

PART 4
**SUMMARY OF
CHANGES TO
POLICIES**

PART 4

SUMMARY OF CHANGES TO POLICIES

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

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

1. NEW POLICIES

The following new policies were developed:

These policies were developed in terms of the accounting standards to formalize the methodology to be followed in line with the accounting standards when compiling annual financial statements.

1.1 Methodology for the Impairment of Receivables

The purpose of the policy is to ensure that sufficient provision is made for the receivables deemed not to be collected in line with the accounting policy.

1.2 Methodology for the Classification & Treatment of Land Policy

The purpose of the policy is to set out the classification, treatment and measurement of land in line with the applicable accounting standards.

1.3 Methodology on the Impairment & Assessment of Useful Lives of Assets Policy

The purpose of the policy is to set out the methodology to be followed by all departments to calculate impairment and determine to useful lives of assets.

2. AMENDED POLICIES

2.1 Free basic services and indigent support policy

- Amend paragraph 10.1 to include:
 - (i) Only applications on the prescribed form will be accepted.

- Amend paragraph 11:

Add (c) - must remain delisted for a minimum period of 6 months.
- Amend the period on indigent should use more than six hundred (600) units to read:

“Should an indigent use more than an average of six hundred (600) units of electricity the preceding financial year such persons will be delisted from the indigent scheme ...”

2.2 Impairment of debtors and write-off policy

Amend name of policy to Write-off of Debtors Policy.

Delete contents under paragraph 9 to include that debtors will be impaired according to new methodology on impairment of Debtors Policy.

2.3 Supply chain management policy

The main amendments to the existing policy are:

- Amend ranges for procurement in line with municipal practices.
- Amend petty cash purchases in line with new ranges.
- Add section 16, 17 to be in line with new ranges and provide for conditions.
- Amend 19 to be in line with ranges.
- Amend section 23 to include current practices not stated in policy.
- Amend section 23 to allow for more specific procedures regarding submission of bids, opening, late bids and stamping of bids.
- Amend section 27 on the extension of validity periods.
- Delete two-envelope system as it is no longer in use.
- Other minor changes to the document to bring it in line with current practices.

2.4 Tariff policy

Amend paragraph 12.2 on deposits for water to exclude previously determined areas, RDP houses and registered indigent households.

Amend paragraph 12.4 to correct the review of deposits to be the average of the previous two (3) months and not three (3).

Add new paragraph 13 for water leak adjustments.

Add new paragraph 17 for the levying of interest rates on arrear accounts.

2.5 Travelling and subsistence policy

Policy was rewritten to provide more specific guidelines for travelling and subsistence claims and to be in line with current practices in municipalities.

3. **UNCHANGED POLICIES**

The following policies remain unchanged:

- Asset management policy
- Blacklisting policy
- Borrowing policy
- Budget policy
- Funding and reserves policy
- Investment of surplus funds policy
- Petty cash policy
- Short term risks and liabilities policy
- Unclaimed monies policy