

CAPRICORN DISTRICT MUNICIPALITY



EXTRACT FROM THE MINUTES OF COUNCIL MEETING HELD ON 23 MAY 2019

ITEM

OC 06/2018-2019/7.1.2 Reviewed IDP 2019/2020 – 2020/2021 & Budget 2019/2020 MTREF

RESOLUTION

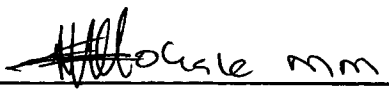
Resolved, That the 2019/2020 MTREF be approved together with:

(a) The following reviewed Budget Related Policies:

- (i) Credit Control and Debt Collection Policy;
- (ii) Cash and Investment Policy;
- (iii) Tariff Policy;
- (iv) Tariff Structure;
- (v) Virement Policy;
- (vi) Petty Cash Policy;
- (vii) Supply Chain Management Policy;
- (viii) Asset Management Policy;
- (ix) Delegations of Financial Powers;
- (x) Indigent Policy; and
- (xi) Bad Debts Provision and Write off Policy; and

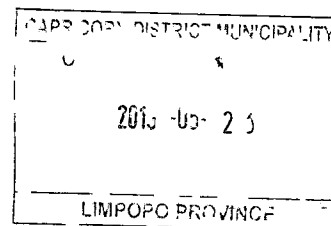
(b) The reviewed IDP 2019/2020 – 2020/2021.

**CERTIFIED AS A TRUE EXTRACT
FROM THE MINUTES.**



**MM MOHALE
COUNCIL SPEAKER**

23-05-2019
DATE



DELEGATIONS OF FINANCIAL AUTHORITY BY THE ACCOUNTING OFFICER OF CAPRICORN DISTRICT MUNICIPALITY

1. GENERAL

The Municipal Manager in his/her capacity as the Accounting Officer of Capricorn District Municipality, herein delegate, in terms of section 79 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) hereinafter referred to as the MFMA, certain of my powers with effect from 01 February 2018 subject to the following legislative requirements as well as Treasury guidelines issued from time to time by the Minister and Council's policies:

Section 79 of the MFMA provides as follows:

(1) *The Accounting Officer of Municipality*

- a) Must, for the proper application of this Act in the Municipality's administration, develop an appropriate system of delegation that will both maximize administrative and operational efficiency and provide adequate checks and balances in the Municipality's financial administration;
- b) May, in accordance with that system, delegate to the member of the municipality's top management referred to in section 77 or any other official of the Municipality
 - i) Any of the powers or duties assigned to an accounting officer in terms of this Act; and
 - ii) Any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and
- c) Must regularly review delegations issued in terms of paragraph (b) and if necessary, amend or withdraw any of those delegations.

(2) The accounting officer may not delegate to any political office-bearer of the municipality any of the powers or duties assigned to accounting officer in terms of this Act.

(3) *A delegation in terms of subsection (1)*

- a) Must be in writing
- b) Is subject to such limitations and conditions as the accounting officer may impose in a specific case;
- c) May either be to a specific individual or the holder of a specific post in the municipality;

- d) May, in the case of delegation to a member of the municipality's top management in terms of subsections (1)(b), authorised that member to sub delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility, and
- e) Does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty;
- (4) The accounting officer may confirm, vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this section but as such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

2. OBJECTIVES

Delegations of financial authority within the Capricorn District Municipality are intended to achieve three objectives:

- a) To ensure the efficiency, effectiveness and reliability of the municipality's administrative processes;
- b) To ensure that the appropriate officials have been provided with the level of financial authority necessary to execute their responsibilities effectively, and
- c) To ensure internal controls are effective.

3. GENERAL PRINCIPLES FOR APPLICATION

All expenditure incurred by the Municipality must be for the municipality's purpose and must comply with policies as determined by the Council from time to time. Council must approve, either directly or through delegation, all expenditure incurred by the municipality. Delegated officials have authority to commit funds of the municipality within the budget approved by Council.

Notwithstanding the provision of section 77 of the MFMA, these delegations are applicable to a position on the official Organogram or committee established according to regulations to Council. The incumbent in the position at any one point in time shall be the delegated official.

The policy details minimum delegations for financial related functions and activities within the municipality. Financial responsibilities, either of Council or delegated authority, apply to all funds received by the municipality.

An official to whom the authority has been delegated must:

- a) Act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs.
- b) Disclose to the accounting officer all material facts which are available or reasonably obtainable, and which in any way might influence the decisions or actions of the municipality.

- c) Seek within the sphere of influence of the delegated official, to prevent any prejudice to the interest of the municipality.

A delegated official may not exercise a delegation that will result, either directly or indirectly, in any tangible benefits to the official or related party. If any conflict of interest occurs, this must be declared.

Delegated powers can also be exercised by the official acting in the place of the delegated official whilst he/she is temporarily absent from his/her office, on leave or indisposed, on condition that such an officer is appointed in writing.

NOTES:

It is the responsibility of each officer exercising delegated authority to ensure that he/she is fully conversant with the provisions of the relevant Acts, Regulations and any current policy documents governing the performance of the function. Any negligent use of the authority by any officer will lead to disciplinary action or withdrawal of such authority.

4. REVIEW OF DELEGATIONS

This system of delegation will be reviewed annually

5. SCHEDULED OF FINANCIAL DELEGATIONS

The following table lists the type of delegations of post which the delegations apply:

a) SUPPLY CHAIN MANAGEMENT		
No	Description	Position to which authority is delegated
1.	<u>Quotations</u>	
1.1	Approval to Obtain Quotation	Senior Manager of the Department
1.2	Sourcing of Quotation a) R nil to R 30 000 b) R30 001 – R200 000 (vat included)	Head SCM
2.	<u>Requisitions</u> Approval of Requisitions (system) a) R nil – R100 000 b) R100 001 – R 200 000 c) R200 001 and above	Manager of vote Head of SCM Deputy CFO

a) SUPPLY CHAIN MANAGEMENT		
No	Description	Position to which authority is delegated
3.	<u>Approval of quotations after they have been sourced</u> a) R nil – R100 000 b) R100 001 – R 200 000 c) R200 001 and above	Manager of vote Deputy CFO CFO
4.	<u>Signing of Purchase orders</u> a) R nil – R 200 000 b) And above R200 000	Head of SCM CFO Deputy CFO
5.	<u>Approval of specification</u> a) R nil – R30 000 b) R 30 001 and above i. Approval of provisional specification ii. Approval of Final specification	Executive Manager of department Executive Manager of department Specification Committee
6.	<u>Competitive Bidding Process</u> Make final award	Accounting Officer
8.	Certification of goods received	Manager of vote
9.	<u>Emergencies</u> Approval of emergency transactions as defined in the SCM Policy	Accounting Officer
10.	Tender box Management	Head SCM

b) EXPENDITURE		
No	Description	Position to which authority is delegated
1.	Approval of invoices for payment	Executive Manager of department For invoices above R1 million the MM to review before processing
2.	Approval of Payment Vouchers	CFO Deputy CFO
3.	<u>Printing of cheques</u> Approve the printing of cheque Printing of cheque Printing of cheques in the event that electronic transfer not possible for whatever reason	CFO DCFO Senior accountant Expenditure
4.	Signing of cheques and approval of electronic transfer of funds	<u>Signatory A</u> CFO Deputy CFO Head of SCM

b) EXPENDITURE		
No	Description	Position to which authority is delegated
	Two signatories are required on all cheques payment and two delegated officials to authorise electronic transfer of funds.	<u>Signatory B</u> Accounting Officer Executive Manager: SEMS
5.	Approval of payroll (Approval of manual payroll before loading to EFT)	CFO Deputy CFO
6.	Journal entries	CFO Deputy CFO
7.	Approval of payment in the banking system (Final release)	CFO Deputy CFO Head of SCM Executive Manager: SEMS Municipal Manager
8.	Annual Assets verification	Head SCM CFO