

PART 4
**SUMMARY OF
CHANGES TO
POLICIES**

1. **SUMMARY OF CHANGES TO POLICIES**

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

1.1 Asset management policy

Unchanged.

1.2 Blacklisting policy

Unchanged.

1.3 Borrowing policy

Unchanged.

1.4 Budget policy

Minor cosmetic changes to text and content to update procedures and accommodate legislative and accounting practice amendments.

1.5 Credit control and debt collection policy

There are fundamental changes to this policy and the complete policy can be viewed on the municipal website.

The main strategic changes are:

- Only owner consumer accounts will be opened effective from 1 July 2014 for residential properties. This means that owners with more than one (1) account on a single property will be consolidated into one (1) account and the owner will be solely responsible for the payment thereof.
- Existing tenant accounts will be phased out once the tenant vacates the property or when the ownership of the property changes.
- The repayment period for financial arrangements was amended to allow for more affordable limits.
- To consider exceptional cases for indigents in the case of water leakages and electricity theft on properties belonging to pensioners subject to that the penalty and meter cost is paid.

1.5 Free basic services and indigent support policy

There are various improvements to this policy and the complete policy can be viewed on the municipal website.

The main amendments to the existing policy are:

- Relief to indigent households in cases of water leakages.
- Changes to text and content to streamline procedures and interpretations.

1.6 Funding and reserves policy

Unchanged.

1.7 Impairment of debtors and write-off policy

Unchanged.

1.8 Investment of surplus funds policy

Unchanged.

1.9 Petty cash policy

The main amendments to the existing policy are:

- Inclusion of paragraph 4.4 to allow electronic payment for reimbursement expenditure incurred by an official for purchases to a maximum of R1 500,00.
- Inclusion of the word “*entertainment*” after the words “*refreshments and catering*” to allow entertainment expenses to be claimed from petty cash.
- Inclusion of paragraph 5.2 to allow materials and repair work to be claimed from petty cash under certain conditions.
- In 5.3(g) deleting the word “*contractors*” and the words which may or may not include material also removing the words “*less than R500,00*” to ensure that wages in any form are not paid from petty cash.
- Amendments to paragraph 5.3 to regulate items which may not be purchased from petty cash.

- Paragraph 5.4 amended to ensure that all petty cash purchases of an urgent nature where it is impractical to follow the official procurement process must be approved by the Executive Director Financial Services prior to the transaction taking place.
- Inclusion of paragraph 5.6 to simplify administration.
- Inclusion of paragraph 6.4 to ensure that a key register is kept.
- Deletion of paragraphs 6.3 and 6.4 which will be incorporated in subsection 7.
- Inclusion of whole paragraph 7 to regulate the processes to be followed when transferring petty cash as well as keys from one person to another.
- Deletion of paragraphs 8.4 and 8.5 which are incorporated under paragraph 7.
- Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.10 Property rates policy

The main amendments to the existing policy are:

- Inclusion of definition for “*publicly controlled*”.
- Amendment to definition for residential and vacant land permitted residential purposes.
- Inclusion of rates for business and industrial under paragraph 12.
- Amendment of R126 000,00 to *R129 600,00* in paragraph 13.1.4(e).
- Increase of the different limits for the determination of rebates of pensioners and disability grantees / medically boarded person in paragraph 13.1.4(h), 13.1.4(i)(iv) and 13.1.5(h).
- The amendment of rebates on new rateable property in paragraph 13.1.6.
- The replacing of paragraph 13.1.7 in respect of rebates on new residential developers by private developers to streamline and simplify.
- Minor cosmetic changes to text and content of the policy to be in line with new organizational structure title changes.

1.11 Short term risks and liabilities policy

Unchanged.

1.12 Supply chain management policy

The main amendments to the existing policy are:

- The inclusion of paragraph 15(a-g) to allow electronic payment for reimbursement incurred by an official for petty cash purchases to a maximum of *R1 500,00* for certain purchases.
- That paragraphs 27.2, 27.4 to 27.6 be replaced so that the validity period of tenders can be addressed.
- Deletion of paragraphs 27.7 and 27.8 for the same reasons as for the above.
- Addition of paragraph 30.1 and 30.2 – clarification of when a bid is deemed late.

1.13 Tariff policy

Minor cosmetic changes to text and content of the policy to be in line with new organizational structure title changes.

1.14 Travelling and subsistence policy

The main amendments to the existing policy are:

- Changes to text and content to streamline procedures and implementation.
- Increase the amount under 5.2.2 from R3 200,00 to *R4 000,00*.
- Increase the amount under 5.3.1 from R319,00 to *R330,00*.
- Increase the amount under 5.4 from R210,00 to *R215,00*.
- Increase the amount under 5.5.1 from R98,00 to *R100,00*.
- Increase the amount under 5.5.2 from R319,00 to *R330,00*.

1.15 Unclaimed monies policy

Minor cosmetic changes to text and content of the policy to be in line with new organizational structure title changes.

EXTRACT OF ADDITIONAL PROPOSED POLICY CHANGES

PETTY CASH POLICY

4. PETTY CASH PURCHASES

- 4.1 The Executive Director Financial Services must delegate personnel from the expenditure section in the treasury office and the supply chain management unit to keep petty cash registers and make petty cash payments up to the maximum amount as allowed per transaction.
- 4.2 Petty cash is restricted to cash purchases up to a transaction value of R500,00 VAT included.
- 4.3 Petty cash purchases may not deliberately be broken up over two (2) or more transaction claims or be split over more than one (1) day for the same items in order to fall within the determined threshold of R500,00 VAT included.
- 4.4 To limit the risk of cash handling and misuse of petty cash, purchases to a maximum amount of R1 500,00 will be paid by EFT subject to the following conditions:
- (a) Such payments will only be for reimbursement expenditure incurred by officials with his/her own funds.
 - (b) No claims will be accepted if to be paid to a supplier directly.
 - (c) Proof of payment of such expenditures must be provided with each claim.
 - (d) Claims will only be dealt with at treasury office and not at the supply chain unit.
 - (e) Only claims applicable to 5.2 will be reimbursed.
 - (f) Claims must be submitted to the Accountant Expenditure.
 - (g) The Accountant Expenditure must record these claims in a separate register and monthly be included in the report referred to in subsection (13).

5. APPROVED LIST OF PETTY CASH PURCHASES

- 5.1 Approved items for petty cash bin purchases, but not limited:
- (a) Bouquets and flowers utilized for official purposes;

- (b) Tollgate fees;
- (c) Refreshments and catering / entertainment;
- (d) Pay-as-you-go cellular airtime;
- (e) Purchases of an urgent nature where it is impractical to follow the official procurement process; and/or

5.2 Approved items for EFT petty cash reimbursements:

- (a) Materials for urgent repair work not kept or not available at the municipal stores;
- (b) Ad hoc stationery items;
- (c) Refreshments and catering;
- (d) Materials of special nature only available at specific suppliers.
- (e) Purchases of an urgent nature where it is impractical to follow the official procurement process.

5.3 ~~Departments co-operation is requested~~ may not utilize the petty cash for the following items:

- (a) Approved store items which are kept at the municipal stores;
- (b) Any items which can be classified as assets (inventory items), for example, calculators, memory sticks (USB); tools etc.
- (c) Subsistence and travel claims;
- ~~(d) Stationery and computer related equipment;~~
- ~~(e) Ordinary material and tools for repairs; except for the petty cash bins kept by supply chain management~~
- (f) Safety equipment and clothing such as clothes, ear protectors, safety glasses, etc.;
- (g) ~~Wages or for contractors, labour for contract work~~ which may or may not include material. less than R500,00; and/or
- (h) Books and magazines.

- (i) Any fuel purchases.
 - (j) Parts/material for vehicle repairs, excluding tyre repairs.
- 5.4 Petty cash ~~other than that~~ specified in 5.1(e) ~~(a-d)~~ and 5.2(e) above must be approved by the Executive Director Financial Services or delegated senior official prior to the transaction.
- 5.5 Petty cash bins kept by the supply chain unit may only be utilized for materials ~~and/or tools~~ and/or repair work for work less than R500,00 where it is impractical to follow an official procurement process as per 5.1(e) and 5.3.
- 5.6 Petty cash purchases as per 5.1(a-e) may only be claimed from petty cash bins kept at the treasury office.

CREDIT CONTROL AND DEBT COLLECTION POLICY

13. DISPUTES

- 13.1 Any matter must first be treated as a normal enquiry. Should the customer not be satisfied with the outcome of the normal enquiry process a formal dispute process may be followed on condition that:
- (i) all the relevant details pertaining to the enquiry is made available in the official dispute. This includes copies of letters to Council as well as responses from Council;
 - (ii) details of all telephonic enquiries are provided (date, whom spoken to etc.); and
 - (iii) details of all personal visits to Council offices (date, whom spoken to etc.).
- 13.2 A customer who disputes an account must submit each dispute in writing on t he prescribed form to the person appointed by the municipality to deal with such disputes (hereinafter referred to as “*the authorized delegate*”), stating the reasons for such dispute and any relevant facts, information or representation which the authorized delegate should consider to resolve the dispute – should a person be illiterate an official of Council will assist him/her to complete the prescribed form.
- 13.3 The dispute must be submitted within sixty (60) calendar days after the due date of the account. If a dispute is raised after this period, it will be treated as an enquiry, the account will not be suspended and normal credit control procedures will apply.

- 13.4 The dispute must relate to a specific amount on the account. Amounts not in dispute must be paid in full. If the amounts not in dispute remains unpaid, services may be disconnected.
- 13.5 A query is not regarded as a dispute.
- 13.6 Proven tampering charges are not regarded as a dispute.
- 13.7 The authorized delegate or his nominee must evaluate the dispute on the account and he/his nominee may take a decision, based on the spirit of the policy and provide the customer with a written decision with twenty one (21) calendar days after receipt of the written dispute.
- 13.8 A dispute submitted above shall not stop or defer the continuation of any legal procedure already instituted for the recovery of arrear payments relating to such dispute.
- 13.9 The customer has the right to appeal to the CFO or his/her delegated official against the decision of the authorized delegate. The CFO or his delegated official may hear representations and make a decision that is binding.
- 13.10 A person whose rights are affected by the decision of the CFO may appeal against that decision within twenty one (21) calendar days of the date of notification of the decision, to the Municipal Manager.
- 13.11 Objections and appeals on property valuations do not stay credit control and debt collection procedures.
- 13.12 Disputes regarding the general valuation roll must be submitted to the Property and Valuation Services in the form of an objection or appeal as envisaged by sections 50 and 54 of the MPRA. The account must be paid in full until an objection or appeal outcome is reached whereafter the account will be credited or debited accordingly.
- 13.13 This provision is subject to section 62 of the MSA.
- 13.14 The following will not be regarded as a dispute and will only be handled as an enquiry:
- (i) disputes with regard to municipal valuations – see subsection 13.12;
 - (ii) enquiries with regard to municipal tariffs as approved by Council during approval of the annual budget;
 - (iii) fees made applicable where it has been found that a water and/or electricity meter has been tampered with

or by-passes any metering equipment in order to obtain an unmetered service;

- (iv) disputes of a repetitive nature;
- (v) where a matter has been disputed and the dispute process has been exhausted; and
- (vi) the non-payment of an account will not be seen as a dispute.