



SYSTEM OF DELEGATION POLICY 2020-21

Review for Approved by Council: 12 June 2020

Kai !Garib Municipality System of Delegation Policy 2020-21

DELEGATION OF POWERS AND DUTIES

DELEGATIONS

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1. LEGAL REQUIREMENTS:

1.1 Sections 59 to 65 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provide as follows:

“59. Delegations.- (1) A municipal council must develop a system of delegation that will maximise administrative and operational efficiency and provide for adequate checks and balances, and, in accordance with that system, may-

- (a) delegate appropriate powers, excluding a power mentioned in section 160*
- (2) of the Constitution and the power to set tariffs, to decide to enter into a service delivery agreement in terms of section 76 (b) and to approve or amend the municipality’s integrated development plan, to any of the municipality’s other political structures, political office bearers, councillors, or staff members;*
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the municipality’s duties; and*
- (c) withdraw any delegation or instruction.*
- (2) A delegation or instruction in terms of subsection (1)-*
 - (a) must not conflict with the Constitution, this Act or the Municipal Structures Act;*
 - (b) must be in writing;*
 - (c) is subject to any limitations, conditions and directions the municipal council may impose;*
 - (d) may include the power to sub-delegate a delegated power;*
 - (e) does not divest the council of the responsibility concerning the exercise of the power or the performance of the duty; and*
 - (f) must be reviewed when a new council is elected or, if it is a district council, elected and appointed.*

(3) The municipal council-

- (a) in accordance with procedures in its rules and orders, may, or at the request in writing of at least one quarter of the councillors, must, review any decision taken by such a political structure, political office bearer, councillor or staff member in consequence of a delegation or*

instruction, and either confirm, vary or revoke the decision subject to any rights that may have accrued to a person; and

(b) may require its executive committee or executive mayor to review any decision taken by such a political structure, political office bearer, councillor or staff member in consequence of a delegation or instruction.

(4) Any delegation or sub-delegation to a staff member of a power conferred on a municipal manager must be approved by the municipal council in accordance with the system of delegation referred to in subsection (1).

60. Certain delegations restricted to executive committees or executive mayors. - (1) The following powers may, within a policy framework determined by the municipal council, be delegated to an executive committee or mayor only:

(a) decisions to expropriate immovable property or rights in or to immovable property; and

(b) the determination or alteration of the remuneration, benefits or other conditions of service of the municipal manager or managers directly responsible to the municipal manager.

(2) The council may only delegate to the Municipal Manager the power to make decisions on investments on behalf of the municipality within the municipality's investment policy contemplated in Section 13(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

61. Referral of matters to delegating authorities for decision.- A political structure, political office bearer, councillor or staff member of a municipality to whom a delegating authority has delegated or sub-delegated a power to dispose of matters falling within the area of responsibility of that political structure, political office bearer, councillor or staff member may, or must if instructed to do so by the relevant delegating authority, refer a matter before the political structure, political office bearer, councillor or staff member to the relevant delegating authority for a decision.

62. Appeals.-

(1) A person whose rights are affected by a decision taken by a political structure, political office bearer, councillor or staff member of a municipality in terms staff member, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

(2) The municipal manager must promptly submit the appeal to the appropriate appeal authority mentioned in subsection (4).

(3) The appeal authority must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

(4) When the appeal is against a decision taken by-

(a) a staff member other than the municipal manager, the municipal manager is the appeal authority;

(b) the municipal manager, the executive committee or mayor is the appeal authority, or, if the municipality does not have an executive committee or executive mayor, the council of the municipality is the appeal authority; or

(c) a political structure or political office bearer, or a councillor-

(i) the municipal council is the appeal authority where the council comprises less than 15 councillors; or

(ii) a committee of councillors who were not involved in the decision and appointed by the municipal council for this purpose is the appeal authority where the council comprises more than 14 councillors.

(5) An appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable period.

(6) The provisions of this section do not detract from any appropriate appeal procedure provided for in any other applicable law.

63. Duty to report to delegating authorities.-

A political structure, political office bearer, councillor or staff member of a municipality to whom a delegating authority has delegated or sub-delegated a power or duty, must report to the delegating authority at such intervals as the delegating authority may require, on decisions taken in terms of that delegated or sub-delegated power or duty since the last report.

64. Withdrawal, amendment or lapsing of delegation or sub-delegation.-

The withdrawal, amendment or lapsing of a delegation or sub-delegation does not invalidate anything done as a consequence of a decision taken in terms of that delegation or sub-delegation.

65. Review of delegations.-

(1) Whenever it becomes necessary in terms of section 59 (2) (f) to review a municipality's delegations, the municipal manager must submit to the council-

(a) a report on the existing delegations issued in terms of section 59 by the council and other delegating authorities of the municipality; and

(b) recommendations on any changes to the existing delegations which the municipal manager may consider necessary. municipal manager must submit the report and any recommendations to the municipal council through the executive committee or executive mayor.”

1.2 Section 160(2) of the Constitution, 1996 (referred to in section 59 (1)(a) of the Systems Act) provides as follows:

“(2) The following functions may not be delegated by a Municipal Council:

(a) the passing of by-laws;

(b) the approval of budgets;

(c) the imposition of rates and other taxes, levies and duties; and

(d) the raising of loans.”

2. PRINCIPLES OF DELEGATION

2.1 All delegations must ensure that the Council retains all legislative powers and those executive powers which cannot be lawfully delegated.

2.2 Policy formulation and determination process is as follows:

2.2.1 Policy is determined by Council.

2.2.2 Any political office bearer or staff member may initiate the generation of proposed policy.

2.2.3 Policy must first be channelled via the executive mayor for his/her consideration and recommendations.

2.2.4 Notwithstanding the above, if, in the view of the Municipal Manager, any proposed policy has a direct and significant impact on the community, then the comments of that community must be obtained prior to the approval of the policy.

2.3 The Council as the legislative and executive authority may exercise no power and perform no function beyond that conferred upon it by law.

2.4 No political office bearer or staff member may exercise its authority contrary to any policy approved by Council.

2.5 Clear corporate policies in respect of support services such as finance, human resources, procurement and certain administrative functions must inform the delegated powers of relevant political office bearers and staff members. Policies should not serve as ad hoc instructions, but must be universally applicable.

2.6 The functions allocated to the municipality's political office bearers or staff members as may be approved by Council from time to time will form the basis for the allocation of delegations of executive decision making power.

2.7 All delegations are conditional upon compliance with the municipality's policies, its Integrated Development Plan and budget.

2.8 All delegations must be in writing.

2.9 All delegations must provide for good governance and allow for adequate checks and balances.

2.10 All delegations must enhance service delivery without sacrificing accountability.

2.11 Delegations must not oblige a delegate to exercise his/her delegated power and must therefore allow for the decision to be taken at the next higher level.

2.12 In exercising delegated authority, the municipality's political office bearers or staff members must do so in the spirit of utmost good faith.

2.13 The political office bearers and staff members must be empowered to perform their functions effectively and to take decisions in the management and administration of their functional areas within the maximum amount of delegated authority, subject to compliance with the following constraints:

2.13.1 Clear operational policies which are determined by Council must govern the actions of the relevant political office bearers or staff members in performing their respective functions and activities.

Where it is necessary for relevant political office bearers or staff members to operate in exceptional cases outside a defined policy, the authority of either the Executive Mayor or the Municipal Manager respectively must be obtained.

2.13.2 Relevant political office bearers or staff members must take decisions and implement policy, projects and manage their functional areas in order to give effect to the requirements of their respective business plans.

2.13.3 Relevant political office bearers or staff members must ensure that their proposed business plans give maximum effect to the achievement of the municipality's strategic objectives.

2.13.4 During the implementation of the municipality's business plans, relevant political office bearers or staff members must, when exercising their delegated powers, ensure that council's strategic objectives are achieved.

2.13.5 In giving effect to policies, projects and the requirements of business plans, relevant political office bearers or staff members must take decisions and operate within the parameters of their respective operational and capital budgets.

2.13.6 Relevant political office bearers and staff members must give effect to the enforcement and observation of all municipal by-laws and other relevant legislation and where changing circumstances so dictate, must recommend the creation or amendment of municipal by-laws.

2.14 Although there is a requirement for relevant staff members to be monitored by higher levels of authority in respect of their performance in the implementation of policies, programmes and projects, they must be empowered to take decisions without unnecessary delay. This permits political office bearers and staff members at higher levels to concentrate on policy determination, strategic planning, appropriate interaction with the public and the monitoring of the implementation of individual business plans and the municipality's strategic priorities.

3. CONDITIONS OF DELEGATION

3.1 All decision making powers delegated by the Council are subject to the following conditions:

3.1.1 Delegated powers are conferred upon the Executive Mayor and posts in the organisation of the municipality and not personally on incumbents.

3.1.2 These delegations also apply to acting positions. Persons acting in these positions have the same delegated powers as those serving in a permanent capacity, provided that the competent authority has duly appointed such acting persons and has not excluded certain powers.

3.1.3 In executing any delegated power, the delegate must comply with all relevant legislation, agreements and policy.

3.1.4 These delegations do not redefine the municipality's powers and functions.

3.1.5 The policies whether existing or future will determine the parameters of any delegation and the delegator is bound to comply therewith. It is the duty of the delegator to ensure that clear and comprehensive policies are drafted.

3.1.6 In executing delegated powers, no expenditure may be incurred unless the delegate is satisfied that the municipality has budgeted for the expenditure and that the funds are still available on the relevant budget.

3.1.7 In executing delegated powers all decisions taken must be in support of the municipality's business plans and its strategic objectives.

3.1.8 Council or its mayor or any part of the municipality's staff members above the delegate may at any time, subject to applicable law, order a delegated matter not to be proceeded with by the delegate and then deal with such matter.

3.1.9 The chain of authority from the Council to the Mayor to the Municipal Manager and officials below must not be jeopardised by any delegation.

3.1.10 The relevant political office bearer or staff members delegated to take a decision, may determine whether a report is needed motivating the decision and whether the decision must be reduced to writing. If a report is required then it must indicate that all legal and financial requirements have been met.

3.1.11 A delegation may set out special circumstances in which a delegate is prohibited from exercising his/her delegated power.

3.1.12 Any sub-delegation must be reduced to writing.

3.1.13 All decisions affecting the rights of others must be in writing and reasons must be recorded for such decisions.

3.1.14 The Council or any other delegator, may at any time withdraw, qualify or amend a delegation made by itself.

3.1.15 Provision must be made for a separation between the evaluation and recommendation stage of the decision making process and the actual decision itself. This must happen in all cases where the decision making process is reasonably capable of being divided as set out above.

3.1.16 Any delegator may require a selected sample of decisions taken by a part of the staff below him/her to be audited.

4. DELEGATION POWERS OF COUNCIL DUTIES

4.1 MAYOR: COUNCIL RESOLUTION

4.1.1 Subject to the provisions contained herein all powers and functions vested with the Council are hereby delegated to the Mayor with the power of sub-delegation in terms of section 59(2)(d) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Excluding those powers and functions

* mentioned in section 160(2) of the Constitution, 1996;

* mentioned in section 59(1)(a) and (4) and 76(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

* delegated to the municipality's staff members as indicated herein under,

PROVIDED that where the delegates hereunder are for whatever reason, unwilling or not in a position to exercise his/her delegated power, such matter be dealt with by the Mayor or his/her delegate.

As far as municipal property rates are concerned:

Drawing up and maintenance of a register of properties.

Acting for and on behalf of the municipality regarding all matters relating to the payment of rates annually or by instalments.

Furnishing of accounts to persons liable for the payment of rates. Recovery of rates in arrears from tenants, occupiers and agents.

Determining date of valuation.

Designation of municipal valuers.

Acting for and on behalf of the municipality regarding all matters relating to appeals.

Adjusting the municipality's valuation records in accordance with authorised amendments to the valuation roll.

Granting rebates on rates resulting from such adjustments.

Senior Manager:

Income

Director: Finance

Municipal Manager

Senior Manager:

Authorising deletions from and amendments to the valuation roll resulting from the demolition or destruction of buildings and granting such proportional rebate as may be authorised on rates paid or payable in respect of buildings so removed or destroyed as from the date of such demolition or destruction.

Authorising the refund of a pro rata share of rates paid in respect of land or buildings as from the date of transfer thereof to or occupation by the municipality, whichever be the earlier.

Senior Manager:

CRITERIA FOR PURPOSES of DELEGATION

PURCHASES BETWEEN (VAT

inclusive) QUOTATIONS / TENDERS LEVEL OF APPROVAL

With due regard to proper segregation of duties

Up to R2 000
Petty cash purchases in terms of the Petty Cash Policy
Level of approval as delegated by relevant director
One (1) written quotation by the Purchasing Section
Over R2 000 – R10 000 Three (3) written price quotations in terms of Clause 17(1)(a)
Post level T12 and higher
Over R10 000 – R30 000 Three (3) formal written price quotations in terms of Clause 17(1)(a)
Over R30 000 – R70 000
Formal written price quotations in terms of Clause 18(b)
Post level T13 and higher subject to the recommendation of the Bid Evaluation Committee-
Clause 18(h) of
the Supply Chain Management Policy.
Over R70 000 – R200 000 Post level T17 and higher subject to the recommendation of the Bid
Evaluation Committee- Clause 18(h) of
the Supply Chain Management Policy.
Over R200 000 – R10 million Competitive Bidding Bid Adjudication Committee
Over R10 million Municipal Manager after recommendation from the Bid Adjudication
Committee

**CRITERIA FOR PURPOSES of DELEGATION 4.2.81.3.
PURCHASES BETWEEN (VAT inclusive) LEVEL OF APPROVAL**

R0 – R70 000 Post Level 13 and Higher
Over R70 000 – R500 000 Post Level 16 and Higher
Above R 500 000 Municipal Manager & Directors
Eskom Bulk Electricity Purchases Senior Manager: Electro-technical Services

DATE

Subject to the provisions contained herein the following matters are hereby delegated as indicated:

Item No Cryptic description of Power or Duty Delegated to Remarks, Limitations or Conditions

5.2.1 The functions of a building control officer as contained in section 6 of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977).

Building Inspectors Subject thereto that the delegation of such functions shall not prevent the exercise thereof by the Manager: Building Services.

**DELEGATION POWERS OF MAYORAL DUTIES
Municipal Finance Management Act, 2003 (Act 56 of 2003)**

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DATE

Subject to the provisions contained herein the following matters are hereby sub-delegated to the lowest level as indicated:

Item Section Lowest Level Sub-delegated to Remarks, Limitations or Conditions
1 21(1)

(a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) Prepare for tabling in the municipal council at least 10 months before the start of the budget year, a time schedule outlining key deadlines for:—

(i) Preparation, tabling and approval of the annual budget;

(ii) Annual review of—

(aa) integrated development plan in terms of section 34 of the Municipal Systems Act; and

(bb) budget-related policies;

(iii) Tabling and adoption of any amendments to the integrated development plan and the budget-related policies;

a) Senior Manager: Financial Services

Senior Manager: Income

Senior Manager: Strategic Services

b) Senior Manager: Financial Services

Budget-related policies

Budget-related policies

Integrated Development Plan

When preparing the annual budget:—

(a) Take into account the municipality's integrated development plan;

(b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34

of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;

(c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macroeconomic

policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;

(d) consult —

(i) the relevant district municipality and all other local municipalities within the area of the district municipality;

(ii) the Provincial treasury, and when requested, the National Treasury; and

(iii) any national or provincial organs of state, as may be prescribed; and

(e) provide, on request, any information relating to the budget —

(i) to the National Treasury; and

(ii) subject to any limitations that may be prescribed, to —

(aa) the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;

Senior Manager: Financial Services

Senior Manager: Strategic Services

Operational and Capital Budget

Integrated Development Plan

Director of Finance (CFO) Operational and Capital Budget

3 29(1)

Authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget in

emergency or other exceptional circumstances.

Municipal Manager After consultation with the Executive

Mayor

Grant prior written approval for the increase when funds for a capital programme are appropriated in terms of section 16(3) for more than one financial year, expenditure for that programme during a financial year exceeds the amount of that year's appropriation for that programme.

Director of Finance (CFO) Mayor's approval must be obtained

Ensure:—

(a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and

(b) that the performance agreements of the municipal manager, senior managers and any other categories of officials

as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery

and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

Senior Manager: Financial Services

Senior Manager: Strategic Services

Operational and Capital Budget

Integrated Development Plan

On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72,

must:—

(a) consider the statement or report;

(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) issue any appropriate instructions to the accounting officer to ensure —

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

Director of Finance (CFO) 17(d) : 17(e)

If the municipality faces any serious financial problems, must:—

(a) respond promptly to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

(ii) the tabling of an adjustments budget; or

(iii) steps in terms of Chapter 13; and

(b) alert the council and the MEC for local government in the province to those problems.

Director of Finance (CFO)

Ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Senior Manager: Strategic Services

Receive in writing from the board of directors of a municipal entity, on discovery of any irregular expenditure or any

fruitless and wasteful expenditure:—

- (a) particulars of the expenditure; and*
- (b) any steps that have been taken —*
- (i) to recover the expenditure; and*
- (ii) to prevent a recurrence of the expenditure.*

Municipal Manager

If, for whatever reason, unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality’s sole or shared control, within seven months after the end of the financial year to which the report relates, must:—

- (a) promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and*
- (b) submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.*

Director of Management Services

Ensure a municipality addresses any issues raised by the Auditor-General in an audit report.

Relevant Directors

The power to make the determinations referred to in subsection 14(2)(a) and (b) in respect of movable capital assets to a maximum value of R2 million per public auction.

Municipal Manager

DELEGATION OF POWERS AND DUTIES BY THE MUNICIPAL MANAGER AND RELATED SUB-DELEGATIONS

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

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DATE

Subject to the provisions contained herein the following matters are hereby delegated as indicated:

Item Section Lowest Level Sub-delegated to Remarks, Limitations or Conditions

1 8(5)

Submit 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.

Senior Manager: Financial Services

2 8(5)

Inform the National Treasury and the Auditor-General, in writing, at least 30 days before changing the municipality’s primary bank account,

Senior Manager: Financial Services

3 9

Submit to the Provincial Treasury and the Auditor-General, in writing:—

- (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*
- (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.*

Senior Manager: Financial Services

4 10(1)(a)

Administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d).

Senior Manager: Financial Services

5 10(1)(b)

Accountable to the municipal council for the municipality's bank accounts.

Senior Manager: Financial Services The principal accountability remains with the Municipal Manager.

6 10(1)(c)

Enforce compliance with sections 7, 8 and 11.

Director of Finance (CFO)

7 11(1)

Withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, subject to stipulated provisos (a) to (j).

All Managers, Senior Accountants and Accountant within the Directorate Finance Two signatures, one of whom must be a Senior Accountant.

8 11(4)

Within 30 days after the end of each quarter:—

(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter;

and

(b) submit a copy of the report to the Provincial Treasury and the Auditor-General.

Senior Manager: Financial Services

9 12(4)

Grant authority to withdraw money from a bank account envisaged in section 12(2) without appropriation in terms of an approved budget.

Senior Manager: Financial Services Must act in accordance with the decisions of the municipal council.

10 22

Immediately after an annual budget is tabled in a municipal council:—

(a) in accordance with Chapter 4 of the Municipal Systems Act —

(i) make public the annual budget and the documents referred to in section 17(3); and

(ii) invite the local community to submit representations in connection with the budget; and

(b) submit the annual budget—

(i) in both printed and electronic formats to the National Treasury and the Provincial Treasury; and

(ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

Senior Manager: Financial Services

58

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11 24(3)

Submit the approved annual budget to the National Treasury and the Provincial Treasury.

Senior Manager: Financial Services

12 32(1)

Advise a political office-bearer of a municipality that any anticipated expenditure is likely to result in unauthorised expenditure;

Director of Finance (CFO)

13 32(3)

Inform 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.

Director of Finance (CFO)

14 37(2)

Notify 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.

Senior Manager: Financial Services

15 45(3)(iii)

Notify 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.

Senior Manager: Financial Services

16 46(3)(a)

To incur long-term debt has, in accordance with section 21A of the Municipal Systems Act:—

(i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public 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

(ii) invited the public, the National Treasury and the Provincial Treasury to submit written comments or representations to the council in respect of the proposed debt.

Senior Manager: Financial Services

17 46(3)(b)

To incur long-term debt, has submitted 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:—

(i) the essential repayment terms, including the anticipated debt repayment schedule; and

(ii) the anticipated total cost in connection with such debt over the repayment period.

Senior Manager: Financial Services

18 62(1)

Responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps

to ensure:—

(a) that the resources of the municipality are used effectively, efficiently and economically;

(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards; and

(c) that the municipality has and maintains effective, efficient and transparent systems —

(i) of financial and risk management and internal control; and

(ii) of internal audit operating in accordance with any prescribed norms and standards;

(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;

(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

(f) that the municipality has and implements —

(i) a tariff policy referred to in section 74 of the Municipal Systems Act;

(ii) a rates policy as may be required in terms of any applicable national legislation;

(iii) a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act; and

(iii) a supply chain management policy in accordance with Chapter 11.

Director of Finance (CFO)

19 62(2)

Responsible for and must account 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).

Director of Finance (CFO)

20 63(1)

Responsible 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.

60

All Directors

21 63(2)

Ensure:—

(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;

(b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and

(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.

Senior Manager: Financial Services

Senior Manager: Expenditure & Assets

Reports on a quarterly basis must be submitted to the CFO

22 64(2)

Take all reasonable steps to ensure;—

(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;

(b) that revenue due to the municipality is calculated on a monthly basis;

(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;

(d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts;

(e) that the municipality has and maintains a management, accounting and information system which—

(i) recognises revenue when it is earned;

(ii) accounts for debtors; and

- (iii) accounts for receipts of revenue;*
- (f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;*
- (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*
- (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.*

Director of Finance (CFO)

61

23 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.

Director of Finance (CFO) Must also be reported to Council

24 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.*

Senior Manager: Income

25 65(2)

Take all reasonable steps:—

- (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;*
- (b) that the municipality has and maintains a management, accounting and information system which—*
 - (i) recognises expenditure when it is incurred;*
 - (ii) accounts for creditors of the municipality; and*
 - (iii) accounts for payments made by the municipality;*
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;*
- (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 payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;*
- (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;*
- (f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments;*
- (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;*

(h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;
(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
(j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

62

Senior Manager: Expenditure & Assets

Senior Manager: Financial Services

Senior Manager: Supply Chain Management

Any irregularities around/or deviations must be reported monthly to the CFO and Municipal Manager

26 66

Report 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.

Senior Manager: Expenditure & Assets

27 67(1)

Ensure 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:—

(a) has the capacity and has agreed —

(i) to comply with any agreement with the municipality;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and

(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;

(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) has in respect of previous similar transfers complied with all the requirements of this section.

Director: Planning and Development

28 67(3)

Enforce, through contractual and other appropriate mechanisms, compliance with section 67(1).

Director: Planning and Development

29 67(4)

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:-

(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and

(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

Director: of Finance

(a) assist the mayor in performing the budgetary functions assigned to the mayor in terms of Chapters 4 and 7; and

(b) provide the mayor with the administrative support, resources and information necessary for the performance of those functions.

Director of Finance (CFO)

31 69(1)

Ensure:—

(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

(b) that revenue and expenditure are properly monitored.

Director of Finance (CFO) Monthly I & E report and cash flow must be submitted to the CFO
32 69(2)

Prepare when necessary an adjustments budget and submit it to the mayor for consideration and tabling in the municipal council.

Senior Manager: Financial Services Adjustment budget must be compiled in conjunction with the CFO and Municipal Manager

33 70(1)

Report in writing to the municipal council:—

(a) any impending —

(i) shortfalls in budgeted revenue; and

(ii) overspending of the municipality's budget; and

(b) any steps taken to prevent or rectify such shortfalls or overspending.

Director of Finance (CFO)

34 70(2)

Notify 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:—

(a) the amount by which the account or accounts are overdrawn;

(b) the reasons for the overdrawn account or accounts; and

(c) the steps taken or to be taken to correct the matter.

Senior Manager : Financial Services

64

35 71(1)

Submit 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:-

(a) actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on —

(i) its share of the local government equitable share; and

(ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—

(i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) any material variances from service delivery and budget implementation plan; and

(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.

Senior Manager : Financial Services

36 71(2)

The monthly budget statement must include:—

(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

(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).

Senior Manager : Financial Services

37 71(5)

Submit 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.

65

Senior Manager : Financial Services Info of report must be scrutinized by the CFO and certified b Manager before forwarded to National Treasury

38 72(1)(a)

Must by 25 January of each year assess the performance of the municipality during the first half of the financial year, taking into account:—

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(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;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(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.

Senior Manager: Financial Services

Manager: Strategic Services

Info must be submitted to the Municipal Manager for signature

39 72(3)

Must, as part of the review required in terms of section 72(1):—

(a) make recommendations as to whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Director of Finance (CFO)

66

40 75(1)

Place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:

(a) the annual and adjustments budgets and all budget-related documents;

(b) all budget-related policies;

(c) the annual report;

(d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;

(e) all service delivery agreements;

(f) all long-term borrowing contracts;

(g) all supply chain management contracts above a prescribed value;

(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;
(i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
(j) public-private partnership agreements referred to in section 120;
(k) all quarterly reports tabled in the council in terms of section 52(d); and
(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.

Manager: SCM

41 115(1)

Must:—

(a) implement the Supply Chain Management Policy of the municipality; and
(b) take 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.

Senior Manager : Supply Chain Management

42 116(2)

Must:—

(a) take all reasonable steps to ensure that a contract or agreement procured through the Supply Chain Management

Policy of the municipality is properly enforced;

(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;

(c) establish capacity in the administration of the municipality —

(i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and

(ii) to oversee the day-to-day management of the contract or agreement; and

(d) regularly report to the council of the municipality on the management of the contract or agreement and the performance of the contractor.

Relevant Directors

43 120(6)

Must when a feasibility study has been completed:—

(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;

(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 —

(i) make public particulars of the proposed public-private partnership, including the report on the feasibility study; and

(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

(c) solicit the views and recommendations of —

(i) the National Treasury;

(ii) the national department responsible for local government;

(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
 (iv) any other national or provincial organ of state as may be prescribed.

Relevant Directors

44 126(1)

Must:—

(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
 (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.

Senior Manager : Financial Services

45 127(5)

Must immediately after an annual report is tabled in the council in terms of section 127(2):—

(a) in accordance with section 21A of the Municipal Systems Act —

(i) make public the annual report; and

(ii) invite the local community to submit representations in connection with the annual report; and

(b) submit the annual report to the Auditor-General, the Provincial Treasury and the provincial department responsible for local government in the province.

68

Manager : Strategic Services

46 129(2)

Must:—

(b) submit 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.

Manager : Strategic Services

47 129(3)

Make public 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.

Manager : Strategic Services

48 132(2)

Submit 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).

DOCUMENT APPROVAL				
Policy Review Date	Council Resolution No	Date	Effective Date	Chairman signature
11 June 2020	REF:XXXXXX	12 June 2020	01 July 2020	XXXXXXXXXX

