DR. NKOSAZANA DLAMINI ZUMA MUNICIPALITY

CASH, BANKING AND INVESTMENT MANAGEMENT POLICY

2017/18

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ANNEXURE I: PARAPHRASE OF REQUIREMENTS OF MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003

ANNEXURE II: CODE OF PRACTICE

1. DEFINITIONS

''Accounting Officer'' means the Municipal Manager of Dr Nkosazana Dlamini Zuma Local Municipality;

''Chief Financial Officer'' means the Chief Financial Officer of Dr Nkosazana Dlamini Zuma Local Municipality;

''Creditor'' in relation to a municipality, means a person to whom money is owing by the municipality;

''Debt'' means a monetary liability or obligation created by a financing agreement, bond or overdraft, or by the issuance of municipal debt instruments; or a contingent liability such as that created by guaranteeing a monetary liability;

''Debt agreement'' means any loan agreement under which a municipality undertakes to repay a long-term debt over a period of time;

''Financial year'' means a year commencing on the 1 July each year and ending on 30 June;

''investment'' in relation to funds of a municipality, means-

a) the placing on deposit of funds of a municipality with a financial institution;
b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

''Lender'' in relation to a municipality, means a person who provides debt finance to a municipality;

"Liquidity" refers to a financial ability of the municipality or any other company to service its debts when falling due;

''Long-term debt'' means debt repayable over a period exceeding one year;

"Long-term investments"	means any cash or liquid securities owned by a municipality which have a maturity date, and/or callable date reasonably expected to be exercised, that is greater than one year;
"Minister"	refers to a Cabinet member responsible for finance;
''The Municipality''	refers to Dr Nkosazana Dlamini Zuma Local Municipality;
''Municipal Systems Act''	means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
''Primary bank account''	means the main bank account referred to in section 8(1) of the MFMA;
''Short-term debt''	means debt repayable over a period not exceeding one year;
"Short-term investments"	XTa Ta VT : b _ W XV : X b aXW U X : a V T_ V : : T aZ T T WT X TaWb : VT_TUX WT X XT baTU_ X XV XW b UX X X V XW : : : T : X T_b b _X TabaX XT

2. LEGAL COMPLIANCE

2.1 G X a V T_ T_T T_ X TaTZX UTa aZ T TaZX Xa TaWa X Xa TaWVbaWV VT TaTZX Xa b_V a Vb _TaVX X b ba bYTaW Ta Y X X V ba TWK U X a X bY9aTaVX a X bY X a V T_ 9aTaVX TaTZX Xa 4 V Ab ( ) bY% &

2.2 4 T T T XbY X b ba bY 4 V T TV XWT 4aaX X b Cb_V

3. OBJECTIVE OF INVESTMENT POLICY

3.1 G X6b aV_bY X a V T_ X XXbY X U_V X Xa X V Vb_XV TaW X XXb X T TabU_ZT ba b X Vb a b Xa X T X a V T_ VT X b VX T X TaTZXWXYXV X_ TaWXYVXa _

3.2 G X 6b aV_ X XXb X T T X ba U_ b a X X X U_V X Xa X ab _XWZXTU_ TaW WVb _ TaW UX TU_X b TVb a Y_ b X Vb a a XZT W b V a X Xa

3.3 G X a X Xa b_V bY X a V T_ X XXb X T XWT ZT a aZ X b T_ X a ba a X Xa b aV aZ aW X W aZ b X X bW Xa VT X Xa X T X ab aXXWXWYb VT T_b b X T baT_ b X G X XYXV XaX bY X a X Xa b_V WK XaWXa ba X TVV TV bY X a V T_ VT TaTZX Xa bZ T X V WXa Y X T b a _ b X a V T_ aXXWV T X_T X X Xa TaW X bWb V V X Xa X T X _

4. EFFECTIVE CASH MANAGEMENT

4.1 <u>6T 6b_XV ba</u>

4.1.1 4 _ ba X W X b X a V T_ UX Vb_XVXWT bba T b U_X X X ba b XWT X_ TYX W X WT X TaWUTa XWba T WT _ UT

4.1.2 G X X XV X X ba U_ X bY X 6 XY 9aTaVT_BYYVX TaWb X XTW bY WK T Xa a XZT W WKYaXW a T VbWX bYYaTaVT_ TV VX T b XWU X 4Vb a aZ BYYVX TaW X 6 XY 9aTaVT_BYYVX TaW VbWK bY TV VX T TV XWT 4aaX X b Cb_V

4.1.3 G X a X Xa b bYTaWVb Xa b X a V T_ VXW Vba b_ b_V Ub U X6b aV_TaW X a V T_ bYYVT_ Ta a XZ T_ T bY b X VT Vb_XV ba TaWU T b aZ X X Xa b_V X6b aV_ _XWZX X_Y b V

4.2 CT Xa b 6 XWb

4.2.1 G X 6 XY9 aTaVT_B YVX T_Xa X T T XaWK TaW b T ba a XWU TaW Vba TV Xa X XW a b U X aV T_ T Xa X Vba V_ ba bY X ba aV T_ T T Xa b YT_W X ab bbaX Ta X Vba V_ ba bY X ba Yb_b aZ X ba a V T T V T X VX XaWK XW b b ZbbW T X XVX XW U X aV T_ G X T_UX WK T XW YVb ba_ X X X T X YaTaVT_ aVXa X Yb X aV T_ b XY XV XT _X T Xa TaWTa V WK T X T_ UX T b XWU X 6 XY9 aTaVT_B YVX UXb X Ta T Xa TWK

4.2.2 a X VT X bY T_ V b TaW XW Xa X X X X V T b_V T VT X Ya TaVT_T W b X Vba TVb T Xa T UX XY XV XWT X VbaV_ ba bY X b a W aZ V X X VX XaWK XW a Yb X Xa WT bY X WT X bY V X VX UXaZ XaWK XW V X X X T X 4a V XT_ T Xa T_UX T b XWU X 6 XY9 aTaVT_B YVX UXb X Ta T Xa TWK

4.2.3 Ab TaWaZ X Yb XZb aZ b_V W XV X X 6 XY9 aTaVT_B YVX T_ T X Y_ X bY Ta X XaWK W X bY T Xa bY XWU X _X TaWab X X Ta TWb a XT _X Ta V X XaWK WW X WT X X VX Y X 6 XY9 aTaVT_B YVX WK X aX T X X T X YaTaVT_aVXa X Yb X aV T_ b Wb b

4.2.4 G X 6 XY 9 aTaVT_B YVX T_ab b WaT _ bVX T Xa Yb TVb a XVX XW b X Ta baVX a XTV VT_XaWT ba V bVX aZ b T X _TVX ba b TUb X XaWbY X ba VbaVX aXW X VX Xa T Xa b UX XY XV XW a V V TaVX Vba X _T XWa &%% J X X X b U_X T Xa T_UX XY XV XW U XTa bYX_XV ba V Ta YX T X Ta U V X X

4.2.5 F XVT_ T Xa b V XWb T_ba_ UX TWK X X X T b T_bY X 6 XY9 aTaVT_B YVX b T_UX T YXW T X X T X Vb X_aZ XT ba Yb T aZ V T Xa b b Xab T_ ba XaW bVX aZ

4.3 TaTZX Xa bYVT X X

4.3.1 8T V XTWbY WK T Xa T_Xa X T V WK T Xa VT _X X_ Wb ab X VXXWab T_b X T baT_ X X Xa a X VT X bY X V T X ab XTW_ T T _TU_X Yb _X TaWX X ZXaV X X Xa a X VT X bY X V T X XTW_ T T _TU_X Yb _X

4.4 6T TaTZX Xa CbZT X

4.4.1 G X6 XY9aTaVT_BYVX T_ X:TX:Ta Ta:a T_X TX'bY X aV T_ VT: Yb W WKW.abVT_XaWT ba: :TaW:T_: WTX X TXbaT XX_ : UT G XX: TX T_aWVTX: Xa TaWYb T :XbW TaWT b a _ XXa:X T UX a X XW: Xa Ta:WYb :T T: b a a X' Xa _ T X b UX : _ WTXW TaW Xa :YT _V:UX X X:b_aZ-X :b b -X WKU UX aV X'W ;'XTW bYWK'T Xa T_a: XZT WY a X6 XY9aTaVT_BYVX : :T_ V aYb T:baT X XW. Xb :_TaW:a XYb T aWVTXW

4.4.2 G X6 XY9aTaVT_BYVX T_Xb :b X Tb T X VTX T UX baT : b:a _ UT TaW b X X b W:aT :6b aV_ XX aZ: X:VT Yb X TXb : : X XWX :TXYb V ba b Xb:aZ X'bW'X XV 'X_ bZX X X : TV:T_VT :Yb Yb X ba b X bWVbaVX:aXW:TaW:V _T X_ b WTX T : : :X_T XX :TX:b X: XWX TX bY: XVT Yb Yb :X X Ta aZ ba : bY X YaTa:VT_ X'T TZZ'XZTXW ab TX: XX T b TX G X VT Yb : : X TX: T_UX W WKW.abVT_XaWT b:a :TaW a X b aZ X6 XY9aTaVT_ BYVX T:_ b WK Vb: Xa b X _TaT ba a XZT:W b Ta ZaYVTa VT Yb : WK T ba a:Ta VT_XaWT :ba Yb aZ: T bY V X b F V X b T_T_b : aWV.TX Ta b:X Xa a X XV. bY X : aV. T:_ :a X :Xa bZX X : : T :b TX'WKT:_ bY X a X Xa VbaVX aXW

5. INVESTMENT ETHICS

5.1 G X6 XY9aTaVT_BYVX T_UX X: ba: U_XYb a X aZ X _ X Xa X bY : : X aV T_ TaW T_ :TaTZX V a X': Xa :a:Vba _T ba X Tb TaW:a Vb _TaVX :Ta b_V 'WXV X: Yb _TXW U X 6b aV_TaW : X:V ba: TWKU X a X bY9aTaVX

5.2 a:T aZ: V a X Xa X6 XY9aTaVT_BYVX T_T T_ X TXba_ : : :XUX:Vba WKT ba: bY X aV T_ a: a'WTaW X VX Yb Xb Vb XbY X : : Vba :T ba bVX X' T b :T_ab TWXWK b Ta aY_XaVX U b : aXYX XaVX Yb :6b :aV_b : a X :Xa TZXa b a: ba: b Ta b X b WK : T X

: : 5.3 AX X X6 XY9a:TaVT_BYVX ab X: T b :T:TWX Ta ZY b X Ta Ta : X T aZ V: aXZ_ZUX :T_X T VTaab: b U_ UX:Vba XWT Ta aZ : : : b X Ta T b:Xa bYZbbW _U XWbab Yb Ta: a X :: Xa TZXa b a ba

V T UX X X Ta : Y X T : X : X X a X X T TU X ba _ b ba_
: : ba : T TaW b Y

: 6.4.3 B a V X : X UX a X Xa X : T X U X Xa W a Y X W X a V b a Y T ba b Y X
: : : X X b a V b T ba UX XWT X_ b U T a X W U Y T V : X X- T _b Ta b X
: X XWXa XTa

6.4.4 4 a : b a X T W b X b : : X a X aZ a : ba a X b Y X TZ XXW a X Xa
: : b X Ta ba X T Wb X a X b Y T , UX b T UX T Wb X ba_ b V
: : : a : ba X Y Ta W ab b Ta TZXa b : W T : B a V X X a X Xa T UXXa
: TWX X 6 XY 9 a Ta V T_ B Y V X : : T_ Xa X T X a V T_ X V X X T
: b X _ W b V Xa X W X V X b V X Y V T X Y b V a X : Xa XW U X
: : a : ba V b a V X a X W a X a T X b Y X a V T_

: 6.4.5 4 _ a X Xa : UX W X ab a T X W a F b 4 Y V Ta E Ta W M T

a) Securities issued by the National Government;
b) Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
c) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
d) Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984);
e) Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);
f) 5Ta X TWX TaVX VX YVT XWb aXZb TUX VX YVT XWbYWK b bYUTa registered in terms of the Banks Act, 1990;
g) Guaranteed endowment policies with the intention of establishing a sinking fund;
h) Repurchase agreements with banks registered in terms of the Banks Act, 1990;
i) Municipal bonds issued by a municipality; and
j) Any other investment type as the Minister may identify by regulation in terms of Section 168 of the Act, in consultation with the Financial Services Board

8. CONTROL OVER INVESTMENTS

8.1 G X 6 XY 9 aTaVT_ BYVX T_ Xa X T b X XVb W T X X bY T_ a X Xa TWKU X a V T_ F V XVb W T_ aWT X XWT X ba V X a X Xa TWK X a ba V X ba X T X a X XW X T b a bY X a X Xa X a X X T X T _VTU X TaW X T WT X Y X a X Xa _ WT X WT T WT X b X Ta X T WT X V WT X T_UX aWT XW

8.2 G X 6 XY 9 aTaVT_ BYVX T_ Xa X T T_ a X X TaWVT T_ b X _ W X b X a V T_ T X Xb _ XVX XW TaW T_ T X T b T X X b VT X V T b T X X b UX T Xa Y a X X b VT T_ ab Y _ b Xb _ XVX XW

8.3 G X 6 XY 9 aTaVT_ BYVX T_ Xa X T T_ a X Xa WbV Xa TaW VX YVT X T X b X _ XV XW a T Y X bbY TYX XZ XZT XWVba b_b X X TWVX b V TYX b T X b X X bWZXWb TYX XX aZ X a V T_ UTa X b T b aX

9. OTHER EXTERNAL INVESTMENTS

9.1 9 b X b X T UX a XUX a X X bY X a V T b T X baZX - X

: : a X : Xa a XV X: bV : XWU X aT baT_Zb X a Xa : 8 b b Ta b X
: : : X TU_X : T T TT_b a: ba b U Tab X X: TU_X aV T: a V VT X X
6 XY 9 aT aVT_B YYVX : UX Z WXWU :X UX: T:X bY a X:X X Ta aZ b X
: XVYV: X bY a X Xa :V X aV T: _ : X X: TaW b : X UX TaW b
: : XV X a : : Xa T T _TU_X T X X

: 9.2 : Ab: a X Xa T: Xa X X VXXWaZ X_X ba : T: _UX TWK b X b
: T b T_ bY X: :T b TaW b Z WTaVX T: aZ UXXa b Z Yb X
: aV T_ UTa X b b : X V XWU_X a X :Xa TW :X ba X XV TaW
: YaTaVT_ _VT ba: bY X a X Xa VbaVX aXW

10. BANKING ARRANGEMENTS

10.1 G X4 Vb a aZ B YYVX : X ba U_X Yb :X TaTZX Xa: bY X aV T_ UTa
: : TVb a : U: T WXX_ZT X: Y aV ba b X 6 XY 9 aTaVT_B YYVX G X
: 4 Vb a aZ B YYVX TaW 6 XY 9 aTaVT_B YYVX : T X:T b: XW T T_ X b Za
V :X X TaW Ta: b X Wb V : Xa T: ba: T bVT XW : X TaTZX Xa bY V
: TVb: a G X4 Vb a aZ B YYVX : a: Vba _T ba X 6 XY 9 aTaVT_B YYVX
: : T : : b XW b T b a: b b b: X TWW baT_ ZaT b X a X X: V bY V TVb a
: TaW b T: XaW V T: b a: :Xa Yb :X b X : G X _: bYV Xa ZaT b X
: : : T_UX X b XWb X T b T XVT X: T UX ba T b: a : UT T T bY X
: : :X b WXT_aZ: X : aV T_ a X Xa

10.2 : a Vb _TaVX : X X X Xa bYZbbWZb X aTaVX X4 Vb a aZ B YYVX T_
b Xa T UTa TVb a :b b WaT b X T aZ b: X TaW T_Y X T a T a T
: : X T T X TVb a Yb XTV: bY X Yb_b: aZ- X: TW a T ba bY X X X aT_YaTaVX
: Y aW TaWbY X T X Ya TaVaZ X X X: Y X X TVb a T X _XZT_ X U_X
B a: X b b X: X T T X TVb a : T_T_b UX T a T aXW Yb : X Yb_b aZ- VT T_
: : XVX : a X Yb: bYZ Ta : Wb a T ba b Vba : U ba Yb : T X X b VX
: Y aW. TaW X aV T_ X_Y a TaVX X X X Y _XZT_ X U_X a
: : WXX aaZ :X a UX bY: TWW baT_TVb a b UX T a T aXW X4 Vb a aZ
: B YYVX : a: Vba _T ba X 6 XY 9 aTaVT_B YYVX : :T_ T X XZT Wb X _ X_
: a UX bY: Ta TV ba : TYXV aZ X TV bY X: TVb a X:X XW b Ha_X X X T X
Vb: X_aZ: XT ba b Wb b X X TaW X 6b aV_X: X : _ b WXV T_ X
: aV T_ UTa TVb: a T: _UX T a T aXW X: T: X UTa aZ a ba b
Xa X bb_aZ bYUT_TaVX Yb b X bY WXX: aaZ X: a: X X T TU_X b X
: aV T_

10.3 G X 4 Vb a aZ B YVX T_ a X XaVK Yb X _TVaZ bY X a V T_ UTa TVb a a ba TYX X XVba bYXTV aX 6b aV_ V aX UTa aZ T TaZX Xa b T X XYVKV Yb XY WT bY X Xa aZ YaTaVT_ XT ; b X X V XaVK T UX a XVT Ta XT _X TZX Y X 4 Vb a aZ B YVX a Vba _T ba X 6 XY9 aTaVT_B YVX bY Xb aba T X X VX bYVX XW U X aV T_ V Xa UTa X T X T X T WKXV X b ab Vb -XYVKV X TaV X T b TZ XX b X a T ba bY V XaVK

11. RAISING OF DEBT

11.1 G X 4 Vb a aZ B YVX X ba UXYb X T aZ bYVWKU U T WKXZT X YaV ba b X 6 XY9 aTaVT_B YVX b T_ Xa TaTZX X ba U_ a Vba _T ba X 4 Vb a aZ B YVX 4 _WKU T T_UX T XVa V Vb _TaVX X X X Xa bY X aV T_9 aTaVX TaTZX Xa 4 V% & TaVba_ X b T b T_bY X 6b aV_

11.2 baZ- X WKU T_UX T XVba_ b X X Xa T V WKU b WKVYb T T b VX bYaXVX T YaTaVX a X VT T_Vb baXa bY X T b XVTaa T_U VZX b TV Xa U VZX

11.3 F b - X WKU T_UX T XVba_ Xa aT b VTU_X b Vb b a X bYVT X X Xa X X Yb X VT T_b b X T aZ U VZX b b X X_Ta b X bU_ZT ba TaV b WKV X aXXVYb V b - X WKU Ub T b X Xa TaV V T ba VX_T _ aVVT XV a X VT Yb X T X X T XV U X 6 XY 9 aTaVT_B YVX F b - X WKU T_UX T XVba_ b Ta V T X T VX Ta b aZ- X WKU TZ XX Xa b T VX Ta aYb bYb X T aZ X Xa X

12. INVESTMENTS FOR THE REDEMPTION OF LONG-TERM LIABILITIES

12.1 a TaTZ aZ X a V T_ a X Xa X 6 XY9 aTaVT_B YVX T_Xa X T X XaX X T baZ- X aba-Taa bTa T XV U X a V T_ Ta T b a a X XVT X T Taa T_ X T_b X aV T_ V WKVU X X bV bY X bTa F V a X Xa T_UX TVKTZT a X UTa TVb a T a TaXVYb XX X aT_YaTaVX Y aV TaV T_UX TVV T XVTaV XVba_ Yb X XVK ba bY V bTa ba V X VT X G X T aZ bY V a X Xa T_UX T b XVU X 6b aV_T X X T X bTa XY T b XV

12.2 Y X bTa T XV ab T Y XV X bTa U Ta Taa bTa X 6 XY9 aTaVT_ B YVX T_Xa X T YVXa X b VX T X T T TU_X a X TVb a T a TaXV

: : Yb XX X aT_YaTaVX YaW b XT X aV T_T b a WX a X XV bY V : bTa ba X X XV XWXWT X

13. INTEREST ON INVESTMENTS

: 13.1 G X aXX TW XWba T_ X a V T_ a X Xa T a Vb _TaVX : : X X X Xa bYZXaXT_ TWVX XW aV T_TWb a aZ TV VX UX XVb WKWa : : : X Y a TaVX a X aV T_ b XT aZ TWb a T b WaT b XT aZ X Xa X TaW T_ X XTYX UX T b TXWT X XaWbYXTV ba b XYaW : b TWb a a X XV bY V V a X Xa T TWK

: 13.2 a X VT XbY X X XaT_YaTaVX YaW X6 XY9aTaVT_B YVX T XW VX X : T b a V UX Taa T_ a X XW b XWKX Ta T V T bTa U XT b a : : bYa X X b TW XW

: 13.3 Y X TW T_bY a X X b X X XaT YaTaVX YaW a X WVT T_ XVX TaW : : : YaW X _ a T _ TaWaZ b XTWb a bYTa V YaW T Ta : T b a _ b X X b VX X XWa X XV bY V YaW b TWb a V : _ T b a T_UX VXW XWU X6 XY9aTaVT_B YVX b XT b T ba : TWb a TaW X-T b T XWb XT X YaTaVaZ X X X

14. COMPLIANCE AND ENFORCEMENT

: 14.1 I b T ba bYb aba-Vb _TaVX Cb V _Z XT VT X Yb W V _aT : : : X b UX T Xa

: : 14.2 _UX X X ba U_ bY X4 Wb a aZ B YVX b XaYb VX Vb _TaVX Cb_V

15. EFFECTIVE DATE

The Policy shall come to effect upon approval by Council of Dr Nkosazana Dlamini Zuma Local Municipality.

16. POLICY ADOPTION

This Policy is adopted and approved by the Council of Dr Nkosazana Dlamini Zuma Local Municipality for implementation as follows.

Resolution Number_____

Approval Date _____

ANNEXURE I: PARAPHRASE OF REQUIREMENTS OF MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the mayor or chief financial officer. The foregoing policy is based on the assumption that such authority has been delegated to the chief financial officer.

SECTION 7: OPENING OF BANK ACCOUNTS

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

requirements of Section 11 of the present Act.

SECTION 8: PRIMARY BANK ACCOUNT

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The accounting officer of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If the municipality wants to change its primary bank account, it may do so only after the accounting officer has informed the national treasury and the Auditor-General, in writing, at least 30 days before making such change.

SECTION 9: BANK ACCOUNT DETAILS TO BE SUBMITTED TO PROVINCIAL TREASURIES AND AUDITOR-GENERAL

The accounting officer of the municipality must submit to the provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

SECTION 10: CONTROL OF MUNICIPAL BANK ACCOUNTS

: G X TWb: a aZ bYYVX :bY X: a V T:_ : TW a X :T_ X a V T_ UTa
: TWb a: : TWb a TUX b X a V T_Vb aV:Yb X a V T:_ UTa TWb a TaW must enforce compliance with Sections 7, 8 and 11 of the present Act.

: G X TWb a aZ bYYVX T: WXXZT X :X W X XYX :XW b TUb X ba:_ b X a V T_ chief financial officer.

SECTION 11: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS

Only the accounting officer or the chief financial officer of the municipality (presumably where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any: of the a V T:_ UTa TWb a F V withdrawals may be made only to:

: 7XYT X :XaW :X T b TXW a X bYT:a T b XWU WZX.
: 7XYT: X XaW :X T b XW a X b:Y FXV ba: %) :FXV ba WKT_
: : : T ba :a V ::XU WZX T ab Xb :_ T b XW TaW X b aVX T UXXa
: : Vb X_XW b a X XaX.
7XYT aYb X XXTUX TaW a:T b WTU:X X XaW :X T b XW a X bY FXV ba %) .

: a XVT XbYT UTa TVb a b XaXWa X bYFXV ba: % T:X T Xa Yb X
: TVb a a TVb WTaVX FXV ba % .
: CT b X b T X:ba b bZTa bY T X :baX XVX XWU X a V T_ ba UX T_bY
V X:ba b bZTa bY T X aV_:WaZ baX Vb_XV XWU X a V T_ ba UX T_Y
bY V X:ba b bZTa bY :T X U TZ XX Xa b T:a a TaVX b b X T Xa
: XVX XWU X a V T_ Yb V X:ba b bZTa bY T X.
EXY:aW baX: aVb XV_ TW:a b TUTa TVb a .
: EXY aWZ T Ta XX : X X T:aW XV WX b .
: : T X a X Xa Yb:VT TaTZX Xa b X: a TVb WTaVX FXV ba &.
7XYT :aV XT:XWX XaW: X a X bYFXV ba & . b
: 9b V b X b X T T UX X V UXW

(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorisation to a senior financial official to withdraw money or to authorise the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The accounting officer may not authorise any official other than the chief financial officer to withdraw money or to authorise the withdrawal of money from the
: a V T_ : T: UTa TVb :a Y X a V T_ T T : T UTa TVb a which is separate from its other bank accounts.

The accounting officer must, within 30 days after the end of each quarter, table in the council a consolidated report of all withdrawals made other than withdrawals to defray expenditure appropriated in terms of the approved budget, and submit a copy of the report to the relevant provincial treasury and the Auditor-General.

SECTION 12: RELIEF, CHARITABLE, TRUST OR OTHER FUNDS

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the accounting officer, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

SECTION 13: CASH MANAGEMENT AND INVESTMENTS

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the municipality at the end of the financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that account in that financial year. The bank must also promptly disclose any information regarding the account when so requested by the national treasury or the Auditor-General.

A bank, insurance company or other financial institution which the end of the financial year holds, or at any time during the financial year held, an investment for the municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such institution must also promptly disclose any information regarding the investment when so requested by the national treasury or the Auditor-General.

SECTION 17: CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS

The following documents must accompany each tabled draft annual budget (inter alia):

: T b XV ba b.Y VT Yb: Yb X U WZX XT U X Xa X :b VX W WKW a b
: VT XaWT ba
: : T V T: bY X : a V T_ a X Xa

SECTION 22: PUBLICATION OF ANNUAL BUDGETS

The accounting officer must make public, immediately after a draft annual budget is tabled,

The accounting officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.

SECTION 65: EXPENDITURE MANAGEMENT (EXCERPTS)

The accounting officer of the municipality is responsible for the management of the expenditure of the municipality.

The accounting officer must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due, unless agreed otherwise for reasons as may be prescribed, and either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit.

The accounting officer must also ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

The accounting officer must further ensure that the municipality's resources are managed effectively and economically in terms of the prescribed cash management and investment framework.

ANNEXURE II: CODE OF PRACTICE IN REGARD TO PAYMENTS, REVENUE COLLECTION AND STORES

1. STORES ADMINISTRATION

The chief financial officer shall be responsible for the proper administration of all stores. If sub-stores are established under the control of any head of department, such head of department shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the stock level policies as determined from time to time by the chief financial officer, acting in consultation with the head of department concerned. No sub-store may be established without the prior written consent of the chief financial officer.

2. CONTRACTS: MANAGEMENT OF

Within such general buying and related procedures as the chief financial officer shall from time to time determine, and further within the confines of any relevant legislation and of such rules and procedures as may be determined by the mayor:

: 4_U aZ Vba TV : T_UX:TW a XXWU X V XY YaTaVT_bYVX TaW T_
: : :T Xa X_T aZ b V Vba TV T:UXT b XWU X V XYYaTaVT_bYVX b
: : X:XTWbYWK T Xa VbaVX aXW TaW

: : :4_b X Vba TV aV_WaZ U _WaZ XaZ aXX aZ T:aWb X V _Vba TV T_UX
: :TW a XXWU : X:XTWbYWK T Xa VbaVX aXW TaWT_:T Xa X_T aZ b V
: : Vba:TV T_UXT b XWU :V XTWbYWK T Xa:a:TWb WTaVX X
: b ba bYFXV ba&UX_b GX:XTWbYWK T Xa VbaVX aXW T_Xa X T T_
: : :T Xa VX:YVT X a XZT Wb Vba TV T X b X_XT aXWTaWT X Vb XV a T_
: X XV -UXYb:XUXaZ U XWb X V XYYaTaVT:bYVX Yb T Xa

3. PAYMENTS

3.1 :4_:T Xa:: b X Ta X VT W U X Xa : T_UX TWK b Z X
: aV T_ UTa TVVb a

3.2 GX V XY YaTaVT_bYVX T_WT :T_V X X ba TVVb a TaW T_ a
: : : :Vba _T ba X aV T_ TaTZX TaW: W X XZT Wb X Vb aV_ b_V
ba UTa aZ TaW a X :Xa WK X aX X _X TaW bVXW X X_T aZ b X
Za aZ bYV:X X:TaWYb: :X b X b a_ X aV T_ TaTZX WKVWK
: ba:T b T X ZaT b X

:3.3 4_X:X Yb :T Xa:bY T X X aT X T_UX U: XW ba T Xa
: b V X X Yb T bY V T_:UX WK X aXWU X V XYYaTaVT_bYVX F V
b V:X T_UX T b XW a X bY V _X TaW bVXW X T T X
: :WK X:aXWYb X b XU X V XYYaTaVT_bYVX

3.4 GX T :T b a:TaWaT XbY:X W U :X Xa X:X ab Vb X XWU X
ZXaX T_U aZ bVXW X :XYX XW b a FXV ba % T:_UX ZXaX T_ WK X aXW
: : : Yb X b XU X V XYYaTaVT_bYVX Ab VT Yb T :T_UXb X T XW b
: : : :X T b bY X V XY YaTaVT_bYVX b T X V UX V bVXW X
: : : X X Ta :b X TaTZX Xa bY V Yb T T T X Vba WK XWaXVX T

3.5 G X V XYYaTaVT_bŸVX T_UX X ba U.X Yb X T Xa bYT_ T_T X TaW : X. : aX T ba UXaXY b X b XX TaWVb aV_b TaWYb X.WK X aT ba bY X : : : T Xa X b UX XW

4. REVENUE AND CASH COLLECTION

4.1 8 :X :XTWbYWK T Xa T_UX X ba. U.X Yb X Vb_XV ba bYT_ baX YT_aZ : : : a XT U TaWT XT bY. b :X WK ZaT XWY aV ba

4.2 G X V XYYaTaVT_b.ŸVX T_Xa X T T_X Xa X T:X b X _ TVb a XWb

:4.3 G X Vb_XV ba bYT_T .XT X Xa X TaW X Vba b._bYT XT TVb a T_UX Vb- : : b WaT XWU X V XY.aTaVT_bŸVX a X b.YTa b_V.X WK X aXWU X : Vb :aV:_ Y V_XT T Ta: X Xa X T X ab .XVb X XWb _ X_ b UX XVb X XW : : TY.X X aXVX T : X :T X UXXa T Xa X V XYYaTaVT:.bŸVX T_X b X :: : T .X TWK T:X.: TaW Xb _ b XYa.TaVX Ta.Wb X Z Vb XX

4.4 G X V XYYaTaVT_b.ŸVX T_X.a X T TWK T.X b :ba T a T aXW b Vb X : : X aZ bŸbY XVb X TU_X X Xa X :T :aZ W X XZT W b X Vb aV_ b_V ba : : T X TaW T ŸŸ

5. BANKING OF RECEIPTS

5.1 : WK_aX Ta.W bVXW X Yb X UTa aZ bY V X X: TaWb X XVX T_ Y :aXVX T UX WK X : aXWYb X b XU X V XYYaTaVT_bŸVX

5.2 J X X T _VTU_X X X. .XTW bY WK T :Xa: T_Xa X T T_ X Xa X T X : :UTa XWWT _: X a V T_ UTa X: b _X YX Xa _:Y b T b XWU X V XYYaTaVT_bŸVX

ANNEXURE III: APPLICABLE SECTIONS OF MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003

The above policy must be read in conjunction with the following sections of the Act:

: FXV ba B Xa.aZ bY5Ta 4Vb a
: FXV ba C : T 5Ta 4Vb a
: FXV ba., :5Ta 4Vb a WK T:_ b UX U XW b C b aVT_GXT TaW4 Wb : XaX T_
: :FXV ba 6ba b_bY a.V T_5Ta 4Vb a
: : FXV ba J WT T_Yb a.V T_5Ta 4Vb a

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the Mayor or CFO. The foregoing policy is based on the assumption that such authority has been delegated to the CFO.