

PART 4
SUMMARY OF
CHANGES TO
POLICIES

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1. SUMMARY OF CHANGES TO POLICIES

The complete detailed policies are available on the municipal website – www.stevetshwetelm.gov.za/finance/budget_related_policies_2017/2018 for public scrutiny.

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

2. Amended existing policies

2.1 Budget policy

- Inclusion of a new definition for mSCOA.
- Inclusion under point 5.1(k)

“The MTREF budget must be prepared in the seven (7) segments as determined by mSCOA”.

- Amendment to point 5.3 to read as follows:

“Immediately after the draft annual budget has been tabled, the municipality will invite the public and stakeholders to consult on the budget at the budget indaba and to submit written comments to the accounting officer”.

- Inclusion under point 5.1(k)

“The MTREF budget must be prepared in the seven (7) segments as determined by mSCOA”.

- Inclusion under point 6(g)

“All capital projects must clearly indicate if it is a multi-year or single year and in the case of multi-year project the full cost of the project over the estimated financial year must be included in the budget”.

- Deletion under point 10(c).

- Inclusion under point 10(k)
 - (l) mSCOA virements
 - In the first year of the mSCOA implementation, virements will be allowed to correct cost allocations over the seven (7) segments with no limitation on the amount subject to:
 - The function may not be changed.
 - The original budget segment allocation may not be exceeded.
 - Budget funds may only be shifted within a budget “vote”.
 - The virement must be with the same funding segment.
 - For capital the segment virement must remain within the same project segment.

2.2 Credit control and debt collection policy

- Amending point 9.6 by including “for more than 60 days”.
- Amending the amounts under 10.11.1 and 10.11.3 from twenty (R20 000,00) to fifty (R50 000,00).
- Including point 14.2.4 to allow for online third party payment through approved service providers.
- Including point 14.2.4 that all electronic transfer, debit order or internet payments should be made three working days before last payment date.
- By including new point 17.6 as follows:

“In cases where payments were made before due date and not allocated immediately onto the account due to incorrect references, the interest levied will be write back subject to proof of such payments”.

- By including new point 20.40.4 as follows:

“If the account holder does not comply to an arrangement entered into with council and no payment is received for more than 3 months the amount in the loan register will be transfer to the current account. Thereafter the account will be handed over again for collection”.
- By amending the days under 21.1 from thirty (30) days to sixty (60) days.
- Amending point 22.2 to read that rates accounts should not be paid later than the last payment date on the account.
- Inclusion of traffic fine debtors.

2.3 Free basic services and indigent support policy

- Amendment to point 6.4 reference to subsection 6.2 to 6.3.
- Inclusion of a new points under 6.6 as follows:

“(f) is a director of an active company.

“(g) The property has been classified with “illegal” status.

“(h) The average electricity consumption exceeds 600 units per annum.”
- Inclusion of a new paragraph under point 8.5

“An owner, partner or account holder who is a director of a dormant or inactive company may apply for indigent support subject to the following conditions:

 - (a) Completed application form.*
 - (b) Latest bank statement of dormant / inactive company.*
 - (c) Bank statements of applicant.*
 - (d) Copy of SARS tax clearance certificate for dormant/ inactive company.”*
- Inclusion of a new point under 10.1

“(i) application forms for indigents must be finalized within five (5) working days from receipt”.

- Inclusion of a new point under 10.3
 - “*(e) application forms for delistment must be finalized within five (5) working days from receipt*”.
- Amending the delistment date from October to August of each.

2.4 Investment policy

- Inclusion of definitions for short term and long term investments.
- Inclusion of an investment committee to advise the accounting officer on surplus cash to be invested.

2.5 Methodology for the impairment of receivable policy

- Amendment to point 6 to include prime lending rate as required by the applicable GRAP standard.
- Correction of step 5 (2.3) under Annexure A from “high risk” to “*low risk*”.
- Inclusion of traffic fines receivables under point 5.3

2.6 Pay day policy

- Deletion of the words “sick leave” under point 7.8.
- Deletion of the words “unless otherwise specified within their employment contract” under point 8.1 and 9.1.
- Amendment of organizational right collective agreement to main collective agreement under point 5.3.

2.7 Petty cash policy

- Inclusion of newspapers under point 5.3(f).
- Correction of reference under point 5.6 from (1-e) to (a-d).
- Amendment of point 7.1 by replacing transaction control and verification with accountant expenditure.

2.8 Property rates policy

- Inclusion of point 12.19

Rates for multi-purpose properties

Property categorized as “multi-purpose” (MUU) shall be determined according to the major use but not limited to in relation to residential property:

<i>Residential</i>	<i>1:1</i>
<i>Commercial</i>	<i>1:3</i>
<i>Industrial</i>	<i>1:2,5</i>
<i>Mining</i>	<i>1:4</i>
<i>Accommodation establishment</i>	<i>1:1,25</i>

- Amendment of point 13.1.4

“where no proof of pensionable income can be provided, three (3) months certified bank statements which may not be older than three (3) months from date of application”.

- Addition of a new bullet under point 13.1.4 (f)

“in cases of a late estate the heir or the beneficiary provide a copy of the death certificate and letter of authority by court or will”.

- Amendment of point 13.1.4(c) to include in the case of a trust, the applicant must have life rights on the property.
- Amendment of the combined monthly income totals to qualify for pensioners rebate

13.1.4 (e) “R129 600,00” to “R153 600,00”

13.1.4 (h) “R 3 010,00” to “R 3 200,00”

“R 6 020,00” to “R 6 400,00”

“R 9 030,00” to “R 9 600,00”

“R12 040,00” to “R12 800,00”

- Amendment of monthly income levels for disability and medically boarded

14.1.5 (h) “R 3 010,00” to “R 3 200,00”

“R 6 020,00” to “R 6 400,00”

“R 9 030,00” to “R 9 600,00”

“R12 040,00” to “R12 800,00”

2.9 Supply chain management policy

Policy is withdrawn and will be considered as a separate item.

2.10 Travelling and subsistence policy

- Amendment to point 12.1.1 by deleting “*subject to proof of expenditure*”.

- Amendment to the accommodation rates to fall within the cost containment measures as issued by National Treasury:

11.4 “R2 500,00” to “R1 550,00”

11.4 “R5 000,00” to “R2 500,00”

- Amendment to the maximum amounts according to the SARS schedules:

12.1.2 “R370,00” to “R390,00”

12.2 “R115,00” to “R120,00”

13.1 “R115,00” to “R120,00”

13.2 “R115,00” to “R120,00”

- Amendment to the maximum accommodation amount for interviews:

16.2 “R750,00” to “R900,00”

2.11 Write off debtors policy

- Inclusion of traffic debtors to be considered for write off.

3. Unchanged policies

- Asset management policy
- Blacklisting policy
- Borrowing policy
- Funding and reserves policy

- Investment and surplus funds policy
- Methodology for the classification and recognition of land policy
- Methodology for the impairment and assessment of useful life of assets policy
- Short term risk and liabilities policy
- Tariff policy
- Unclaimed monies policy
- Write-off of debtor's policy