

NOTULE VAN 'n RAADSVERGADERING VAN DIE MUNISIPALITEIT WITZENBERG, GEHOU OP DONDERDAG, 29 MEI 2008 OM 14:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, VOORTREKKERSTRAAT 50, CERES

8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

8.1 Direkoraat Finansies / Directorate Finance

**8.1.1 Finance: Draft budget 2008/2009
(05/01/17)**

Item 3 of the Executive Mayoral Committee meeting, held on 23 May 2008, refers.

The following documents are attached:

- (a) A report from the Manager: Financial Administration, dated 21 May 2008: **Annexure 8.1.1(a)**.
- (b) Documents on the draft budget for 2008/2009: **Annexure 8.1.1(b)**.

The Executive Mayoral Committee resolved on 23 May 2008 to recommend to Council:

- (a) That Council accepts the tabling of the 2008/2009 Budget as presented in schedules:
 - (i) Operating revenue by source reflected in schedule 1
 - (ii) Operating expenditure by vote reflected in schedule 2
 - (iii) Operating expenditure by GFS classification reflected in schedule 2(a)
 - (iv) Multi-year capital appropriations by vote and associated funding reflected in schedules 3, 3(a) and 4
 - (v) Property rates and Tariffs as reflected in Schedule 5.
- (b) That the credit control policy as adopted by Council on the special council meeting, Item 8.8 dated 7 June 2005, be repealed in its totality as from the 30 June 2008.
- (c) That the credit control policy contained in schedule 6.1, as circulated, be adopted by Council with the implementation date set as 1 July 2008.
- (d) That the customer payment incentive policy contained in schedule 6.2, as circulated, be adopted by Council with the implementation date set as 1 July 2008.
- (e) That the Assistance to the Poor Policy as adopted by Council on the special council meeting, Item 4 dated 29 April 2008, be amended as follows:
 - (i) That Section 6.1.5 of the policy be scratched and replaced with the following:
 - “6.1.5 The household's joint gross income may not exceed the levels as determined from time to time by Council, currently as follows:
 - Indigent household – R 2,700.00 per month;
 - Poor household – R 3,700.00 per month.”

- (ii) That Section 6.2.1 of the policy be scratched and replaced with the following:
- “6.2.1 The qualification criteria for old age homes in order to receive assistance are as follows:
- More than 50 % of the residents within the old age home must receive less than R2,700.00 per month income; and”
- (iii) That Section 6.3.3 of the policy be scratched and replaced with the following:
- “6.3.3 The household's joint gross income may not exceed the levels as determined from time to time by Council, currently as follows:
- Indigent household – R 2,700.00 per month;
 - Poor household – R 3,700.00 per month.”
- (iv) That Section 6.1.3 of the policy be scratched and replaced with the following:
- “6.1.3. The applicant, except in the cases of rural households and/or where the head of the household has passed away and/or the owner leases a property to tenants and the tenants might qualify for indigent subsidy or poor household subsidy, must receive an account from the Municipality of Witzenberg.”
- (v) That Section 8.3.1 of the policy be scratched and replaced with the following:
- “8.3.1 Measurement whether the application qualifies in terms of the criteria as set out in sections 6.1.5 and 6.3.3 is based on the information as on the date of the application. When measuring the qualification of a seasonal worker in terms of 6.1.5 the measurement is done as follows: Gross household income per year must be less than the levels mentioned in 6.1.5 multiply with 12. The municipality reserves the right to lodge their own investigation in order to ensure compliance with the criteria.”
- (f) That the Supply Chain Management Policy as adopted by Council on the special council meeting, item 4 dated 29 April 2008 , be amended as follows:
- (i) Section 1 of the policy by including the following definitions:
- “Head of Department” means a Senior Manager as defined in the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) and who is responsible for a vote as assigned by the Accounting Officer”
- “Line manager” means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager.”
- (ii) Section 12 of the policy be scratched and replaced with the following:
- “12. (1) Goods and services may only be procured by way of –
- (a) Petty cash purchases, up to a transaction value of R 2,000 (VAT included);
 - (b) Three written price quotations for procurements of a transaction value over R 2,000 up to R30,000 (VAT included);

- (c) Three formal (closed) written price quotations for procurements of a transaction value over R 30,000 up to R200,000 (VAT included); and
 - (d) A competitive bidding process for –
 - (i) Procurements above a transaction value of R200 000 (VAT included); and
 - (ii) The procurement of long term contracts.
 - (2) The accounting officer may in writing lower, but not increase, the different threshold values specified in subparagraph 12(1); or
 - (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.”
- (iii) Section 15 of the policy be scratched and replaced with the following:
- “15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –
- (a) The Accounting Officer may delegate the responsibility for petty cash to an official directly or indirectly reporting to the CFO;
 - (b) No item that is an approved stores item might be purchased by means of a petty cash transaction;
 - (c) The nature of petty cash transactions that can be processed as cash transactions includes:
 - (i) Condolences, well wish cards, bouquets and flowers;
 - (ii) Refreshments and caterings;
 - (iii) Deposit (Halls etc.);
 - (iv) Refunds (Library book fees);
 - (v) Payment of clients without bank accounts;
 - (vi) Temporary vehicle licensing fees and public driver permits;
 - (vii) Tollgate fees when an employee is driving with an official vehicle registered in the name of council; and
 - (viii) Travelling and subsistence claims/advances only with the approval of the CFO or his nominee.
 - (d) The Council will determine annually maximum amounts per month;

- (e) A monthly reconciliation report must be provided to the chief financial officer, including:
 - (i) The total amount of petty cash purchases for that month; and
 - (ii) Receipts and appropriate documents for each purchase.”
- (g) That the last two pages, the matrix of the supply chain processes, of the Supply Chain Management Policy as adopted by Council on the special council meeting, item 4 dated 29 April 2008, be replaced by a schedule that reflects the transaction values as set out in decision (f)ii).
- (h) That the allocations or grants as reflected in schedule 7 be approved.
- (i) That Council takes note that the measurable performance objectives and SDBIP shall be tabled after the approval of the budget by the Mayor within 28 days from date of this resolution
- (j) That the Council takes note that an adjustment budget for 2007/2008 will need to be tabled before the 30 June 2008.
- (k) That a workshop be scheduled to discuss the Province’s LGMTEC 3 Assessment and the municipality’s narrative report of the LGMTEC 3 engagement.

The budget speech 2008/2009 was delivered by the Executive Mayor and is attached as **annexure 8.1.1(c)**.

The ANC/NPP component requested a caucus from 15:55 until 16:15.

The ANC/NPP enquiries:

- (a) What extras are there in the budget, especially for the disabled, farm workers and the poorest of the poor.
- (b) What programmes are there for women as a vulnerable group in the Witzenberg area.

RESOLVED

- (a) *That Council accepts the tabling of the 2008/2009 Budget as presented in schedules:*
 - (i) *Operating revenue by source reflected in schedule 1*
 - (ii) *Operating expenditure by vote reflected in schedule 2*
 - (iii) *Operating expenditure by GFS classification reflected in schedule 2(a)*
 - (iv) *Multi-year capital appropriations by vote and associated funding reflected in schedules 3, 3(a) and 4*
 - (v) *Property rates and Tariffs as reflected in Schedule 5.*

- (b) *That the credit control policy as adopted by Council on the special council meeting, item 8.8 dated 7 June 2005, be repealed in its totality as from the 30 June 2008.*
- (c) *That the credit control policy contained in schedule 6.1, as circulated, be adopted by Council with the implementation date set as 1 July 2008.*
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- (iv) *That Section 6.1.3 of the policy be scratched and replaced with the following:*
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(f) *That the Supply Chain Management Policy as adopted by Council on the special council meeting, item 4 dated 29 April 2008 , be amended as follows:*

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(2) The accounting officer may in writing lower, but not increase, the different threshold values specified in subparagraph 12(1); or

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.”

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(b) No item that is an approved stores item might be purchased by means of a petty cash transaction;

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 - (i) *Condolences, well wish cards, bouquets and flowers;*
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 - (v) *Payment of clients without bank accounts;*
 - (vi) *Temporary vehicle licensing fees and public driver permits;*
 - (vii) *Tollgate fees when an employee is driving with an official vehicle registered in the name of council; and*
 - (viii) *Travelling and subsistence claims/advances only with the approval of the CFO or his nominee.*
- (d) *The Council will determine annually maximum amounts per month;*
- (e) *A monthly reconciliation report must be provided to the chief financial officer, including:*
 - (i) *The total amount of petty cash purchases for that month; and*
 - (ii) *Receipts and appropriate documents for each purchase."*
- (g) *That the last two pages, the matrix of the supply chain processes, of the Supply Chain Management Policy as adopted by Council on the special council meeting, item 4 dated 29 April 2008, be replaced by a schedule that reflects the transaction values as set out in decision (f)(ii).*
- (h) *That the allocations or grants as reflected in schedule 7 be approved.*
- (i) *That Council takes note that the measurable performance objectives and SDBIP shall be tabled after the approval of the budget by the Mayor within 28 days from date of this resolution*
- (j) *That the Council takes note that an adjustment budget for 2007/2008 will need to be tabled before the 30 June 2008.*
- (k) *That a workshop be scheduled to discuss the Province's LGMTEC 3 Assessment and the municipality's narrative report of the LGMTEC 3 engagement.*

**8.1.2 IDP Review 2008/2009
(02/2/1)**

Item 4 of the Executive Mayoral Committee meeting, held on 23 May 2008, refers.

The final 2008/2009 Reviewed IDP document (2007-2012) is attached as **annexure 8.1.2**.

The Executive Mayoral Committee resolved on 23 May 2008:

- (a) That the final 2008/2009 Reviewed IDP document (2007-2012) be adopted by the Executive Mayor.
- (b) That the Executive Mayor recommends to Council to adopt the final 2008/2009 Reviewed IDP document (2007-2012).

RESOLVED

That the final 2008/2009 Reviewed IDP document (2007-2012) be adopted.

