

1. **SUMMARY OF CHANGES TO POLICIES**

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

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

2. **New policies**

2.1 Cost containment policy

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

2.2 Contractor development programme policy

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

Various inputs were received on this policy, therefore this policy will be submitted to Council separately.

3. **Amended existing policies**

3.1 Asset management policy

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

3.2 Borrowing policy

- Amendments made in the table of contents.

- The word introduction replaced with purpose (point 2) and first paragraph deleted.
- Addition of new point 6 – considerations when incurring long term or short term debt.
- The word legislative added to process (point 7).
- Addition of new point 16 – debt repayment period.

3.3 Budget policy

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

3.4 Credit control and debt collection policy

- Addition of new point 10.15 – deposit refunds.

3.5 Free basic services and indigent policy

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

3.6 Funding & reserves policy

- Cosmetic changes made in policy.

3.7 Investment of surplus funds policy

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

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

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

3.9 Property rates policy

- Pensioner rebate (point 13.1.4 (h)) qualifying rate amounts adjusted.
- Point 13.1.4 (i)(iv) combined income amount adjusted.
- Disability grantees/medically boarded (point 13.1.5) qualifying rebate amounts adjusted.
- Various inputs were received on the policy.

The main inputs are:

- Amendment to the following definitions:
 - Agricultural property
 - Office-bearer
 - Official residence
 - Public service infrastructure
 - Residential
- Amendment to paragraph 8.7 on supplementary valuations.
- Amendment on period of general valuation roll from five (5) to seven (7) years.
- Change of categories of properties under paragraph 11 in terms of the regulations as amended by the Property Rates Amendment Act.
- Deletion of the following application of categories:
 - 12.1 Rates for business from residential dwellings.
 - 12.2 Rates for accommodation establishments.
 - 12.3 Eco-tourism and game farms.
 - 12.4 Other agricultural farms and small holdings.
 - 12.5 Rates for second dwellings and duets.
 - 12.6 Rates for special industry.
 - 12.7 Rates for multi-purpose properties.
- Addition of the following new application of categories:
 - 12.20 Rates for properties used for public service purposes.
 - 12.21 Privately owned towns.
 - 12.22 Rates for multi-purpose use.
- Addition of a rebate category for special industrial under 13.18.

3.10 Supply chain management policy

- Sub-delegations point 5.2 (c) amendment of composition of bid adjudication committee.
- General preconditions for consideration of written quotations or bids (point 13.1 (b)) – amendment to tax status.
- Lists of accredited prospective providers (point 14.4) – deletion of non-compliant with registration documents.
- One (1) written quotations above R500,00 (VAT included) up to R2 000,00 (VAT included) (point 16(d)) – deletion of paragraph.
- Written quotations above R2 000,00 (VAT included) up to R30 000,00 (VAT included) (point 17(c)) – amendment of tax status.
- Procedures for procuring goods or services through formal written price quotations (point 19.1(f)) – amendment of tax status.
- Bid documentation for competitive bids (point 22.1(a)) – deletion of point (v).
- Public invitation for competitive bids (point 23) – inclusion of e-tender under (a) and addition of points (viii) and (ix).
- Point 23.5 – amendment to tax status.
- Opening of bids (point 24.2(a)) – addition of points (iii) – (v).
- Point 24.2(b) addition of opening tender committee members.
- Bid specification committees (point 30) – inclusion of words “*and ensure that*” as well as addition of points (i) – (ix) compilation of specifications.
- Specifications (point 30.2 (vi)) – inclusion of words “*equal to or*”.
- Bid specification committee point 30.3 amendment of composition of committee.

- Bid evaluation committees:

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

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

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

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

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

3.10 Supply chain management policy – Infrastructure procurement and delivery management

- Infrastructure delivery management requirements (point 6) – point 6.1.1.3 specific committee meeting stipulated.
- Evaluation committee (6.1.1.3) – inclusion of “official from legal and administration and technical expert” under point 6.1.1.3.2.
- Tender committee (point 6.1.1.4) – under 6.1.1.4.1(b) “*head of*” deleted and replaced with “*senior official from*” and also inclusion of point (e).
- 6.1.1.4.2 – addition of “*chairperson of bid evaluation committee must serve on bid adjudication committee as another official*”.
- Tax and rates compliance (point 6.2.2) – point 6.2.2.1 SARS tax clearance point 6.2.2.1.1 replaced with new paragraph.
- Point 6.2.2.1.2 replaced with new paragraph.
- Points 6.2.2.1.3 to 6.2.2.1.5 deleted.

3.11 Travelling and subsistence policy

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

- Amendment of subsistence expense from R390,00 to R415,00
- Amendment of daily allowance from R120,00 to R125,00.
- Point 17.1 under general addition of wording “*and National Treasury guidelines*”.
- Amendment of point 13.2 incidental cost from R120,00 to R125,00 per day.

4. **By-laws**

Inputs were received from the provincial revenue forum that the municipal by-laws, in line with policies, be adopted annually.

As a result the property rates and tariff by-laws were amended.

The by-laws will be advertised before it is finally submitted to Council for approval.

5. **Unchanged policies**

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