

SUBJECT : PRESENTATION ON THE REVIEW OF BUDGET AND TREASURY POLICIES

NAME OF POLICY / FRAMEWORK	EXISTING IN THE 2019/20	INPUTS FOR 2020/21
1. Assets Management policy	<p><u>PART 11: FIXED ASSETS TREATED AS INVENTORY (GRAP 12)</u></p> <p>Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.</p> <p>A separate register shall be maintained for such inventories.</p>	<p><u>PART 11: FIXED ASSETS TREATED AS INVENTORY (GRAP 12)</u></p> <p>Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.</p> <p>These assets will be recognized as per GRAP 12 standard</p> <p>A separate register shall be maintained for such inventories.</p>
2. Inventory Management Policy		No changes
3. Budget policy		No changes

4. Virement Policy		No changes
5. Payment Procedure manual		No changes
6. Funding Reserves policy		No changes
7. SCM-SIPDM		No changes
8. SCM - goods and services	<p>Yes reject any bid from a bidder–</p> <p>if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or</p>	<p>Paragraph 38 d(i) and (ii)</p> <p>ii) No Lease agreement from the land lord and tenants with municipal rates.</p> <p>(iii) No municipality's confirmation letter in areas where there is no billing of services</p>
9. Credit control & Debt collection policy	<p>Paragraph 10.5.3</p> <p>As soon as the agreement to repay has been concluded the amount in arrears should be placed into a suspense account and no further interest should be levied. As long as the agreement is honored no further interest should be added. In case of defaulting (no payment for period of three conservative months) the payment</p>	<p>Paragraph 10.5.3</p> <p>As soon as the agreement to repay has been concluded the agreement will be captured into the financial system and account in arrears will no longer attract further interest, as long as the agreement is honored. In case of defaulting (no payment for period of three conservative months) the payment arrangement will be nullified and account will be handed-over to the appointed debt collectors for collection</p>

	arrangement will be nullified.	without any further notice.
10. Banking and Investment Policy	<p>Paragraph 12</p> <p>The chief financial officer shall report monthly to the executive committee and quarterly to the council on the following:</p> <ul style="list-style-type: none"> • the market value of each investment at the beginning of each month • each additional investment made during the month • each investment liquidated during the month • the market value of each investment at the end of the month • total interest received and/or accrued for the month. <p>Where an investment has been liquidated for an amount less than its opening market value, the chief financial officer shall provide a brief explanation for such loss.</p> <p>In addition, the chief financial officer shall provide a brief performance evaluation of each investment indicating how such investment is performing both in comparison with other currently held investments and in the context of the expectations of the chief financial officer at the time the investment was made.</p> <p>Finally, the chief financial officer shall indicate how it is proposed to deal with investments which are not performing to expectation or</p>	<p>Paragraph 12</p> <p>The reporting of investments will be dealt with in accordance with paragraph 13 of the Local Government: Municipal Finance Management Act, No 56 of 2003.</p>

	which are performing unsatisfactorily in comparison with other investments, if the chief financial officer has not already addressed the problem.	
11. Indigent Subsidy		No Changes
12. Tarrif Policy		No Changes
13. Revenue Enhancement Strategy		No Changes

- In all documents financial year was changed to 2020/21.
- New inputs are highlighted with the red colour.

3. FINANCIAL IMPLICATIONS

The financial implications are those outlined in the Budget for 2020/21 Financial Year

4. RECOMMENDATIONS

- 4.1 It is recommended that Council approve the reviewed Budget related policies for 2020/21 Financial Year with the effected changes.

PRESENTATION PREPARED BY FINANCE DEPARTMENT .