Theewaterskloof Municipality Policy Changes
Draft Budget 30 March 2023

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(1) Funding and Reserves Policy

(2) Short Term Insurance Policy Changes

(3) Asset Management Policy

(4) Rates Policy

(5) Credit Control and Debt Collection Policy

(6) Write-Off Collection Policy

(7) Tariff Policy

(8) Grant In Aid

(9) Cost Containment

(10) Travel and Subsistence

(11) Supply Chain Management

(1) Funding and Reserves Policy

3.3.1 CASH FUNDED RESERVES

In order **to provide for sufficient cash resources for future expenditure**, the municipality hereby approves the establishment of the following reserves:

3.3.1.1 Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure.

New Addition

The CRR is to be utilised for future capital expenditure for:

- New Projects
- Enhancement and upgrades
- Co-funding

The CRR must be cash–backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the Annual Financial Statements.

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(2) Short Term Insurance Policy Changes

Point 3.2.4, 3.2.5 and 3.2.6 was amended and should read as follow:

3.2.4 managers and staff implement their responsibilities with regards to insurance management;

3.2.5 managers and staff apply the correct processes & procedures when reporting;

3.2.6 managers and staff utilize the required documentation when filing a claim with the municipality;

Point 3.3 was amended and should read as follow:

3.3 All insurance claims must be dealt with in line with the processes and procedures set out in the "STANDARD OPERATING PROCEDURES FOR INSURANCE CLAIMS". (Refer to Annexure A)

Point 4.4 was amended and should read as follow:

4.4. Give notice in writing of the intention to claim against the municipality within six (6) months of the claim arising. The notice must be delivered to the municipality by hand or via email. Then within thirty (30) days after the notice, formalize and quantify the claim. If notice is given after six (6) months, the third party must apply for condonation.

Point 4.5 was amended and should read as follow:

4.5. All claims should be directed and addressed to the Municipal Insurance Unit as delegated per the approved delegations.

Point 6.1 was amended and should read as follow:

6.1. All property owned by or leased to the Council, property held by the Council in trust and/or commission and/or custody and/or under Council's control and/or for which the Council is responsible must be insured except for the following which are specifically excluded as stipulated in the conditions of contract of the insurer:

Point 6.1.1 and 6.1.2 was deleted:

~~6.1.1. Assets with an inferior or low value~~

~~6.1.2. Any assets falling within the excess payment of the applicable insurance policy~~

Point 6.1.3 – 6.1.7 was amended and should read as follow:

6.1.1. Boundary and other walls and fences which are not erected around the insured buildings, structures or public work premises

6.1.2. Dam walls, Dam Contents, Canals, Viaducts

6.1.3. Outdoor Sports Playing or Recreational surfaces (other than tennis courts), Tartan tracks (unless specifically declared to Insurers)

6.1.4. Explosives (other than small arms ammunition)

6.1.5. Electrical transmission and distribution lines including their supporting structures or underground caballing other than damage occurring between the insured property and the public supply or mains or where the insurers liability in limited to damage occurring in or on any insured premises provided that the insurers maximum liability, irrespective of where the damage occurs, is limited to a distance of 150 metres.

6.1.6. Water – and/or Sewerage - piping whether above or underground including where applicable, supporting structures other than damage occurring between the insured property and the public supply or mains; or where the insurers liability in limited to damage occurring in or on any insured premises provided that the insurers maximum liability, irrespective of where the damage occurs, is limited to a distance of 150 metres

Point 6.1.9 was deleted:

~~6.1.9. Sewerage piping including the supporting structures (other than on or within 150 metres of sewerage treatment plants or on within 150 metres of the premises of the Insured. The insurer shall not be liable to pay for the Sewerage piping including their supporting structures that exceed the 150m limit irrespective of where the damage occurred.~~

Point 6.1.7 was inserted:

6.1.7. Storm water drainage piping other than, where applicable damage occurring on any insured premises subject to a maximum distance of 150 metres

Point 6.1.8 – 6.1.10 was amended and should read as follow:

6.1.8. Roads, pavements, bridges, Tunnels and Manhole Covers
6.1.9. Land, Topsoil, Backfill, Drainage or Culverts
6.1.10. Bullion; precious stones and jewellery.

Point 6.1.12, 6.1.13 and 6.2 was inserted:

6.1.12. Property damaged as a result of it undergoing any process of manufacture, conversion or treatment
6.1.13. Accounts receivable
6.2. An affordability test needs to be performed by the relevant department and presented to Accounting Officer before considering:
6.2.1. Public liability cover for municipal events
6.2.2. Municipal official's or councillor's private property

Point 9.3 and 9.4 was deleted:

~~9.3. The insurance brokers shall specifically indemnify the Council of increased risk because of the incorrect of unprofessional handling of the placement of insurance or the handling of a specific insurance claim.~~

~~9.4. The insurance broker shall annually at the consideration of insurable conditions for the next financial year provide the Council of sufficient proof of its registration with the professional body for insurance brokers and registration of financial advisor.~~

Point 1.10 was amended and should read as follow:

10.1. A committee must be established to review all claims. The importance regarding claims should be considered because it is not only paid by the insurance company, but also by Council. The committee's composition and responsibilities will be outlined within its terms of reference. (Refer to annexure B)

Paragraph 11 was inserted:

11. IMPLEMENTATION AND REVIEW PROCESS

1.1. This policy will come into effect as from 1 July 2023;
1.2. This policy will be reviewed at least annually and significant changes be approved by way of a Council resolution.

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(3) Asset Management Policy

Point 3.4.1 and 3.4.2 was amended and should read as follow:

3.4.1. Property, Plant and Equipment assets - are tangible assets items that are held by the municipality for use in the supply of services, administrative purposes and are expected to be used during more than one financial year.

3.4.2. Heritage assets – are defined as culturally, environmental, historical, natural, scientific, technological or artistic significant and are held indefinitely for the benefit of present and future generations. Examples are works of art, historical buildings and statues.

3.6. "Basic Municipal Services" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment and for this policy includes, but is not restricted to electricity, refuse collection, sanitation, local roads, storm water drainage and water services.

3.7. "Capitalisation" is the recognition of expenditure as an Asset in the Asset Register.

Point 3.17, 3.20, 3.25, 3.26 and 3.27 was inserted:

3.17. "Fixed Asset" (also referred to as a "non-current asset") is an asset with an expected useful life greater than 12 months and includes movable and immovable assets.

3.20. "Immovable Assets" are fixed structure such as buildings and roads, tied to the land, meaning it cannot physically be move somewhere else. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair)

3.25. "Movable Assets" are the stock of equipment owned or leased by the municipality such as office equipment and furniture, motor vehicles and mobile plant.

3.26. "Organ of state" in terms of this policy, means

- 3.26.1. a national department or national public entity
- 3.26.2. a provincial department or provincial public entity
- 3.26.3. a municipality or municipal entity; or
- 3.26.4. any other organ of state within the meaning assigned to "organ of state" in section 239 of the Constitution

3.27. "Other assets" are defined as assets utilized in normal operations.

Point 3.33.1 was amended and should read as follow:

3.33. "Useful life" is either:

- 3.33.1. The estimated period of time over which the future economic benefit or future service potential embodied in an asset are expected to be consumed an asset is expected to be used by the municipality.

Point 3.33.1 was amended and should read as follow:

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management or Budget policies or the Administration of Immovable Property policy.

Point 5.6.8 was amended and should read as follow:

5.6.8. The purchase of assets complies with all municipal policies and procedures, including the procurement of items form the correct budget allocation.

Point 7.3.2 was inserted:

7.3.2. The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;

Point 7.5 was amended and should read as follow:

7.5. Disposal of assets (excluding immovable property covered under the Administration of Immovable Property Policy):

7.5.10. All gains and losses realized on the alienation of assets shall be accounted for according to section 11.12 below.(Accounting treatment on disposal)

Point 7.5.11 was inserted:

7.5.11. Disposal of immovable property is dealt with in terms of the Theewaterskloof Administration of Immovable Property Policy.

Point 7.6 was deleted:

~~7.6. General principles relating to management of immovable property:~~

~~7.6.1. The municipality may acquire, use, alienate, let or permit to be occupied, built upon or cultivated any immovable property owned by the municipality, in terms of the Property Disposal or Lease SOP, unless it is precluded from so doing by law or the conditions under which such property was acquired by the municipality.~~

~~7.6.2. The municipality may not sell property, let or alienate rights in immovable property which is required for the provision of the minimum level of basic municipal services.~~

~~7.6.3. Sales and alienation of rights in immovable property as well as the letting of immovable property below market value shall be approved by Council. In terms of the relevant delegation, letting of immovable property at market related value shall be approved by the Municipal Manager.~~

~~7.6.4. Before deciding to let or sell immovable property or alienate rights in immovable property, the Council or Municipal Manager (as the case may be)~~

shall consider the fair market value thereof as well as the economic and community value to be received in exchange for such property or right.

7.6.5. When selling or leasing immovable property, the general rule shall be that a market related value or rental should be charged (except when the public interest or the plight of the poor demands otherwise and documented proof can be provided to substantiate the aforementioned).

7.6.6. In the case of immovable property referred to in the Housing Act (107 of 1997) and its amendments, such property shall be sold or leased as provided for in that Act.

7.6.7. The market value of property or market rental shall be determined by the Director: Development Services or delegated authority (with substantiating proof) where the valuation costs exceeds the anticipated revenue to be derived from the transaction or is not justifiable or through the use of an independent registered and suitably qualified valuer.

7.6.8. Council may impose any condition of sale in respect of a sale agreement, inclusive but not limited to:

7.6.8.1. Affordable or low cost housing or in respect of social and development projects prohibiting the property to be resold within a fixed period from the date of transfer.

7.6.8.2. Public comment

7.6.8.3. Any condition considered by Council to be good practise and corporate governance.

7.6.8.4. Any condition considered to be beneficial to the council or to protect its rights.

7.6.9. Immovable property let by the municipality, must be inspected regularly by officials of the municipality to ensure compliance with the terms and conditions of the agreement of lease.

7.6.10. Non-profit organizations may receive purchase price or rental discounts at the discretion of Council or Management (as the case may be). Applications will be dealt with on the merit of each application. The discounted amount shall be regarded as a social contribution towards such organization. Non-profit organizations must submit proof of registration as well as proof of sufficient funding for the project. Provision must be made for a suitable reversionary clause or cancellation of the lease should the property no longer be used for the specific purpose intended.

7.6.11. As a rule, all sales or letting of an immovable property shall be subject to public participation and shall be fair, equitable, transparent, competitive and be consistent with this and supply chain management policy. Public competition and participation may be by means of tender, proposal call, qualified tender, auction, advertisement or other appropriate procedure.

Advertisement shall be done as determined by Council or the Municipal Manager (as the case may be), by inter alia an advertisement in Afrikaans and English in a local newspaper, relevant town noticeboard and the Municipal website. Where required, advertisement may also be done in an Afrikaans or English provincial newspaper. The advertisement must contain all the relevant information as to price and terms (in the case of out-of-hand sales), future usage of the property, infrastructure required and identify the parties to the agreement (if relevant) and type of sale (i.e. auction or tender) and must be open for comment for a period of 30 days. The municipality shall consider and rule on any objections received, giving written reasons for its decision.

7.6.12. The assessment of tenders, qualified tenders or assessment calls will be done in line with the Supply Chain Management regulations.

7.6.13. Auctions will be done in public through a suitable qualified Auctioneer, where a property must be sold to the highest bidder, subject however to such terms and conditions Council may impose as to reserve price and terms and conditions of sale.

7.6.14. Where immovable property is made available by Council for a specific type of development project, the municipality may consider an out-of-hand sale or call for development proposals, which may include a monetary offer. In such a case, the price offered for the immovable property by the developer may form part of the total package, provided that the process in terms of paragraph 7.6.11 have been followed.

7.6.15. Where the municipality considers it appropriate it may consider unsolicited bids for the lease or sale of property subject to compliance with the relevant legislation, this policy and Regulation 37 of the SCM Policy. Environmental or heritage benefits may also be taken into consideration by the municipality when deciding whether or not to consider unsolicited bids

7.6.16. Where the immovable property to be sold or leased cannot be viably used on its own but only as part of an adjacent property because of size, location, access, zoning or other good reason, Council may sell or lease the property directly to the owner of the adjacent property, subject to the process prescribed by paragraph 7.6.11 hereof.

7.6.17. The municipality may sell or lease property directly to another municipality or to a municipal entity or to another organ of state in terms of applicable legislation.

7.6.18. The municipality may enter into a direct lease of a temporary nature of no longer than a year without a renewal option where it is in the public interest to do so and condoned by Council.

7.6.19. Sports facilities may be leased directly to formally constitute non-professional, non-profit-making sporting bodies according to the tariffs determined by the municipality from time to time and in line with this policy, the tariff policy and sport facility by-law.

7.6.20. The out-of-hand lease of land for outdoor seating adjoining to restaurant owners is permitted.

7.6.21. The principles which apply to the sale of immovable property also apply to the granting of other real rights such as servitudes.

7.6.22. Existing leases may be renewed without recourse to public competition provided the lessee has consistently complied with the lease conditions and the rental is reassessed to a market-related level where applicable. The municipality may impose additional conditions for the renewal period in its sole discretion. Unless the initial lease contained a renewal right, the proposed renewal shall be advertised for comment as set out in paragraph 7.6.11 above. Contracts will be renewed once-off in this manner. If objections are received after placement of an advertisement it must be referred to the Executive Mayoral Committee to deal with it. The delegation will be given to the Director: Development Services to approve such applications.

7.6.23. The municipality may impose any terms and conditions of sale, title conditions, title restrictions or servitudes in its sale transactions, and any lease conditions in its lease conditions in its lease transactions, at the sole discretion off the municipality in its own interests and for its own benefit and that of the community.

7.6.24. Where the municipality is the seller, the grantor of real rights or the lessor, it shall ensure that all sale terms and conditions, title conditions, title restrictions or servitudes and all lease terms and conditions are complied with. The municipality shall take appropriate legal action if necessary to enforce these terms and conditions including in the case of leases eviction proceedings as a last resort.

Point 8.1.1.1 was amended and should read as follow:

8.1.1.1. The Chief Financial Officer will ensure the establishment and maintenance of the asset register containing key financial data on each item of asset that satisfies the criterion for recognition.

Point 8.1.1.2 was deleted:

~~8.1.1.2. The Chief Financial Officer is responsible for establishing and maintaining any additional registers or records to demonstrate to Directors the physical management of assets under their control.~~

Point 8.2.3.1 was amended and should read as follow:

8.2.3.1. Each director and managers shall at least biannually undertake a complete physical verification of all assets under his / her control.

Point 8.2.3.2 was deleted:

~~8.2.3.2. The results of such verification shall be reported to the Chief Financial Officer in the format as required by the Chief Financial Officer.~~

Point 8.2.5.2. was amended and should read as follow:

8.2.5.2. The Insurance Claims Evaluation Committee must comprise of a representative from Legal Services, Human Resources (Labour Relations), Finance (Asset Management), Deputy Director Community Services and Fleet Manager.

Point 9.1.5.1 was amended and should read as follow:

9.1.5.1. Developing appropriate asset management systems for more over fleet and infrastructure, providing, inter alia, for

Point 11.1.1.4 was inserted:

11.1.1.4. The item is not listed in annexure B (listed items of assets not recgonised

Point 11.2.3 was amended and should read as follow:

11.2.3. An item of property, plant or equipment that is detected during a verification and qualifies as an asset, but which the acquisition date is unknown must be added to the asset register at the date of the opening balances of the comparative year of the annual financial statements.

Point 11.3.1 was amended and should read as follow:

11.3.1. Where an item of property plant or equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its “fair value” as at the date of receipt or acquisition and included in the asset register.

Point 11.5.3 was deleted:

~~11.5.3. The depreciable amount of an asset is determined after deducting the residual value of the asset. In practice, the residual value of an asset is often insignificant and, therefore, is immaterial in the calculation of the depreciable amount.~~

Section 11.7 was amended and should read as follow:

11.7. Review of useful life

11.7.1. Only the Chief Financial Officer in consultation with the responsible Director may amend the useful operating life assigned to any asset.

11.7.2. The Chief Financial Officer shall amend the useful operating life assigned to any asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.

11.7.3. If the value of an asset item of PPE has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be written off from the date in which such diminution in value occurs.

11.7.4. The Chief Financial Officer shall assess at each reporting date whether there is any indication that the entity's expectations the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Chief Financial Officer shall revise the expected useful life and/or residual value accordingly.

11.7.5. If the remaining useful life (RUL) at financial year end is equal to 1 year or less than a year, 2 years will be added unless an indication is received from the directorate that the asset is lost, stolen or damaged beyond repair.

Section 11.9.1.2 was amended and should read as follow:

11.9.1.2. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately.

Point 11.9.4.3 was inserted:

11.9.4.3. The value in use is the present value of the asset's remaining service potential. Present value of the remaining service potential of the asset is

determined using any one of the approaches identified in paragraphs .43 to .47 in GRAP 21, as appropriate.

11.9.4.3.1. Depreciated replacement cost approach
11.9.4.3.2. Restoration cost approach
11.9.4.3.3. Service units approach

Point 11.18.2 - 11.18.7 was deleted:

~~11.18.2. The Chief Financial Officer, in consultation with the head(s) of department concerned, shall ensure that all such assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated cost of disposal.~~

~~11.18.3. Such valuation shall be undertaken by a valuer specialising in the valuation of the type of agricultural assets concerned.~~

~~11.18.4. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as operating revenue.~~

~~11.18.5. If any such asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the director concerned in exactly the same manner as though the asset were an ordinary asset.~~

~~11.18.6. Records reflecting the details of agricultural assets shall be kept in a separate section of the asset register or in a separate accounting record and such details shall reflect the information which the Chief Financial Officer, in consultation with the director concerned, deems necessary for accounting and control purposes.~~

~~11.18.7. The Chief Financial Officer shall annually insure the municipality's agricultural assets, in consultation with the director concerned.~~

Point 12.1 and heading 12.2 was deleted:

~~12.1. Maintenance plans:~~

~~12.1.1. Every director shall ensure that a maintenance plan in respect of infrastructure assets with a value of R100 000 or more is prepared as part of the annual budget preparation process.~~

~~12.1.2. The relevant director shall request sufficient appropriations in the operating budget to achieve the applicable maintenance plans.~~

~~12.1.3. The director controlling or using the infrastructure asset in question, shall annually report to Council, not later than 31 May, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.~~

~~12.2. General maintenance of Assets:~~

Section 14 was inserted:

14. IMPLEMENTATION AND REVIEW PROCESS

14.1. This policy will come into effect as from 1 July 2023;

14.2. This policy will be reviewed at least annually or when significant changes are required amended by way of a Council resolution.

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(4) Rates Policy

Section 7: APPLICATION OF RATING CRITERIA

The following was inserted:

7.1 Vacant Properties

The category of Vacant properties will be determined according to the property's permitted use and these properties will not qualify for any relief measures not including open spaces (refer to paragraph 7.9 of this policy), properties belonging to religious organisations (as referred to in paragraph 7.13) and vacant properties valued R15 000 or less (refer to paragraph 8.10 of this policy).

7.11 Public Benefit Organizations (PBO)

A property which is categorized as a PBO but also qualifies as a Non-Profit Organisation according to paragraph 8.6 of this policy, will be categorized as a PBO and then receive the 100% NPO exemption. (No monetary implications, for reporting and administrative clarity).

7.12 Conservation Area

The Municipality may exclude those portions of a property within the ambit of a conservative area as defined in this Policy, from the payment of rates.

The apportioned value of any portion of such property, utilized for any purpose other than that used for such conservation purposes, or developed and used for commercial, business, agricultural or residential purposes will be categorised accordingly and rated at the applicable rate as described in paragraph 7.2 of this Policy. Furthermore Section 5(1) of the Mountain Catchment Areas Act (Act No. 63 of 1970) will be applicable, and no rates will be payable on the areas a described in this section.

Section 13: GENERAL

The following paragraph was inserted

13.2 Supplementary Valuations

Supplementary valuations will be performed as prescribed in Section 78 of the MPRA, Rates payable will be calculated according to Section 78(4) of said Act.

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(5) Credit Control and Debt Collection Policy

CHANGES TO BE MADE:

Chapter 2 Clause 4.5 was amended and should read as follow:

• A customer will qualify for a water leakage discount upon completing the prescribed application form with proof of the following attached:

o An sworn affidavit that the leak was not easily detectable on the surface (proof may be requested);

~~o The leak was **repaired within 72 hours since its detection**;~~

o The customer may apply only once in a cycle of 24 months for a discount; and

o Suitable proof of repair should be submitted containing the following information:

➢ Date and cost of repair; and

➢ Affidavit from the person who has repaired the leak that the leak was not easily detectable

• Discount for usage will be calculated over the period the leak was present and will be equal to the consumption above the average normal consumption

• Discount for business usage will be calculated over the period the leak was present and will be equal to the consumption above the average normal consumption

• It is the responsibility of the customer to control and monitor his/her consumption.

f) An abnormal water leakage will be dealt with as follows:

o Where there is an abnormal water consumption that cannot be substantiated after the meter test results are obtained, the Technical Officer or his delegated official must furnish the Head Financial Operations with a recommendation based on the consumption of the consumer's average consumption pattern for the previous 12 months.

Chapter 2 Clause 7.3 was amended and correctly numbered and should read as follow:

7.3 The municipal manager or his/her designate will use his/her discretion whether defaulting accountholders are allowed to make arrangements for the payment of arrears.

7.4 Each defaulting accountholder shall be allowed a reasonable maximum period within which to pay an account in arrears, together with the interest accrued on such an account. A condition for such an arrangement shall be that the accountholder is bound to pay every current municipal account in full and on time during the period over which such an arrangement extends, plus the arrangement amount.

7.5 If an accountholder breaches any material term of an arrangement, the balance of the arrear accounts~~, together with the balance of interest raised on such account,~~ shall immediately become due and payable to the municipality. Moreover, if the accountholder defaults on such payment, the municipal manager or his/her designate shall terminate/restrict water and or electricity services to the property in question and shall forthwith institute legal action. ~~An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the account(s) in arrears.~~

7.6 Instead, after dispatching the initial notice of default as stipulated in the actions against defaulters and the failure by the accountholder to pay the accounts in arrears, including the interest raised on such an account, the defaulting accountholder shall be proceeded against as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

Clause 11 was amended and should read:

11. Consumer deposits

Deposits ~~of defaulters~~ may be adjusted or recalculated to cover at least twice the estimated consumption and basic fees for the services of water, electricity, refuse and sewerage. ~~The minimum deposits required shall be approved with the tariff and charges annually. The deposits will be applied to non-domestic defaulters and new owners.~~

~~In cases of defaulting, in terms of payment of municipal services, deposits may be increased according to the approved tariffs~~. The municipality will not pay any interest on deposits and on the termination of the agreement the amount of the deposit less any outstanding amount due to the municipality will be refunded to the consumer.

Clause 15.6 was amended and should read as follow:

15.6 be disclosed in the annual financial statements~~, indicating the policy in terms of which the debt was written off; and~~

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(6) Write-Off Collection Policy

CHANGES TO BE MADE:

Clause 4.4(l) was amended and should read as follow:

(l) The Debtor has ~~either~~ neither assets ~~or~~ nor Income

Clause 4.6 was amended and should read as follow:

4.6 be disclosed in the annual financial statements~~, indicating the policy in terms of which the debt was written off; and~~

Clause 5.3 was amended and should read as follow:

5.3 Special Incentives: Interest write-off

5.3.1 Council has resolved, as a gesture of goodwill, to write-off interest on Arrear Debts on settlement of arrears, subject to the following conditions:

(a) Debtors should sign an Acknowledgement of Debt in order to qualify for such incentive;
(b) Government Institutions, Councillors, and Officials (except for historical debt of previous owner) and Clearances by Attorney's should not be allowed to participate in the Incentive Scheme.
(c) Debtors must pay their current account plus Arrears monthly.
(d) Immediate settlement is the due date determined in the letters of demand (usually fourteen working days from date of letter).

The Interest shall be written-off as follows:

	RESIDENTS	BUSINESS/INDUSTRIAL/ AGRICULTURAL/ COMMERCIAL
Immediate Settlement	100%	75%
Settlement within 1 month	75%	50%
Settlement within 2 months	50%	40%
Settlement within 3 months	25%	20%

5.3.2. Interest written-off in terms of Councils incentive scheme must be presented to the appropriate category of authority. ~~Refer to attached copy of interest incentive scheme~~.

5.3.3 If a ~~residential consumer makes an arrangement~~ debtor signs the acknowledgement of debt in terms of the special incentive, ~~to pay off arrears, the following will apply:~~ no interest will be charged on the arrangement amount. ~~provided that~~ If ~~such~~ the debtor fails to pay all his/her monthly arrangement amount as per the incentive ~~for a period of three months consecutively~~, the arrangement will be terminated, and the interest that would have been ~~charged~~ written off in terms of the incentive, will be debited back on the account.

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(7) Tariff Policy

Clause 7.1.1(b)(iv) was amended and should read as follow:

(iv) Where properties are not connected to the water service or can reasonably be connected to the service an availability tariff will be payable **except for Municipal** owned vacant **properties**. The tariff will be a portional calculation of the deemed fixed cost. The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.

Clause 7.1.2(f) was amended and should read as follow:

(f) Where properties are not connected to the electricity service but can reasonably be connected to the service, an availability tariff will be payable except **for Municipal** owned vacant **properties.** The tariff will be a proportional calculation of the deemed fixed cost. The Council will not levy an availability rate on any private road or any other

property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.

Clause 7.1.3(c) was amended and should read as follow:

(c) Where properties can make use of a refuse removal service an availability tariff will be payable **except for Municipal** owned vacant **properties.** The tariff will be a proportional calculation of the deemed fixed cost. The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.

Clause 7.1.4(d) was amended and should read as follow:

(d) Where properties are not connected to the sewerage service or can reasonably be connected to the service an availability tariff will be payable **except for Municipal** owned vacant **properties.** This will be a proportional calculation of the deemed fixed cost. The Council will not levy an availability rate on any private road or any other property where the market value of the property is equal or less than R15000 or such other amount as determined by Council from time to time.

Clause 13 was amended and should read as follow:

13. SERVICES DEPOSITS

13.1 A consumer deposit will be required for every new service agreement. The deposit will be calculated as follow:

- to include the basic fees of sewerage and refuse to be charged on a monthly basis to this account for two (2) months
- in the case of conventional (Read) meters the expected consumption for water and/or electricity for two months
  - (i) Household (20 kl) electricity (500kwh)
  - (ii) Businesses as per comparable business or upon advice from Technical Services

13.2 The deposit to be accepted as a general municipal services deposit and will not be service specific.

13.3 Cash and bank guarantees acceptable as service deposits.

13.4 No service deposit will be required for indigent consumers.

13.5 In the event that a consumer failed to pay the consumer deposit for a new or existing service agreement, a deposit will be calculated in accordance with this policy and be debited to the consumer's account.

13.6 Should the consumer fail to request a refund after a period of three years after date of termination of the agreement or date of transfer in ownership of the property concerned, such deposit will cede to the municipality and the consumer will have no claim to a refund of the deposit.

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(8) Grant In Aid

9.4 APPROVAL PROCESS FOR DISCRETIONARY APPLICATION:

The requesting organization submits a formal request to the relevant department, whereby the said department reviews the request, and assesses its alignment in terms of the Integrated Development Plan (IDP) and Council's objectives.
Once assessed and provisionally approved, a Memorandum is drawn up in support of the application for signature and final approval by the Accounting Officer. The approval of the Discretionary Application does not follow the process of the Donation Adjudication Committee as per point 14 but vests with the Accounting Officer as per Section 67(1) b+c in the MFMA.

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(9) Cost Containment

National Treasury rates set for Domestic Hotel Accommodation

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(10) Travel and Subsistence

Policy attached.

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(11) Supply Chain Management Policy

Policy attached.

[NEW INSERT]

THEEWATERSKLOOF MUNICIPALITY

PROCEDURES FOR TRAVEL ARRANGEMENTS

1. AUTHORIZATION

1.1 Before a Councillor / Official attend a conference/seminar/workshop/meeting either locally or internationally, prior approval from the relevant authority must be obtained before any reservation are made. The following procedure is applicable:

1.1.1 Directorates must supply the Request for Traveling Claim Form (Paid by Travel Card).

1.1.2 All requests/claims must be signed by the Director and counter-signed by the Accounting officer or his nominee.

1.1.3 At least 3 Quotes of Airlines must be optained.

1.1.4 A copy of the Airline Payment and Flight Confirmation which is e-mailed, must be kept with the payment voucher as proof of payment and a copy must be supplied to the passenger (official) who will be the traveller.

1.1.5 The official must take such confirmation to the airport on the day of travel, along with a copy of the front (only) of the travel card, copied on Theewaterskloof Municipality letterhead and counter-signed by the Director Financial Services or the Deputy Director Financial Services.

2. ACCOMMODATION

2.1 The travelling and domestic accommodation costs must be determined when travelling to a place which is less than 500 km return. Refer to Annexure A for formula to determine the cheapest option.

2.2 If the official/councilor do not want to take the cheapest option as determine in 2.1, then he/she must follow the motivation procedure to the Accounting Officer.

2.3 No “extras” (excluding meals, in the case of domestic travel) can be charged against the municipality’s account. The account for any extras must be settled by the Councillor / Official prior leaving the hotel / accommodation supplier.

2.4 Should a traveler wish to have his/her spouse or partner accompany him/her, the difference in cost per person, if any, is to be paid directly to the hotel / accommodation supplier.

3. CAR HIRE

3.1 Travellers who will make use of car rentals are reminded to exercise the following prior to accepting the vehicle:

3.1.1 Scrutinize the vehicle for scratches, dents or any other damages irrespective of how small or insignificant it may seem.

3.1.2 Ensure that any damages are recorded with the car rental agency and that you retain a copy of their acknowledgement of the damage for future reference.

3.2 Should this procedure not be followed, the traveller could be held liable for the excess payment in the event of an insurance claim.

4. TRAVEL EXPENCES

4.1 Travelling time of 1 hour for every 90 kilometers can be claimed, except for travelling to Cape Town (within a radius of 30 kilometers from the Castle of Good Hope), where the travelling time will be 1 hour for every 45 kilometers.

4.2 Should four or less persons be delegated to attend the same occasion /meeting /training/ workshop only one vehicle may be used and travelling costs will be payable for one vehicle only. Should a delegation consist of five to eight persons the travelling costs for an additional vehicle shall be payable if a second vehicle is used.

4.3 The vehicle with the lowest running cost rate payable in terms of the travel and subsistence policy must be used when more than one person attends the same occasion.

4.4 Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometer will be measured from the place of work, using a google map to determine the distance.

5. ADVANCES / PAYMENT OF EXPENSES

5.1 Advances in respect of official journeys may only be paid to the affected officials on a T1 to T10 salary scale, on the last working day prior to the day of departure, subject to the approval of the Accounting officer / Speaker or responsible Head of Department and subject to the following condition: That the expense be submitted to the Finance Department one week in advance.

5.2 No payment will be made if the completed prescribed subsistence and transport claim forms are not received by the salary office within 30 days of return from a trip. Refer to the MFMA Section 65 (2) (b)(i) which read as follows:

"(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure –
(b) that the municipality has and maintains a management, accounting and information system which –
(i) recognises expenditure when it is incurred"

6. SPONSORSHIPS

6.1 Should any trip or portion thereof, be sponsored or subsidised by an external organisation, the following should be noted:

6.1.1 The written undertaking to pay the full or portion of the costs be it a percentage of the costs, only the air ticket, or the accommodation etc. is to be attached to the documents prior to the approval of the trip.

6.1.2 Once the trip has been approved, the value of any subsidy is to be paid to the municipality within 30 days.

7. NON-ATTENDANCE

7.1 In the event of non-attendance of the workshop/seminar/conference and where the expense has already been incurred, a detailed report from the relevant Official / Councillor stating reasons is to be referred to the Executive Mayor or Accounting officer or their nominees for authorisation of the expenditure, and is to be retained for audit purposes. If the reason for non-attendance is not accepted, the money must be recovered from the official / councilor.

8. GENERAL

8.1 Directors, Deputy Directors and Managers who are authorised to approve subsistence and travel claim forms must ensure that they are familiar with the content of the travel and subsistence policy and that they don't approve claims that are not compliant with the policy and this directive.

8.2 Should exceptional circumstances require a deviation from the aforementioned process requirement, a fully motivated application and supported by the Director concerned should be submitted to the Municipal Manager for his/her consideration and approval. Such an application should reach him/her prior to the trip and his/her approval needs to be obtained prior to such a trip.

8.3 Claims not compliant with the Travel and subsistence policy and/or the procedures for travel arrangements will not be processed.

8.4 If an official/councilor decide to get a person to drop him of at the airport, and pick him up when his flight return, he/she must claim the cheapest option between 2 times the return trip, and the cost of parking at the airport.