of the Fund, including amounts withdrawn, and the names of the beneficiaries.
- 8.2 Any donations received must also be reported.



**9. DONATIONS TO THE FUND:**

- 9.1 Any member of the public or organisation may donate money to the Fund.
- 9.2 The Central Karoo District Municipality may actively canvass for donations to the Fund.
- 9.3 If a donor specifies conditions in respect of any donation, the donated amount may only be utilised in terms of those conditions.
- 9.4 The Mayor and Municipal Manager may refuse any donation where the conditions attached are unacceptable to them.
- 9.5 The Central Karoo District Municipality may not make available any of its funds in terms of its budget, and towards donations and/or to supplement shortfalls in the Relief Fund.

**10. GRANT LIMITS:**

- 10.1 Grants are subject to availability, as per the quarterly limit set in the budget of the Central Karoo District Municipality;
- 10.2 The following specific limits are set:

	<u>Grant Event</u>	<u>PER</u>	<u>Amount</u>
10.2.1	Funerals	Per Funeral	R1500-00
10.2.2	Sport	Per Event	R5 000-00
10.2.3	School Activities:		
•	Outside CKDM Borders	Per Child	R3 000-00
•	Within borders of CKDM	Per Child	R500-00
•	General: i.e. medals, matric farewell cards etc.	Per School	R2000-00
10.2.4	NGO's	Per NGO	R5000-00



10.2.5	Church Functions	Per Function	R2000-00
10.2.6	Disasters	Per Family	R2000-00
10.2.7	Soup Kitchens	Per Soup Kitchen per year	R2000-00

- 10.3 In the case of a grant as contemplated in 9.2.2 *supra*, the grant will not be given to any individual team, but to the event organiser whom will be responsible to distribute the grant evenly between all needy teams. It will also be the responsibility of the event organiser to report to the Central Karoo District Municipality regarding the use of funds.
- 10.4 The limits as set in 9.2 *supra* will be maximum amounts payable and will no deviation be granted in this regard.



# **CENTRAL KAROO DISTRICT MUNICIPALITY**

## **SUPPLY CHAIN MANAGEMENT DELEGATIONS REGISTER**

**2022/2023**

# **ANNEXURE A – DELEGATIONS**

## **Purchase Requisitions and Orders**

<b>Rand value (Vat included)</b>	<b>Classification</b>	<b>Authorization of purchase order</b>	<b>Evaluation and Adjudication of quotation/tender</b>	<b>Supporting documents required</b>
0 - 200	Petty Cash (From cashier)	Relevant Manager or Acting Official	n/a	<ul style="list-style-type: none"> <li>• Authorised petty cash requisition form</li> <li>• Cash register receipt</li> </ul>
201 – 2 000	No quotation required, also considered as petty cash purchase	Relevant Manager or Acting Official	n/a	<ul style="list-style-type: none"> <li>• Authorised requisition</li> <li>• Official order</li> <li>• Taxed invoice</li> </ul>
2 001 – 5000	Three verbal or written price quotations	Relevant Manager/ Senior Manager/ Chief Financial Officer or MIM	Relevant Manager/ Senior Manager or Chief Financial Officer	<ul style="list-style-type: none"> <li>• Three written quotations/proof of the request for quotations</li> <li>• Authorised requisition</li> <li>• Official order</li> <li>• Taxed invoice</li> </ul> <p>Section 17 report if 3 written quotations could not be obtained.</p>

5001 – 30 000	Three written quotations	Relevant Manager/ Senior Manager/ Chief Financial Officer or MM	Relevant Manager/ Senior Manager/ Chief Financial Officer	<ul style="list-style-type: none"> <li>• Three written quotations/proof of the request for quotations</li> <li>• Authorised requisition</li> <li>• Official order</li> <li>• Taxed invoice</li> </ul> <p>Section 17 report if 3 written quotations could not be obtained.</p>
30 001 – 200 000	Formal price quotation Process, must be advertised for 7 days	Relevant Senior Manager/ Chief Financial Officer/ MM	Relevant Senior Manager/ Chief Financial Officer/ MM	<ul style="list-style-type: none"> <li>• Advertisement</li> <li>• All quotations / document received</li> <li>• Evaluation and adjudication of quotation</li> <li>• Taxed Invoice</li> <li>• Official order</li> </ul>
200 001 – 50 000 000	Competitive Bidding Process	Accounting Officer	Bid Committees as per Regulations	<ul style="list-style-type: none"> <li>• Advertisement</li> <li>• All tenders received</li> <li>• Minutes of all the Bid Committee Meetings</li> </ul>

Tenders for a Rand Value equal to R 50 million will be evaluated on the 80/20 preference point system

Tenders for a Rand Value above R 50 million will be evaluated on the 90/10 preference point system.

The Director: Corporate and Strategic Services, the Chief Financial Officer and the Senior Manager: Roads Infrastructure may sign off on any requisition/order/invoice and deviations up to R 1 000 000