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Raymond Mhlaba Local Municipality

Best Practice Procedures Manual & Internal Controls



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1. Introduction

This manual is for the use of the Raymond Mhlaba local Municipality. Whilst this manual has been prepared to cover the essential finance business cycles of Raymond Mhlaba, it might not represent an exhaustive list of financial matters that require the Chief Finance Officer's attention. This manual represents the envisaged controls and procedures aligned with the FMS, taking into account the current staff compliment. **This manual should be updated on an annual basis as more provisions of the relevant acts become applicable or change, principally the Municipal Finance and Management Act No. 56 of 2003. Changes in FMS functionality would also necessitate an update to this manual.**

Control objective: The control objective is a goal of management to process information to obtain reliable financial information

Control procedure: This lists processes to be performed to meet the respective task

Responsibility: This serves as a guide as to the Municipal official(s) responsible for undertaking the task

Venus Function: The applicable Venus FMS function to perform the stated task

Frequency: This is a guide as to when the step may/should be performed

Legislative reference: This details the legislation that is applicable to the control procedure. The list is not exhaustive

Management may make reference to other applicable legislation that may be relevant to the Municipality

The following legislation references were used in the compilation of this manual:

- ✓ Municipal Finance Management Act, No. 56 of 2003
- ✓ Local Government Municipal Systems Act, No. 32 of 2000
- ✓ Division of Revenue Act, No. 12 of 2009
- ✓ Certain resolutions of the South African Local Government Bargaining Council
- ✓ Value-Added-Tax Act, No. 89 of 1991

Policy reference: This refers to applicable Municipal legislation, ie. approved policies and/or procedures

2. Abbreviations

Certain abbreviations have been used in the document and the following glossary provides the reader with explanations of the abbreviations used:

Abbreviation	Full Word
ADM	Amathole District Municipality
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CFO	Chief Finance Officer
DORA	Division of Revenue Act
EFT	Electronic funds transfer
ENaTIS	National Traffic Information System
ES	Equitable Share
FMG	Financial Management Grant
GL	General Ledger
GRN	Goods Received Note
GRV	Good Received Voucher
HR	Human Resources
ID	Identity Document
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
SARS	South African Revenue Services
SCM	Supply Chain Management



Abbreviation	Full Word
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
YTD	Year to Date



3. Finance Department Organogram

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
a) Debtor Maintenance	b) Application for Municipal Services Accepting and handling applications for municipal services is the responsibility of the Principal Income Clerk under the supervision of the Revenue Manager	Principal Income Clerk	n/a	Ongoing	Municipal Systems Act, No. 32 of 2000, Sections 73 (1)(2) & 74 (1)(2)(3) & 75 (1)(2) & 96 (a)(b)	Credit Control & Debt Collection Policy Tariff Policy
	An applicant must complete an 'Application for Services' form when applying for municipal services <ul style="list-style-type: none"> ▪ This form must be completed in duplicate ▪ The form makes provision for the applicant as well as the property details ▪ A copy of the applicant's ID document is required as supporting documentation 	Applicant	BE205-BE210: Debtor Maintenance	Ongoing		
	The Principal Income Clerk may, in certain instances, complete the application on behalf of the applicant This, however, must be done in the presence of the applicant	Principal Income Clerk	n/a	Ongoing		
	The applicant must sign the application form and by doing, accepts the terms and conditions under which the services will be provided (terms and conditions to be clearly stipulated on form) The terms and conditions must be clearly explained to the Applicant	Applicant	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Principal Income Clerk must counter-sign the application form after having confirmed that all the required fields have been populated and that the necessary documentation is attached	Principal Income Clerk	n/a	Ongoing		
	The deposit amount is determined in accordance with the Municipal Tariff Policy	Principal Income Clerk	BH330: Create deposit	Ongoing		
	The Principal Income Clerk writes the deposit amount on the application form and the applicant is then sent with the form to the Main Cashier to pay the necessary deposit	Principal Income Clerk	n/a	Ongoing		
	The Applicant makes a payment for the deposit at the Cashier and is provided with a receipt in lieu of the deposit paid	Cashier	BK220: Update receipts	Ongoing		
	The receipt number is recorded on the application form by the Cashier and is stamped and signed by the Cashier	Cashier	n/a	Ongoing		
	The Applicant returns the stamped application form to the Principal Income Clerk	Applicant	n/a	Ongoing		
	The Applicant is provided with a copy of the application form and the receipt as proof of the application	Principal Income Clerk	n/a	Ongoing		
	The consumer details and property details are captured into Venus according to the application form	Principal Income Clerk	BE205: Create new debtor	Ongoing		
	The new debtor account number is generated in Venus and recorded on the application form	Principal Income Clerk	BE205: Create new debtor	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Services charges such as assessment rates (if the owner), refuse removal and electricity must also be linked to the new consumer account	Principal Income Clerk	BH105: Create services/tariffs	Ongoing		
	The Principal Income Clerk requests the Electrician to obtain the latest meter reading - this reading will serve as the closing reading for the outgoing debtor and the opening reading for the incoming applicant	Principal Income Clerk	n/a	Ongoing		
	The Electrician obtains the meter reading and provides it to the Principal Income Clerk	Electrician	n/a	Ongoing		
	The opening meter reading is captured onto Venus - The account is now ready for billing	Principal Income Clerk	BG205: Capture meter readings per debtor	Ongoing		
	The Principal Income Clerk must present the new applications & supporting documentation to the Revenue Manager for review and sign-off	Principal Income Clerk	n/a	Ongoing		
	The Revenue Manager must log in the system and verify the following: <ul style="list-style-type: none"> ▪ that the applicable supporting documentation is attached ▪ that the applicant and property details have been correctly captured ▪ that the meter details and reading has been correctly 	Revenue Manager	BE205-BE210: Debtor Maintenance	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>captured</p> <ul style="list-style-type: none"> that the correct tariffs have been correctly determined and linked that the applicant has made the correct deposit as per the tariff policy 					
	The Revenue Manager must, after having satisfied him/herself that the information is correctly captured, counter-sign the application form	Revenue Manager	n/a	Ongoing		
	The Principal Income Clerk must create a property file (if none exists) and all documentation to be filed therein	Principal Income Clerk	n/a	Ongoing		
	<p>ii) Termination of a debtor account</p> <p>Applications to terminate debtor accounts are the responsibility of the Enquiries Clerk or Principal Income Clerk under the supervision of the Revenue Manager</p>	Enquiries Clerk / Principal Income Clerk	BE205-BE210: Debtor Maintenance	Ongoing	Municipal Systems Act, No. 32 of 2000, Sections 73 (1)(2) & 74 (1)(2)(3) & 75 (1)(2) & 96 (a)(b)	Credit Control & Debt Collection Policy Tariff Policy
	The applicant must complete and sign a 'Cancellation of Services' form	Applicant	n/a	Ongoing		
	The Enquiries Clerk or the Principal Income Clerk must counter-sign the application form (depending on whom has handled the application)	Enquiries Clerk / Principal Income Clerk	n/a	Ongoing		
	The Electrician is requested to obtain the closing meter reading	Enquiries Clerk / Principal Income	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
		Clerk				
	The Electrician obtains the meter reading and provides it to the Enquiries / Principal Income Clerk	Enquiries Clerk / Principal Income Clerk	n/a	Ongoing		
	The closing meter reading is captured onto Venus	Principal Income Clerk	BG610: Capture final reading	Ongoing		
	The 'final' statement is raised on the account by the Principal Income Clerk	Principal Income Clerk	BG615: Process final reading	Month-end		
	Once the final statement has been raised the debtor account status is changed from 'active' to 'inactive'	Principal Income Clerk	BE235: Change account status	Ongoing		
	In cases where the Enquiries Clerk has handled the application, then the Principal Income Clerk would counter-sign the application form as a control measure	Principal Income Clerk	n/a	Ongoing		
	In cases where the Principal Income Clerk has handled the application, then the Revenue Manager would counter-sign the application form as a control measure	Revenue Manager	n/a	Ongoing		
	The Principal Income Clerk must file the documentation in the applicable property file	Principal Income Clerk	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>iii) <u>Assessment rates</u></p> <p>Assessment rates are to be paid on annual basis, but debtors can apply to pay on a monthly basis</p>				MFMA, No. 56 of 2003, Sections 2(1) & 3(1) (2) (3) MFMA, No. 56 of 2003: Local Government Property Rates Act, No. 6 of 2004, Sections 30(1) (a)(b) & 31(1) (2)	Credit Control & Debt Collection Policy Tariff Policy Rates Policy
	The applicant must complete and sign a 'Annual to Monthly Rates' form	Applicant	n/a	Ongoing		
	This form must be counter-signed by the Principal Income Clerk	Principal Income Clerk	n/a	Ongoing		
	The Principal Income Clerk must change the service frequency on the system (from annual to monthly)	Principal Income Clerk	BE263: Change service frequency	Ongoing		
	The Revenue Manager to check the system to ensure that the change has been correctly made on the system	Revenue Manager	n/a	Ongoing		
	The Revenue Manager must counter sign the 'Annual to Monthly Rates' form	Revenue Manager	n/a	Ongoing		
	The Principal Income Clerk must file the documentation in the property file	Principal Income Clerk	n/a	Ongoing		
	A general valuation to be undertaken of all properties in the municipality every 4 years	Valuer	n/a	Every 4 years		
	A valuation roll must to be compiled of all properties	Valuer	n/a	Every 4 years		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The valuation roll must be compiled not more than 12 months before the start of the new financial year	Valuer	n/a	Every 4 years		
	The general valuation must reflect the market value of the properties	Valuer	n/a	Every 4 years		
	The valuation roll must be captured (loaded) into the system by the Revenue Manager (supported by BCX consultants)	Revenue Manager	BP275: Upload of external valuations	Every 4 years		
	The Revenue Manager must sign-off on the captured/loaded valuation roll	Revenue Manager	BP182: Valuation roll	Every 4 years		
	The CFO must counter sign the captured/loaded valuation roll as a control measure	CFO	n/a	Every 4 years		
	The signed hard copy of the valuation roll must be filed for record purposes	Revenue Manager	BP182: Valuation roll	Every 4 years		
	iv) Refunds					
	The Principal Income Clerk is responsible for deposit refunds under the supervision of the Revenue Manager	Principal Income Clerk	BN305: Capture refund	Ongoing	Municipal Systems Act, No. 32 of 2000, Section 95 (a)	Tariff Policy
	The consumer must complete and sign a 'Refund of Deposit' form	Applicant	n/a	Ongoing		
	The customer receipt is attached to the form (in cases where the customer does not have the receipt, a duplicate is obtained from the Archives section)	Archives	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The correct deposit amount to be refunded can also be determined on Venus					
	A 'print screen' to be made of the debtor account (detailing the amount to be refunded)	Principal Income Clerk	n/a	Ongoing		
	The Principal Income Clerk must ensure that any outstanding amounts are off-set against the deposit before facilitating the refund	Principal Income Clerk	n/a	Ongoing		
	The Principal Income Clerk must counter-signs the refund form	Principal Income Clerk	n/a	Ongoing		
	The 'print screen' as well as the refund form is taken to the Revenue Manager to counter-sign	Revenue Manager	n/a	Ongoing		
	Once approved by the Revenue Manager, the documentation is taken to the Creditors Section in order to process the refund <i>(the process entailed in the payment of the refund is covered under the Expenditure: Payments section of this document)</i>	Creditors Section	n/a	Ongoing		
	In the case of a cheque the customer must sign the cheque register as proof of receipt	Creditors Section	n/a	Ongoing		
	All documentation to be filed in the property file by the Principal Income Clerk	Principal Income Clerk	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>v) <u>Annual tariff changes</u></p> <p>The responsibility to update the tariffs on Venus on an annual basis lies with the Principal Income Clerk under the supervision of the Revenue Manager</p> <p>Annual services tariffs are determined on an annual basis by the Municipality and appear in the Municipal Tariff Policy and Budget</p>	Principal Income Clerk	n/a	Annually after approval of the budget (June for 1st July)	MFMA, No. 56 of 2003: Section 24(2)[c](ii)	Tariff Policy
	These new tariffs must be captured into Venus by the Principal Income Clerk with assistance from BCX	Principal Income Clerk	BD030 to BD070: Service tariffs			
	After the Principal Income Clerk has captured/loaded the new tariffs, a print-screen must be made of the changes	Principal Income Clerk	n/a			
	This print screen to be presented to the Revenue Manager who verifies the correctness thereof against the Budget document	Revenue Manager	n/a			
	The Revenue Manager must sign the print screen as proof of the review	Revenue Manager	n/a			
	All documentation must be filed by the Principal Income Clerk for record purposes	Principal Income Clerk	n/a			
	<p>vi) <u>Change of address</u></p> <p>Changes to debtor details are performed by the Principal Income Clerk under the supervision of the Revenue Manager</p>	Principal Income Clerk	n/a			

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Debtors must complete and sign the 'Change of Address' form in order to facilitate any changes to the address on their municipal account	Applicant	n/a	Ongoing	No. 32 of 2000, Section 95 (a)	Policy
	This form must be accompanied by a copy of the debtor ID document	Applicant	n/a	Ongoing		
	The Principal Income Clerk must counter-sign the form	Principal Income Clerk	n/a	Ongoing		
	The changes to the debtor account are made in the system by the Principal Income Clerk	Principal Income Clerk	BE205 to 210: Debtor maintenance	Ongoing		
	A 'print screen' is made of the change(s) and this is stamped 'Processed' by the Principal Income Clerk	Principal Income Clerk	n/a	Ongoing		
	The 'print screen' together with the supporting documentation is taken to the Revenue Manager	Principal Income Clerk	n/a	Ongoing		
	After the Revenue Manager ensured that the change has been correctly made on the system he/she must counter-signs the form	Revenue Manager	n/a	Ongoing		
	All documentation must be filed by the Principal Income Clerk for record purposes	Principal Income Clerk	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>vii) <u>Indigent registration and update</u></p> <p>Applicants wishing to apply to be registered as Indigent with the Municipality (and thereby receive subsidised services) must complete and sign an Indigent Application form</p>	Applicant		Ongoing	Municipal Systems Act of 2000, Section 73 (1)(a)(c)	Indigent Policy
	Complete and signed Indigent Applications are also received by the Senior Income Clerk 1 for capturing to Venus.	Senior Income Clerk1	BE355: Capture Indigent application forms and maintenance	Ongoing		
	Applications are also received by the Senior Income Clerk 2 for verification.	Senior Income Clerk 2	BE357: Indigent verification	Ongoing		
	These registrations are undertaken by the FBS Co-ordinator under the supervision of the Ward Councillors and their Committees {Revenue Manager / CFO]	FBS Co-ordinator	BE360: Approve application	Ongoing		
	The relevant supporting document as per stipulations in the Indigent Policy is attached, eg. ID, salary slip, affidavit, etc	FBS Co-ordinator / Revenue Manager	BE365: Transfer arrears to abeyance	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The approved Indigent Applications must be captured into Venus by the Principal Income Clerk	Principal Income Clerk	BM070: Indigent subsidy allocation	Ongoing		
	The applicable subsidised refuse removal tariff is linked to the indigent debtor account	Revenue Manager	BE387: Reverse subsidy	Ongoing		
	The indigent information is captured into Syntell by the FBS Co-ordinator to ensure that they receive the benefit of subsidised electricity	FBS Co-ordinator Casual	Syntell Electricity System	Ongoing		
	The Indigent register is printed out by the Principal Income Clerk on a monthly basis, is checked and updated and signed off by the FBS Coordinator and the Revenue Manager	Revenue Manager	BP954: Indigent Report	Ongoing		
	All documentation must be filed per ward by the FBS Coordinator for record purposes	FBS Coordinator	n/a	Ongoing		
	Registered indigents to be reviewed on a regular basis to ensure that they still qualify for the subsidy	Revenue Manager	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>viii) <u>Credit control and debt management</u></p> <p>The Credit Controller must print the debtor age analysis on a monthly basis</p>	Credit Controller	BP136: Age Analysis	Monthly	Municipal Systems Act, No. 32 of 2000, Section 96 (a)(b) & 97 (1)(2)	Credit Control & Debt Collection Policy
	<p>This report details the length of time that the consumer has been in debt</p> <p>This is detailed in increments of 30 days eg. current, 30 days, 60 days, 90 days, 120 days, etc)</p>	Credit Controller	n/a	Monthly		
	<p>This report to be analysed by the Senior Income Clerk and the Credit Controller to determine consumers in arrears and to decide on appropriate action as per the Credit Control and Debt Collection Policy</p>	Senior Income Clerk Credit Controller	n/a	Monthly		
	<p>The Debtors Reconciliation to be balanced to the level of the ledger by Credit Controller, the Revenue Manager and the Senior Accountant</p>	Credit Controller	n/a	Monthly		
	<p>If a customer is not able to meet his/her commitments in terms of settling their outstanding debt, then arrangements to pay their debt can be made</p>	Credit Controller	BL210 – BL215: Debtor Arrangements	Monthly		
	<p>This is in the form of a formal agreement (Arrangement form) between the individual and the municipality where the debtor acknowledges the debt and commits to pay a certain amount within a specified period</p>	Credit Controller	BL210 to 215: Debtor Arrangements	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The customer is flagged on Venus to ensure that anyone accessing the account will know that there is an arrangement in place	Credit Controller	BL101 to 104: Indicators	Monthly		
	If the debt remains unpaid, a letter of demand can be generated from Venus This can be further followed up with final notices, summonses and handovers In instances where the debt cannot be recovered then the Municipality will reserve the right to write-off the amount in accordance with the stipulations in the Policy Provision for debtors for debt above 180 days will be made in line with the Policy	Credit Controller Council Council	BL405 to 420: Final notices BL605 to 650: Handovers BL505-525: Summonses BL305: Cut offs	Monthly		
	Interest is to be charged on outstanding debt in according with the Credit Control and Debt Collection Policy	Credit Controller	BD010: Interest on Arrears	Monthly		
b) Meter readings	i) <u>Meter readings record and capture</u> Only conventional electricity meters are read					
	The Electrician walk door-to-door, read the meters and manually record these readings into meter books	Electrician	n/a	8 th & 15 th of each month	Municipal Systems Act, No. 32 of 2000, Section 95 (d)	Credit Control & Debt Collection Policy Tariff Policy
	These meter books are returned to the Principal Income Clerk who captures them into the Venus system	Principal Income Clerk	BG215: Capture meter readings	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
			per book			
	After the readings have been captured, the Principal Income Clerk must extract a Variance report from the system This report details abnormally high/low readings as per pre-determined system parameters	Principal Income Clerk	BP421: Meter variance/ exception report	Monthly		
	An Un-read Meter Report must also be extracted from Venus This report details a listing of meters that were not read	Principal Income Clerk	BS408: Meter consumption	Monthly		
	These are checked again by the Principal Income Clerk against the meter books to determine if the readings were indeed captured correctly	Principal Income Clerk	n/a	Monthly		
	These abnormalities are recorded on a spreadsheet and provided to the Meter Readers to investigate	Principal Income Clerk	n/a	Monthly		
	Once these abnormalities (high/low readings and no readings) have been investigated and resolved, the Principal Income Clerk makes the necessary changes/fixes to the meter readings on the system	Principal Income Clerk	BG230: Change meter readings	Monthly		
	The Principal Income Clerk must sign and date (the date on which the readings were captured) the meter books as proof of the capture	Principal Income Clerk	n/a	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The Revenue Manager must perform a review of the meter readings captured by signing the meter variance/exception reports</p> <p>The consumer accounts are now ready to be billed for electricity consumption</p>	Revenue Manager	n/a	Monthly		
	The Principal Income Clerk must file the Variance/exception and Unread reports and is responsible for safekeeping the meter books until the next meter reading cycle	Principal Income Clerk	n/a	Monthly		
	Meters are to be checked on a random basis to deter consumers from bypassing or tampering with the meters	Electrician	n/a	Monthly		
c) Debtor billing	i) <u>Raise service charges</u>					
	The Principal Income Clerk performs the billing function on a monthly basis	Principal Income Clerk	BE510: Dummy bill run	25 th of every month	Municipal Systems Act, No. 32 of 2000,	Credit Control & Debt Collection Policy
	This process must be supervised by the Revenue Manager	Revenue Manager	BM010 to BM025:	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>Once the meter readings have been captured and updated, the Principal Income Clerk performs the following functions:</p> <ul style="list-style-type: none"> ▪ Updates all receipts ▪ Updates all journals ▪ Raises interest ▪ Raises instalments ▪ Runs billing ▪ Performs integration 	Principal Income Clerk	<p>Raise interest & instalment charges</p> <p>BM030: Raise service charges</p> <p>BM032: Multiple cycle billing</p> <p>BM310: Integration</p>		<p>Sections 95 (e) & 96 (a)(b)</p> <p>MFMA, No. 56 of 2003, Section 64(1)(2)(3)</p>	Tariff Policy
	A statement file is created by the Principal Income Clerk	Principal Income Clerk	BP051: Create statement file	Monthly		
	The file must be reviewed by the Principal Income Clerk (billing date, due date, etc)	Principal Income Clerk	BE510: Dummy bill run	Monthly		
	This file is zipped by the Principal Income Clerk and forwarded to CAB (a 3 rd party service provider who prints the statements on behalf of Raymond Mhlaba Municipality)	Principal Income Clerk	n/a	Monthly		
	<p>CAB prints a sample of the statements</p> <p>CAB then prints the entire statement file</p> <p>CAB couriers the printed statements Principal Income Clerk who</p>	CAB	n/a	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	sorts them according to the different areas					
	This sample is forwarded to the Principal Income Clerk for approval [check date, statement layout, etc] prior to printing all the statements	Principal Income Clerk	n/a	Monthly		
	The Principal Income Clerk confirms acceptance of the statement layout by means of an e-mail to CAB	Principal Income Clerk	n/a	Monthly		
	The statements for Fort Beaufort and Middeldrift are posted to consumers	Principal Income Clerk	n/a	Monthly		
	The statements for Alice and Seymour are hand-delivered to consumers by Casual Workers employed by the Municipality	Casual Workers	n/a	Monthly		
	Consumers who received their statements by hand are required to sign as proof of receipt	Consumers	n/a	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>ii) Reporting</p> <p>The following reports are crucial and should be printed on the last day of the month (after billing):</p> <ul style="list-style-type: none"> ▪ Trial balance per debtor (balances and movement) ▪ Trial balance per service (age analysis per service) ▪ Deposits per type / code / town ▪ Deposit balances per cycle ▪ Debtor movement ▪ Age analysis 	Principal Income Clerk	BP135/6: Trial balance BS905: Debtor movement BP312: Deposits BS905: Debtor movement BS906: Aged Analysis	Monthly	MFMA, No. 56 of 2003, Section 64(1)(2)(3)	Credit Control & Debt Collection Policy
d) Income from Debtors	The Raymond Mhlaba Municipality has a Main Cashier office located at Fort Beaufort as well as 3 Satellite offices at Alice, Middeldrift and Seymour where monies are received in respect of service charges raised by the Municipality on a monthly basis	Main Cashier	BK220: Update receipts	Monthly	MFMA of 2003, Section 13 (1)(2)	Credit Control & Debt Collection Policy
	The cashiering function is fulfilled by the Cashier and is supervised by the Senior Income Clerk and the Revenue Manager	Main Cashier	BK220: Update receipts	Monthly	MFMA of 2003, Section 64(2)(e)(h)	Tariff Policy Cash Mngt & Investment

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	All 4 offices utilise the Venus: Cash-drawer system to receipt monies	Main Cashier	BK220: Update receipts	Monthly	Municipal Systems Act of 2000, Sections 95 (i) & 96 (a)	Policy
	The Raymond Mhlaba Municipality receives income from debtors iro services rendered such as assessment rates, refuse removal and electricity and other services Monies iro services are received in the following manner:	Main Cashier	BK220: Update receipts	Monthly		
	i) <u>Over-the counter (cash, cheques, postal orders)</u> Payments by debtors iro service charges are acknowledged by means of the printing of a uniquely numbered receipt in duplicate by the Cashier	Cashier	BK220: Update receipts	Daily	MFMA of 2003, Section 13 (1)(2)	Credit Control & Debt Collection Policy
	The original is provided to the debtor and the duplicate remains in the printer to facilitate cashing-up at a later stage	Cashier	n/a	Daily	MFMA of 2003, Section 64(2)(e)(h)	Tariff Policy Cash Mngt & Investment Policy
	Manual receipts are issued in instances where the Venus system is off-line Middledrift & Seymour Offices are still on manual	Cashier	n/a	Daily	Municipal Systems Act of 2000, Sections 95 (i) & 96 (a)	
	These manual receipts are captured into the system once a week Middledrift will use Alice office and Seymour will use Fort Beaufort	Cashier	BK220: Update receipts	Daily		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Manual receipts are written out in duplicate with the original going to the customer and a copy being kept in the receipt book	Cashier	n/a	Daily		
	Cancelled receipts (both electronic and manual) are kept, reconciled to the banking at the end of the day and filed	Cashier	n/a	Daily		
	The Senior Income Clerk cancels incorrectly generated receipts – at the time of the error, the Cashier will produce the correct receipt from the system and the Senior Income Clerk will cancel the incorrect receipt at a later stage	Senior Income Clerk	BK510: Receipt reversals	Daily		
	Incorrectly allocated receipts are also correctly allocated by the Senior Income Clerk	Senior Income Clerk	BK520: Transfer of receipts between debtors	Daily		
	The revenue received by the satellite offices must to be reconciled against all supporting documentation (manual & electronic receipts, bank-stamped deposit slips, daily cash-up form, receipt listing report from Venus) on a weekly basis - to be performed and signed off by the by the Senior Income Clerk and the Revenue Manager	Senior Income Clerk / Revenue Manager	n/a	Daily		
	Proof of this review should be in the form of a signature on the Daily Cash-up forms and the Receipt listing from Venus-Cash-drawer	Senior Income Clerk	n/a	Daily		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>ii) Posted payments (cheques & postal orders)</p> <p>Posted cheques/postal orders are received by the Administrative Section where they are recorded into a register</p> <p>In instances where the posted cheques are received and recorded in the register by the Cashier, then the Senior Income Clerk will check the register for correctness and ensure that receipt numbers have been entered.</p>	Admin Section / Cashier	n/a	Daily	MFMA of 2003, Section 13 (1)(2)	Credit Control & Debt Collection Policy
	Cheque details such as cheque number, amount and drawer are entered in the register	Admin Section	n/a	Daily	Municipal Systems Act of 2000, Sections 95 (i) & 96 (a)	Tariff Policy Cash Mngt & Investment Policy
	This is taken to the Cashier on a daily basis, who signs against each cheque received before removing them from the register	Cashier	n/a	Daily		
	These are then captured into Venus (the receipt number and debtor details are indicated on the reverse side of the cheque) <p>The receipt number and date are then entered into the Cheque Register by the Cashier</p>	Cashier	BK220: Update receipts	Daily		
	In instances where post-dated cheques are received, the Cashier accepts the cheques and keeps them in the safe until their validity date arrives	Cashier	n/a	Daily		
	In the case of 'bounced' or RD cheques: these are returned to the Municipality	Revenue Manager	n/a	Daily		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The credit is reversed on the account and the resultant bank charges are raised on the consumer account	Senior Income Clerk	BK510: Receipt reversals	Daily		
	The Cheque Register must be reconciled against receipts issued and cheques in the safe on a weekly basis The Senior Income Clerk must sign-off as proof of the review	Senior Income Clerk	n/a	Weekly		
	<u>iii) Internet / electronic payments</u> The Revenue Manager provides that the Senior Income Clerk receives a download of the bank statement on a daily basis The Senior Income Clerk to print this bank statement	Senior Income Clerk	IR130: Bank statements	Daily	MFMA of 2003, Section 13 (1)(2) MFMA of 2003, Section 64(2)(e)(h) Municipal Systems Act of 2000, Sections 95 (i) & 96 (a)	Credit Control & Debt Collection Policy Tariff Policy Cash Mngt & Investment Policy
	The bank statement is analysed to determine if there are any electronic payments for municipal services (consumers are encouraged to insert their debtor number as a reference to ensure easier identification and allocation)	Senior Income Clerk	IR125: Bank deposits detail	Daily		
	The electronic payments iro municipal services for the day are recorded in an Excel spreadsheet by the Senior Income Clerk	Senior Income Clerk	n/a	Daily		
	The Senior Income Clerk captures these transfers into Venus Cash-drawer	Senior Income Clerk	BK215: Update electronic payments	Daily		
	Payments that could not be allocated to a consumer account (where the consumer did not indicate a debtor number) is	Senior Income Clerk	BK530: Unallocated	Daily		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	receipted in a suspense account		payments			
	When the consumer arrives at the office to query payment and has proof of the deposit, the amount is transferred from the suspense account to the debtor account	Senior Income Clerk	BK215: Update electronic payments	Daily		
	The bank statement, Excel spreadsheet and receipts list must be signed by the Senior Income Clerk and the Revenue Manager	Revenue Manager	n/a	Daily		
e) Pre-paid electricity income	Prepaid electricity is sold by the Municipal Prepayment Cashier, from the 2 vending machines (AVMs) located outside the Municipal offices (to cater for after hours purchases) and from a private businesses, namely the Oasis Shop as from BRM Garage	Pre-payment Cashier	n/a	Daily	MFMA of 2003, Section 13 (1)(2)	Credit Control & Debt Collection Policy
	The electronic system used to vend electricity is called Syntell – the system stands separate from the Venus Cash-drawer system	Pre-payment Cashier	n/a	Daily	MFMA of 2003, Section 64(2)(e)(h)	Tariff Policy Cash Mngt & Investment Policy
	The Revenue Manager extract a Daily Cash up report from the Syntell system on a daily basis and reconciles it against the bank statement	Senior Income Clerk			Municipal Systems Act of 2000, Sections 95 (i) & 96 (a)	
	The Revenue Manager does a check to ensure that this has been undertaken correctly	Revenue Manager				
	When wanting to make a purchase, the consumer hands over their cash together with their electricity card to the Pre-payment Cashier	Consumer	n/a	Daily		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Cashier logs into Syntell and issues them with a voucher/ticket indicating the Rand value and the kWh (kilowatt) hours that they have purchased	Pre-payment Cashier	n/a	Daily		
	The cash is kept separately from the cash iro municipal service payments and is only reconciled and combined at the end of the day	Pre-payment Cashier	n/a	Daily		
	The Principal Income Clerk accompanied by Municipal security guards extracts the monies in respect of per-electricity from the 2 vending stations (AVMs) on a daily basis	Principal Income Clerk	n/a	Daily		
	A day-end report is printed from the vending machines and this report, together with the cash is provided to the Municipal Cashier to capture into Venus Cash-drawer	Main Cashier	BK210: Upload receipts	Daily		
	The Senior Income Clerk to ensure that a reconciliation is performed of all monies collected at these centres – proof of this is in the form of the Senior Income Clerk signing the reconciliations	Senior Income Clerk	n/a	Daily		



4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
f) Other income	<p>Other Municipal income is derived in the following manner:</p> <p>Grants:</p> <ul style="list-style-type: none"> ▪ Grants received are Equitable Share, FMG, MIG and MSIG ▪ Treasury grants the Municipality funding for operations for each financial year ▪ The operational budget including any projected income that may be generated by the Municipality, must be submitted on yearly basis and must be approved by the 	Revenue Manager			<p>MFMA of 2003, Section 13 (1)(2)</p> <p>MFMA of 2003, Section 64(2)(e)(h)</p> <p>Municipal Systems Act of 2000, Sections</p>	<p>Credit Control & Debt Collection Policy</p> <p>Tariff Policy Cash Mngt & Investment Policy</p>

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>Council of the Municipality before the funding is received</p> <ul style="list-style-type: none"> ▪ Treasury will indicate the budget for the 12 months of the year ▪ These funds are divided and are disbursed to the municipality during the year ▪ Grants are received via direct deposits into the bank account of the Municipality – a letter of confirmation is also received ▪ The Revenue Manager identifies these (prints the bank statement daily) captures these into Venus Cash-drawer against the appropriate vote ▪ The Senior Income Clerk updates Venus accordingly 	Senior Income Clerk	IR130: Bank statements BK210: Upload receipts BK215: Allocate electronic payments BK225: Integrate electronic payments to GL	Ongoing	95 (i) & 96 (a) Municipal Systems Act of 2000, Section 75A (1)(2)(3) DORA, No. 12 of 2009, Sections 5(11), 9(1) & 11(1)	

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p><u>Traffic-related fees/fines/penalties, etc:</u></p> <p>The Cashier at the Traffic department utilises the E-NaTIS system to receipt monies</p> <p>Receipts are issued from this system (in duplicate with the original given to the consumer and the duplicate remaining with the Cashier to be used to cash-up at day-end)</p> <p>The Cashier writes 'Traffic' on the back of all cheques receipted at the traffic department to ensure that they can be followed up by the traffic department in instances where cheques are returned due to insufficient funds</p> <p>At the end of the day the Traffic Cashier brings all receipted monies, together with the balancing sheet to the Main Cashier to receipt into Venus Cash-drawer</p>	<p>Traffic Dept Cashier</p> <p>Traffic Dept Cashier</p> <p>Main Cashier</p>	<p>n/a</p> <p>BK210: Upload receipts</p>	<p>Daily</p> <p>Daily</p>		
	<p><u>Hall hire:</u></p> <p>The HR Dept Secretary accepts the application for hall/venue hire from the applicant</p>	<p>HR Dept Secretary</p>	<p>n/a</p>	<p>Ongoing</p>		
	<p>He/she checks the diary for availability</p>	<p>HR Dept Secretary</p>	<p>n/a</p>	<p>Ongoing</p>		
	<p>If the hall/venue is available, the date is tentatively booked, and the applicant is sent to the Cashier to pay the necessary deposit, as well as the cost of the hall hire</p>	<p>HR Dept Secretary</p>	<p>n/a</p>	<p>Ongoing</p>		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	After the hall/venue has been used, the custodian of the hall/venue must inspect it for damages	Hall custodian	n/a	Ongoing		
	If there is no damage, then a refund can be made	HR Dept Secretary	n/a	Ongoing		
	The applicant must complete and sign a 'Refund Form' with the Creditors Dept	Creditors Dept	n/a	Ongoing		
	The receipt is attached to the form	Applicant	n/a	Ongoing		
	The Creditors Dept to sign the form and stamp the form with a 'paid' or 'processed' stamp;	Creditors Dept	n/a	Ongoing		
	The record of the deposit as well as the refund made is to be kept by the HR Dept Secretary for reporting purposes	HR Dept Secretary	n/a	Ongoing		
	The Main Cashier will on a monthly basis reconcile the dairy against deposits and refunds – the Senior Income Clerk to verify correctness and signoff	Main Cashier	n/a	Ongoing		
	The Revenue Manager or a delegated official must reconcile dairy bookings against receipts and refunds made on a monthly basis – the diary to be signed as proof of the review (both HR Dept Secretary and Revenue Manager)	Revenue Manager	n/a	Monthly		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p><u>Building plan fees:</u></p> <p>Customers bring in their approved building plans to the Main Cashier who receipts the monies using the approved vote</p> <p>The customer is provided with a receipt as proof of payment</p>	Main Cashier	BK210: Upload receipts	Ongoing		
	<p><u>House rentals</u></p> <p>There are 7 houses that are owned by the Municipality that are rented out to certain Municipal officials</p> <p>Certain of these pay rent at the Municipal Cashier</p> <p>The monies are allocated to the respective vote by the Cashier and the payee is provided with a receipt as proof of payment</p>	Main Cashier	BK210: Upload receipts	Ongoing		
	<p><u>Library fees:</u></p> <p>Income is received from the Library in the form of library fees, photo-stat fees</p> <p>The Librarian to provide the customer with a receipt (in duplicate, with original to customer and copy kept in book) in respect of all monies paid for library-related fees</p> <p>A reconciliation must be made off all monies receipted</p>	Library cashier	n/a	Ongoing		
		Library cashier	n/a	Ongoing		
		Library cashier	n/a	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	This to be given to the Cashier to be receipted into the Venus Cash-drawer system	Main Cashier	BK210: Upload receipts	Ongoing		
	The Librarian to be provided with a receipt as proof of handover of cash	Main Cashier	BK210: Upload receipts	Ongoing		
	The Cashier to allocate these funds into the appropriate vote	Main Cashier	BK210: Upload receipts	Ongoing		
	These monies to be banked into the Municipal bank account with other municipal monies received iro services rendered	Main Cashier	n/a	Ongoing		
	Revenue to be reconciled regular basis by the Senior Income Clerk – the reconciliation to be signed as proof of the review	Senior Income Clerk	n/a	Ongoing		
	<u>Cemetery fees:</u> Persons wanting to pay cemetery fees are required to report to the Cashier's office with the death certificate & ID of the person they wish to bury	Applicant	n/a	Ongoing		
	They also need to indicate the location and town of the burial site	Applicant	n/a	Ongoing		
	They are provided with a receipt by the Cashier as proof of payment	Main Cashier	BK210: Upload receipts	Ongoing		
	The Cashier allocates this payment to the appropriate vote	Main Cashier	BK210: Upload	Ongoing		

4. Revenue						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
			receipts			
	After having paid they return to the cemetery and show this receipt to the clerk at the cemetery to confirm that they have paid	Applicant	n/a	Ongoing		
	Other monies are receipted for ad-hoc items such as tenders, etc.	Main Cashier	BK210: Upload receipts	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
g) Investments	<p>Investments are a way of generating additional funds for the Municipality</p> <p>Section 13 of the MFMA, No. 56 of 2003 prescribes the framework under which municipalities may invest money that is not immediately required</p> <p>The act also prescribes the establishment of 'an appropriate and effective cash management and investment policy'</p> <p>Prior to the investment of funds, the CFO must determine whether there are surplus funds available, as well as fix the term over which such monies should be invested</p>	CFO	n/a	Ongoing	MFMA, No. 56 of 2003, Section 13 (1)(2) MFMA, No. 56 of 2003, Municipal Investment Regulations, Sections 1 & 6	Cash Management and Investment Policy
	The CFO must ensure that cash forecasts, cash flow estimates for fixed term investments are drawn up	CFO	n/a	Ongoing		
	The Revenue Manager is responsible for maintaining investments, under the direct supervision of the CFO	Revenue Manager	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>i) <u>Assessment of an Investment opportunity</u></p> <p>The Revenue Manager must contact the various banking institutions for interest rate quotations and prepare a schedule of amounts to be invested, the rates quoted and the maturity values</p>	Revenue Manager	NA310: Quote for new investment	Ongoing		
	This schedule must be evaluated by both the Revenue Manager and the CFO	Revenue Manager / CFO	NA330: Approve investment	Ongoing		
	The CFO must then decide whom and for what amount to invest with	CFO	n/a	Ongoing		
	<p>The CFO has the responsibility to comply with investment principals of:</p> <ul style="list-style-type: none"> ▪ Spreading exposure to financial institutions ▪ enhance returns, whilst limiting risks ▪ Care to be taken in the choice of investment ▪ Not be for speculation, but for genuine investment ▪ The liquidity of the Municipality to be considered ▪ No commission from financial institution ▪ Documented quotes(name of the person who gave the quotation, period of investment, terms and rates and other information such as interest payable monthly or on 	CFO	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	maturity date) <ul style="list-style-type: none"> ▪ Receipt or certificate substantiating deposit made 					
	The Municipality may invest funds in any of the following investment types: <ul style="list-style-type: none"> ▪ Securities issued by the national government ▪ Listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency ▪ Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) ▪ Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984) ▪ Deposits with the Corporation of Public Deposits as contemplated by the Corporation of Public Deposits Act, 1984 (Act 46 of 1984) ▪ Bankers acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 ▪ Guaranteed endowment policies with the intention of establishing a sinking fund 	CFO	n/a	Ongoing		



5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<ul style="list-style-type: none"> ▪ Repurchase agreements with banks registered in terms of the Banks Act, 1990 ▪ Municipal bonds issued by a municipality ▪ 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 					
	<p>The CFO has the responsibility to ensure that the following controls over investments are in place:</p> <ul style="list-style-type: none"> ▪ A register of investments to be kept (details of institution, date of investment, amount invested, applicable interest rate, maturity date) ▪ Secure all investment certificates and related documents ▪ Ensure that interest due is received on time ▪ Manage investments either on own or with guidance from credible investment advisors ▪ Ensure no improper internal or external influence 	CFO	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	ii) <u>Transfer of funds</u> A letter is must be drafted and signed by both the Municipal Manager and the CFO requesting a transfer of funds to the respective bank where the new investment is held	Municipal Manager / CFO	n/a	Ongoing	MFMA, No. 56 of 2003, Sections 11 (1)(h) & 13 (1)(2)	Cash Management and Investment Policy
	This letter is forwarded to the bank at which holds the municipal bank account	Revenue Manager	n/a	Ongoing	MFMA, No. 56 of 2003,	
	After the bank has performed that transfer, a letter of confirmation is forwarded by the bank to the municipality	Bank	n/a	Ongoing	Municipal Investment Regulations,	
	Both letters together with all other relevant documentation is filed in the investment file by the Revenue Manager	Revenue Manager	n/a	Ongoing	Sections 1 & 6	
	iii) <u>Reconciliations of the investment accounts</u> The Revenue Manager must prepare investment register every month	Revenue Manager	n/a	Monthly	MFMA, No. 56 of 2003, Section 13 (1)(2)	Cash Management and Investment Policy
	The investment register must be reviewed and signed by the CFO	CFO	n/a	Monthly	MFMA, No. 56 of 2003,	
	The CFO must ensure that interest calculations are performed on each investment to ensure that correct interest is received	CFO	NA260: Interest indicator	Monthly	Municipal Investment Regulations,	
	The Revenue Manager prepares and signs a manual journal for the capturing of the investment transactions into Venus	Revenue Manager	n/a	Monthly	Sections 1 & 6	
	The journal is reviewed and signed by the CFO	CFO	n/a	Monthly		



5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Revenue Manager then captures the journal into the VENUS system	Revenue Manager	GJ015: Journal capture	Monthly		
	The CFO verifies the accuracy thereof on the system and signs the 'screen-dump' or 'print screen' of the transaction as evidence of the review	CFO	GJ020: Journal authorisation	Monthly		
	iv) <u>Re-investment / withdrawal of funds</u> When an investment reaches maturity, the CFO evaluates whether the funds are to be re-invested or withdrawn	CFO	NA610: Current investments NA620: Investment history	Ongoing – when investment matures	MFMA, No. 56 of 2003, Section 13 (1)(2) MFMA, No. 56 OF 2003:	Cash Management and Investment Policy
	The investment institution is formally notified via a letter of the Municipality's intention (signed by the Municipal Manager and the CFO)	Municipal Manager / CFO	n/a	Ongoing	Municipal Investment Regulations, Section 11	
	Care to be taken when diversifying investments – to be undertaken within the guidelines of the Act	CFO	n/a	Ongoing		
	Existing investments that were instituted prior to the Act taking effect do not have to be cancelled	CFO	n/a	Ongoing		
	v) <u>Record keeping</u> The CFO to ensure that all investment certificates and related document and papers are kept in a secure place	CFO / Manager Income	NA610: Current investments	Ongoing	MFMA, No. 56 of 2003,	Cash Management

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	That a register is kept and updated with all investment details (ie. details of institution, date of investment, amount invested, applicable interest rate, maturity date)	CFO / Manager Income	n/a	Ongoing	Section 13 (1)(2)	and Investment Policy
	The investment quotations, letter to the MM, endorsement from the MM, minutes of council meetings and correspondence with the bank are filed as supporting documentation for the new investment opened	Revenue Manager	NA620: Investment history	Ongoing		
	vi) Reporting to Council The Municipal Manager must report to council, during a council meeting of the new investment account that has been opened	Municipal Manager / CFO	n/a	Whenever Council meets	MFMA, No. 56 of 2003, Section 13 (1)(2)	Cash Management and Investment Policy
	The MM must notify Council as well as National Treasury and the Auditor General of any new bank accounts that have has opened	Municipal Manager / CFO	n/a			
h) Cashing-up and Banking	i) Cashing-up The cashing-up function is performed by the Main Cashier under the direct supervision of the Senior Income Clerk	Main Cashier Senior Income Clerk	n/a	Daily	MFMA, No. 56 of 2003, Section 13 (1)	Cash Management and Investment Policy

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	At day-end the Pre-payment Cashier prints the Day-end Shift report from the pre-payment Syntell system This report details the voucher/tickets issued, their value and the KWH allocation	Pre-payment Cashier	n/a	Daily	MFMA, No. 56 of 2003, Section 64 (1)(e)	
	The monies iro pre-paid electricity is counted by the Pre-payment Cashier, in the presence of the Senior Income Clerk	Pre-payment Cashier / Senior Income Clerk	n/a	Daily		
	A Daily Balancing Sheet is then compiled in MS Excel format by the Pre-payment Cashier	Pre-payment Cashier	n/a	Daily		
	The Daily Balancing Sheet is signed by both the Pre-payment Cashier (Preparer) and the Senior Income Clerk (Checker)	Pre-payment Cashier / Senior Income Clerk	n/a	Daily		
	The Daily Balancing Sheet as well as the monies collected are handed over to the Main Cashier, who receipts this money into Venus Cash-drawer under the appropriate vote	Main Cashier	BK210: Upload receipts	Daily		
	A receipt is issued and this is attached as supporting documentation to the Daily Balancing Sheet and the Day-end Shift report	Main Cashier	n/a	Daily		
	At day-end the Principal Income Clerk retrieves the money and a Shift report from the 2 vending machines on the outside of the municipality	Principal Income Clerk	n/a	Daily		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Principal Income Clerk compiles and signs a Daily Balancing Sheet and hands the monies and the Daily Balancing Sheet over to the Main Cashier to receipt	Principal Income Clerk	n/a	Daily		
	The Daily Balancing Sheet is signed by both the Principal Income Clerk (Preparer) and the Cashier (Checker)	Principal Income Clerk / Cashier	n/a	Daily		
	The Main Cashier captures the monies into Venus Cash-drawer and issue a receipt	Main Cashier	BK210: Upload receipts	Daily		
	The Cashier from the Oasis Shop also produces a Day-end Shift report from the Syntell system, compiles and signs the Daily Balancing Sheet and brings the monies to the Main Cashier to receipt into Venus Cash-drawer – a receipt is provided in lieu of these monies as well	Main Cashier	BK210: Upload receipts	Daily		
	The Main Cashier then ensure that all monies (services, pre-paid electricity and other ad-hoc payments have been accounted for)	Main Cashier	n/a	Daily		
	The Cashier pints a day-end report from the Venus system and reconciles the daily takings (cash-on-hand) to this report in the presence of the Senior Income Clerk	Main Cashier	BP350: Cashier total summary	Daily		
	A Daily Cash-up form is then compiled which details the cash-up date, 1 st to last receipt number, cancelled receipts, total income received per income group and per monetary denomination	Main Cashier	n/a	Daily		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The monies are checked by the Senior Income Clerk	Senior Income Clerk	n/a	Daily		
	This is signed by both the Cashier (as Preparer) and the Senior Income Clerk (as Checker), who further verifies this against the day-end report from Venus	Main Cashier / Senior income Clerk	n/a	Daily		
	The Cashier then compiles and signs the bank deposit slip	Main Cashier	n/a	Daily		
	This is verified by the Senior Income Clerk	Senior Income Clerk	n/a	Daily		
	The cash takings, the deposit slip and the Daily Cash-up form is placed in a bank bag and padlocked	Main Cashier	n/a	Daily		
	This padlocked bank bag is placed in the safe for banking the following day Only the Cashier has the keys to the bank bag and only the Senior Income Clerk has the key to the safe	Main Cashier	n/a	Day-end		
	The Revenue Manager to perform random checks at the satellite offices (reconciliation of all supporting documentation against duplicate receipts on hand) or any offices where monies are received in respect of Municipal service charges	Revenue Manager	n/a	Weekly		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>ii) Banking</p> <p>Banking is performed on behalf of the municipality by a private cash-in-transit company</p>	Private cash-in-transit company	n/a	Daily	MFMA, No. 56 of 2003, Section 13 (1)	Cash Management and Investment Policy
	In Fort Beaufort a cash-in-transit company collects the deposit the next day and takes it to the bank – it is provided the security company in the sealed bag by the Cashier	Main Cashier	n/a	Daily		
	The deposit is collected and banked by a cash-in-transit company in Alice and Middeldrift as well	Cashier: Satellite offices	n/a	Daily		
	The Cashier from the Seymour office travels to Fort Beaufort on a weekly basis and makes a deposit at the bank	Cashier: Satellite offices	n/a	Weekly		
	The deposit slip is filed (by the Main Cashier) together with a copy of the Venus day-end report, daily cash-up report and the duplicate receipts	Main Cashier	n/a	Daily		
	<p>iii) Reconciliation of bank statement (deposits)</p> <p>The Revenue Manager is responsible for reconciliation of the bank account under the supervision of the CFO</p>	Revenue Manager	IR010: Loading of bank statement	Monthly	MFMA, No. 56 of 2003, Section 64 (1)(h)	Cash Management and Investment Policy
	The Revenue Manager accesses Internet banking and extracts the bank statement	Revenue Manager	IR020: Maintain bank statement	Monthly		
	A reconciliation is prepared in MS Excel format from the statement provided	Revenue Manager	IR070: Reconcile deposits	Monthly		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	This spreadsheet must be reconciled against the bank statement and against all bank deposit slips for the month	Revenue Manager	n/a	Monthly		
	The reconciliation is reviewed and signed by the CFO	CFO	n/a	Monthly		
	All documentation to be filed by the Revenue Manager	Revenue Manager	n/a	Monthly		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
i) Petty cash	<u>i) Petty cash safe keeping</u> Petty cash is maintained and controlled by the Senior Clerk: Expenditure under the supervision of the Principal Expenditure Clerk	Senior Clerk: Expenditure	n/a	Ongoing	MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Section 15 (a)(b)(c)(d)	Cash Management and Investment Policy Supply Chain Management Policy
	The petty cash limit/float is R2,000	Senior Clerk: Expenditure	n/a	Ongoing		
	The float is kept with the Senior Clerk: Expenditure in a cash box with the Senior Clerk: Expenditure as the only custodian of the key to the box	Senior Clerk: Expenditure	n/a	Ongoing		
	At day-end the Senior Clerk: Expenditure must place all petty cash monies into this box, secure it and place it in the safe	Senior Clerk: Expenditure	n/a	Ongoing		
	The Senior Income Clerk is the sole custodian of the safe keys	Senior Income Clerk	n/a	Ongoing		
	The petty cash must be kept independent of all other municipal cash functions such as Cashiering	Senior Clerk: Expenditure	n/a	Ongoing		
	<u>ii) Issue of funds</u> When issuing petty cash funds, the following procedure must be adhered to:					

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	A petty cash requisition form is completed by the official requiring the funds and to be approved by the relevant Head of Department (of that official)	HoD / Official	n/a	Ongoing		
	The requisition must be signed by the official	HoD / Official	n/a	Ongoing		
	The vote to be debited must be indicated on the requisition	HoD / Official	n/a	Ongoing		
	The relevance (correctness of the vote and the availability of funds must be checked by the Manager: Budgets)	Manager: Budgets				
	The funds are handed over to the official and the Senior Expenditure Clerk updates the petty cash register with the details of the requisition	Senior Expenditure Clerk	n/a	Ongoing		
	The official returns with the invoice and surplus cash (where applicable) and provides it to the Senior Expenditure Clerk (the Senior Expenditure Clerk to monitor issues and outstanding invoices, etc)	Senior Expenditure Clerk	n/a	Ongoing		
	Monies are not to be requested on behalf of another official, where that official's name is inserted on the requisition - the official collecting the monies is responsible for providing a receipt in lieu of the monies	Senior Expenditure Clerk	n/a	Ongoing		
	Funds can be advanced on the proviso that the supporting invoices will be provided as soon as the purchase is made (no longer than a week)	Senior Expenditure Clerk	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>iii) Reconciliation of petty cash</p> <p>Each petty cash requisition together with the supporting invoice details must be recorded in a Petty Cash Register</p>	Senior Expenditure Clerk	n/a	Ongoing	MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Section 15 (a)(b)(c)(d)	Cash Management and Investment Policy Supply Chain Management Policy
	The cash-on-hand is reconciled to this register, ie. cash-on-hand plus requisition/invoices equal the petty cash limit/float of R2,000	Senior Expenditure Clerk	n/a	Ongoing		
	The Principal Expenditure Clerk must reconcile the requisitions/ invoices against this register and the cash-on-hand on a monthly basis	Principal Expenditure Clerk	n/a	Ongoing		
	The Principal Expenditure Clerk must sign the reconciliation as proof of the review	Principal Expenditure Clerk	n/a	Ongoing		
	These monthly reconciliations reports are to be submitted to the CFO and must detail :	Principal Expenditure Clerk	n/a	Ongoing		
	<ul style="list-style-type: none"> ▪ The total amount of petty cash purchases for that month; and ▪ Invoices and other appropriate documents for each purchase 	Principal Expenditure Clerk	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>iv) Replenishment of limit/float</p> <p>When the petty cash reaches a minimum level of R500, the Senior Expenditure Clerk must prepare a cheque requisition to replenish, ie. Return the petty cash to R2,000</p>	Senior Expenditure Clerk	n/a	Ongoing	MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Section 15 (a)(b)(c)(d)	Cash Management and Investment Policy Supply Chain Management Policy
	The Cheque Requisition must be accompanied by the reconciliation and the invoices	Senior Expenditure Clerk	n/a	Ongoing		
	This pack must be presented to the Principal Expenditure Clerk for verification and approval	Principal Expenditure Clerk	IF080: Payment voucher	Ongoing		
	The cheque is made out to the Raymond Mhlaba Municipality, signed by the authorised signatories and cashed by the Senior Expenditure Clerk	Senior Expenditure Clerk	n/a	Ongoing		
	The petty cash is updated with the replenishment amount – therefore: Closing balance plus replenishment amount equals R2,000;	Senior Expenditure Clerk	n/a	Ongoing		
	The petty cash limit/float must be reviewed by the Principal Expenditure Clerk on an annual basis to determine if there is a necessity to increase it.	Principal Expenditure Clerk	n/a	Ongoing		

5. Treasury						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	v) <u>Monitoring</u> Internal Audit must make inspections of the petty cash every quarter for quality review purposes	Internal Auditor	n/a	Every quarter	MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Section 15 (a)(b)(c)(d)	Cash Management and Investment Policy
	A count of petty cash-on-hand to be conducted and signed off at financial year-end by the Principal Clerk Expenditure	Principal Clerk Expenditure	n/a	Every quarter		Supply Chain Management Policy

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
j) Payments	A payment pack is prepared by the Senior Expenditure Clerk These packs must be made up of the following documents: <ul style="list-style-type: none"> ▪ Original memo / Expenditure request; ▪ Purchase requisition; ▪ Quotation; ▪ Expenditure Request (where applicable); ▪ Purchase Order; and ▪ Invoice 	Senior Expenditure Clerk	HI310: Capture invoice HI320: Authorise invoice	Ongoing	MFMA, No. 56 of 2003, Section 65 (1)(2)(a)(b)(c)(d)(e)	Cash Management and Investment Policy
	The Senior Expenditure Clerk captures this payment into the Venus system	Senior Expenditure Clerk	HI720: Payments capture	Ongoing		
	The Principal Clerk: Expenditure is presented with the printout and will manually authorise the payment against the corresponding documentation	Principal Clerk: Expenditure	HI740: Authorise payment	Ongoing		
	Upon receiving authorisation, the Senior Expenditure Clerk prints the cheque from Venus	Senior Expenditure Clerk	n/a	Ongoing		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The cheque is provided to the respective signatories to be signed – accompanied by the supporting documentation</p> <p>The cheque signatories are:</p> <ul style="list-style-type: none"> ▪ Municipal Manager; ▪ CFO; ▪ Income Manager ▪ Expenditure Controller <p>Every effort to be made to pay suppliers within 30 days</p> <p>An opportunity for cash discounts should be utilised if the supplier is offering such discounts for payment before the specified date</p>	Senior Expenditure Clerk	n/a	Ongoing		
	All supplier invoices to be stamped 'paid' and cross-referenced to the supporting documentation	Senior Expenditure Clerk	HO310: Supplier payments	Ongoing		
	There should be a dedicated official that is responsible for maintaining and safeguarding cheques to ensure that they are timeously process and cleared by the bank	Senior Expenditure Clerk	HO310: Supplier payments	Ongoing		
	In case an error has been made or a cheque has to be stopped, the dedicated official should communicate with the bank immediately in order to stop the cheque	Principal Clerk: Expenditure	HO310: Supplier payments	Ongoing		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Record the word "cancelled" across the cheque inside two parallel lines and cancelled cheque should be properly filed and maintained	Senior Expenditure Clerk	n/a	Ongoing		
	Cheques should be properly completed to reflect the words 'non transferable' on the face of a cheque	Senior Expenditure Clerk	n/a	Ongoing		
	The Senior Expenditure Clerk contacts suppliers to collect their cheques	Senior Expenditure Clerk	n/a	Ongoing		
	These suppliers must sign a register as proof of receipt of the cheque	Suppliers	n/a	Ongoing		
	In instances where the supplier requests the cheques to be deposited into their bank account, the Senior Expenditure Clerk makes the deposit and files the bank-stamped bank deposit slip with the payment pack documentation	Senior Expenditure Clerk	n/a	Ongoing		
	Cashed cheques received back from the bank are matched to their payment pack and filed by the Archives Section	Senior Expenditure Clerk	n/a	Ongoing		
	All documentation is then returned to the Senior Expenditure Clerk for filing – when the cashed cheque is received from the bank, this is attached to this payment pack and filed	Senior Expenditure Clerk	n/a	Ongoing		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
k) Creditors	Creditors are grouped alphabetically by name and are managed by different Senior Expenditure Clerks under the direct supervision of the Principal Clerk: Expenditure	Senior Expenditure Clerk	n/a	Monthly	MFMA, No. 56 of 2003, Section 65 (1)(2)(a)(b)(c)(d)(e)	Cash Management and Investment Policy
	Creditors are paid on 15th and at month end	Senior Expenditure Clerk	HO310: Supplier payments	Monthly		
	All Creditor ledger accounts must be reconciled to the creditors' statements	Senior Expenditure Clerk		Monthly		
	These reconciliations should be reviewed and signed by the Principal Clerk: Expenditure	Principal Clerk: Expenditure		Monthly		
	Supplier accounts must be monitored on a monthly basis and an aged analysis printed by the Senior Clerk: Expenditure	Senior Expenditure Clerk	HR191: Creditors Age Analysis	Monthly		
	This analysis will assist in the identification of long outstanding balances, negative balances and misallocation of payments made	Senior Expenditure Clerk		Monthly		
	The Principal Clerk: Expenditure must follow-up with Senior Expenditure Clerk on the status of their Creditors and sign off on the Aged Analysis as proof of the review	Senior Expenditure Clerk	HR191: Creditors Age Analysis	Monthly		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
l) Bank Reconciliations	The CFO must ensure that: Credits reflecting on the municipal bank account are followed-up to ensure that these deposits or credits are accounted for in the books of the municipality	Expenditure Controller / Revenue Manager	IC025: Bank recons per bank IR010: Loading of bank recons	Monthly	MFMA, No. 56 of 2003, Section 65 (1)(2)(j)	Cash Management and Investment Policy
	Identify full details of each deposit ore credit in a timeous manner to avoid having to account for these in the suspense account Process the daily deposits into the municipal bank account into Venus by: <ul style="list-style-type: none"> ▪ Processing the credits through the relevant receipting procedures – a list to be prepared by the Manager Income and presented to the Cashier to capture into Venus Cash-drawer; ▪ Record all unidentified credits into a register to facilitate the resolution of future claims against the amounts ▪ Balance the unidentified amounts in the register to the suspense account on a monthly basis 	Expenditure Controller / Revenue Manager	IR020: Maintain bank recons IR130: Bank statements			
	All debits appearing on the municipal bank account are to accounted for	Expenditure Controller /	IR020: Maintain bank recons	Monthly		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
		Revenue Manager				
	<p>Confirm that the only debits on the account other than municipal cheques issues are:</p> <ul style="list-style-type: none"> ▪ Bank charges ▪ Interest on overdraft (if applicable) ▪ R/D cheques ▪ Electronic transfers, eg. salaries ▪ Electronic transfers to suppliers ▪ Cheque payments to suppliers 	Expenditure Controller	IR020: Maintain bank recons	Monthly	MFMA, No. 56 of 2003, Section 65 (1)(2)(j)	Cash Management and Investment Policy
	<p>Check the statement for bank charges and interest and ensure that they are reasonable and correct</p> <p>The Expenditure Controller to prepare a payment voucher for processing into the ledger</p> <p>The voucher to reflect the bank statement number and the total costs per page</p> <p>In the case of RD cheques the Revenue Manager prepare a reconciliation that is submitted to the Principal Billing Clerk to reverse the initial credit on the consumer account and charge the bank charges to that debtor account</p>	Expenditure Controller / Revenue Manager	IR020: Maintain bank recons	Monthly	MFMA, No. 56 of 2003, Section 65 (1)(2)(j)	Cash Management and Investment Policy



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Expenditure Controller must obtain the payment batch report from Venus and reconcile this to the bank statement	Expenditure Controller	IR020: Maintain bank recons	Monthly	MFMA, No. 56 of 2003, Section 65 (1)(2)(j)	Cash Management and Investment Policy
	The Manager Income matches each deposit from the Cashier's deposit book to the bank statement	Revenue Manager	IR020: Maintain bank recons	Monthly		
	The Expenditure Controller matches each cheque number in the bank statement	Expenditure Controller	IR020: Maintain bank recons	Monthly		
	The interest earned on investments to be matched to the cashbook	Revenue Manager	IR020: Maintain bank recons	Monthly		
	A reconciliation must be prepared and presented to the CFO for review and sign-off	Revenue Manager / CFO	n/a	Monthly		
	The bank statement and signed reconciliation to be filed	Revenue Manager	n/a	Monthly		
m) VAT	<p>Since the inception of VAT in 1991, municipalities were required to register as VAT vendors and special rules are applicable in respect of supplies made by municipalities</p> <p>The municipality to account for tax payable on the payment basis, meaning that the municipality declares output tax and claims input tax in the tax period only to the extent to which payment of the consideration is received or made in the tax period – this is due to the fact that the municipality supplies services to a vast customer base made up of private households</p>	Revenue Manager	n/a	Ongoing	Value-Added-Tax Act, No. 89 of 1991	Supply Chain Management Policy

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	- these services are charged a month in arrears and the municipality thus carries a large amount of unpaid debt					
	<p>i) Receipts</p> <p>All cash received will be credited / paid over to SARS</p> <p>The credit that goes to VAT Received must be debited to VAT Sales and credited to VAT Control</p> <p>Original entry:</p> <p>1a. Normal Receipt: (If there are amounts due on F9)</p> <p>Dt – Bank</p> <p>Ct – Debtors Control Vote (BC505)</p> <p>Ct – VAT Received (BC110)</p> <p>2a. IF in EXCESS: (No amounts on F9)</p> <p>Dt – Bank</p> <p>Ct – Excess Debtors Control Vote (BC605)</p> <p>2b. Apply Credit (when debits appear via Journals or billing):</p> <p>Dt – Excess Debtors Control Vote (BC605)</p> <p>Ct – Debtors Control Vote (BC505)</p> <p>Ct – VAT Received / SARS (BC110)</p> <p>New entry:</p>	Revenue Manager	BC110: Consumer Control BC505: Services	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	(Using the full amount of the Ct on VAT Received) Dt – Vat Sales (BD20) [=vote nr on BC505] Ct – VAT Control (BC505) This journal will be created when BM310 is generated; and will use the Vote nr field on BC505 called "RB/RD VAT Cash Method Recon" instead of the VAT Sales vote nr on BD20					
	<p>ii) <u>Receipt reversals</u></p> <p>Amount must be claimed back from SARS (If the original receipt had allocated amounts to vat-able services the new journal will be to correct mirror image between VAT control and VAT sales – [do a contra of the entry between VAT control and VAT Sales.]</p> <p><u>Original entry:</u> Dt – Debtors Control Vote (BC505) Dt – VAT Control (BC505) Ct – Receipt Reversal Suspense Vote (BC110)</p> <p><u>New entry:</u> Dt – VAT Received (BC110) Ct – RB/RD VAT cash method/VAT Sales (BD20) (This journal will be created when BM310 is generated; and will use the Vote nr field on BC505 called "RB/RD VAT Cash Method</p>	Revenue Manager	BK510 & BK515: RDs	Ongoing		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Recon" instead of the VAT Sales vote nr on BD20.)					
	<p>iii) Journal entries</p> <p>Scenario 1: We will be doing a BJ20 (or a credit journal) where the amount exceeds the current F9 balance:</p> <p>Original entry: Dt – Service Income Vote (BD+) Dt – VAT Sales Vote (BD20) Ct – Excess Debtors Control Vote (BC605) Apply credit from F11: Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505)</p> <p>New entry rule: If BC505 credit-amount-vat + BD20 amount > 0, then: Dt - @BC110 VAT-received/SARS Ct - @BD20 VAT-sales</p> <p>Scenario 2: The debtors account is in credit with an amount smaller than the debit journal. We will be doing a Debit Journal and the amount in excess will</p>	Revenue Manager	BJs – JBs – Levy Corrections BJ1, 20, 30, 40, 62, 64, 66, 71, 80, 81, 115	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>be applied. (In this scenario the amount allocated will be paid over to SARS).</p> <p>Original entry: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20) Apply Credit from F11 – but only for the amount due on F9: Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505)</p> <p>New entry rule: If BC505 credit-amount-vat + BD20 amount < 0, then: Dt - @BD20 VAT Sales Ct - @BC110 VAT Received/SARS</p>					
	<p>iv) <u>Incentives</u></p> <p>Rule: The Abeyance VAT vote on BC505 MUST be the same as the VAT Sales vote on BD20.</p> <p>Original entry:</p>	Revenue Manager	BC505: Services	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>1. Levy: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20)</p> <p>2. Transfer Amount to Abeyance: Dt – Abeyance Register (BC505) Dt – VAT Abeyance (BC505 = BD20) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505)</p> <p>3. Incentive transferred from Abeyance to Debtor: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Abeyance Register (BC505) Ct – VAT Abeyance (BC505 = BD20)</p> <p>4. Credit Incentive to Debtor: Dt – Incentive Vote (BC260) Dt – VAT Abeyance (BC505=BD20) Ct – Excess Debtor's Control Vote (BC605)</p> <p>5. Apply Credit: Dt – Excess Debtor's Control Vote (BC605) Ct – Debtors Control Vote (BC505)</p>					



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Ct - VAT Control Vote (BC505)					
	<p>v) <u>Abeyance and write-offs</u></p> <p>Rule: The Abeyance VAT vote on BC505 MUST be the same as the VAT Sales vote on BD20.</p> <p>Original entry:</p> <p>1. Levy: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20)</p> <p>2. Transfer Amount to Abeyance: Dt – Abeyance Register (BC505) Dt – VAT Abeyance (BC505 = BD20) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505)</p> <p>3. Write-Off of monies in Abeyance: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Abeyance Register (BC505) Ct – VAT Abeyance (BC505 = BD20)</p>	Revenue Manager	BC505: Services	Ongoing		

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>4. Transfer monies from Write-off vote to excess: Dt – Write-Off Vote (input parameter supplied) Dt – VAT Abeyance (BC505=BD20) Ct – Excess Debtor's Control Vote (BC605)</p> <p>5. Apply Credit: Dt – Excess Debtor's Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct - VAT Control Vote (BC505)</p>					
	<p>vi) Interim reversals</p> <p>Scenario 1: The interim levy reversal is < the new levy, AND the account has a credit for this service: (In this scenario amounts are paid over to SARS)</p> <p>Original entry:</p> <p>1. Levy: Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20)</p> <p>2. Interim Reversal:</p>	Revenue Manager	BC505: Services	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>Dt – Income Vote (BD+)</p> <p>Dt – VAT Sales Vote (BD20)</p> <p>Ct – Excess Debtors Control Vote (BC605)</p> <p>3. Apply Credit:</p> <p>Dt – Excess Debtors Control Vote (BC605)</p> <p>Ct – Debtors Control Vote (BC505)</p> <p>Ct - VAT Control Vote (BC505)</p> <p><u>New entry rule: (Same as for Journals)</u></p> <p>If BC505 credit-amount-vat + BD20 amount < 0, then:</p> <p>Dt - @BD20 VAT- Sales</p> <p>Ct - @BC110 VAT- Received/SARS</p> <p><u>Scenario 2:</u></p> <p>The interim levy reversal is > the new levy and the account is up to date.</p> <p>(In this scenario the amounts will be claimed back from SARS)</p> <p><u>Original entry:</u></p> <p>1. Levy:</p> <p>Dt – Debtors Control Vote (BC505)</p> <p>Dt – VAT Control Vote (BC505)</p> <p>Ct – Income Votes (BD+)</p> <p>Ct – VAT Sales Vote (BD20)</p>					



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>2. Interim Reversal: Dt – Income Vote (BD+) Dt – VAT Sales Vote (BD20) Ct – Excess Debtors Control Vote (BC605)</p> <p>3. Apply Credit: Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct - VAT Control Vote (BC505)</p> <p>New entry rule: If BC505 credit-amount-vat + BD20 amount > 0, then: Dt - @BC110 VAT- Received/SARS Ct - @BD20 VAT- Sales</p>					
	<p>vii) Indigent subsidies The indigent subsidies received from the Government are seen as cash. The amounts that are from hereon applied to vat-able services will be paid over to SARS.</p> <p>Original entry: 1. Levy: Dt – Debtors Control Vote (BC505)</p>	Revenue Manager	BC505: Services	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20) 2. Indigent Subsidy: DT – Indigent Subsidy Vote (BC260) Ct – Excess Debtors Control Vote (BC605) 3. Apply Credit: Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505) <u>New entry rule: (Same as for Journals)</u> If BC505 credit-amount-vat + BD20 amount < 0, then: Dt - @BD20 VAT- Sales Ct - @BC110 VAT- Received/SARS					
	viii) <u>Indigent subsidy reversals</u> The indigent subsidies reversals which are paid over to SARS because they are seen as cash must now claim the amount back from SARS. <u>Original entry:</u> <u>1. Levy:</u> Dt – Debtors Control Vote (BC505)	Revenue Manager	BC505: Services	Ongoing		



6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20) <u>2. Indigent Subsidy:</u> DT – Indigent Subsidy Vote (BC260) Ct – Excess Debtors Control Vote (BC605) <u>3. Apply Credit:</u> Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct – VAT Control Vote (BC505) <u>4. Reverse Subsidy:</u> Ct – Indigent Subsidy Vote (BC260) Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) <u>New entry rule: (Same as for Journals)</u> If BC505 credit-amount-vat + BD20 amount < 0, then: Dt - @BD20 VAT- Sales Ct - @BC110 VAT- Received/SARS <u>New entry rule for reversals:</u> The VAT amount of the reversal entry:					

6. Expenditure						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Ct - @BD20 VAT- Sales Dt - @BC110 VAT- Received/SARS					
	<p>ix) Balance write-offs</p> <p>THE VAT VOTE NR ON THE INPUT PARAMETERS WILL BE THE VAT SALES VOTE NR ON BD20.</p> <p>Original entry:</p> <p>1. Levy:</p> <p>Dt – Debtors Control Vote (BC505) Dt – VAT Control Vote (BC505) Ct – Income Votes (BD+) Ct – VAT Sales Vote (BD20)</p> <p>2. Write-Offs:</p> <p>Dt – Write-off Vote (supplied on input parameter) Ct – Excess Debtor Control Vote (BC605)</p> <p>3. Apply Credit:</p> <p>Dt – Excess Debtors Control Vote (BC605) Ct – Debtors Control Vote (BC505) Ct - VAT Control Vote (BC505)</p>	Revenue Manager	BE230: Write offs	Ongoing		



7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference



7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
n) Procurement	<p>i) Procurement of goods and/or services</p> <p>The MFMA prescribes that all municipalities establish and implement a Supply Chain Management Policy that would:</p> <ul style="list-style-type: none"> ▪ Stipulate the conditions under which goods and/or services are procured ▪ Stipulate the conditions under which goods and/or services are procured via petty cash as well ▪ Stipulates the threshold values to be adhered to when procuring goods and/or services <p>Each department must be allocated a Purchase Requisition book (each requisition to be sequentially numbered and in duplicate)</p> <p>The following authorisation thresholds must be adhered to when acquiring goods and/or services</p>	Council	n/a	Ongoing	<p>MFMA, No. 56 of 2003, Sections 111 & 112</p> <p>MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Sections 11 (1) (2) & 15 (a) (b) (c) (d)</p> <p>MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Sections 21, 22, 23, 24, 25, 26, 27, 28 & 29</p>	Supply Chain Management Policy
Page 77		RMLM Internal Controls and Finance Procedures Manual (Aligned to Venus)				

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The following procedure must be adhered to when procuring goods/services for the following threshold:</p> <p><u>R0 – R2,000</u></p> <p>1 quote required (written or verbal)</p>	SCM	HR510: Requisitions	Ongoing		
	HoD to approve acquisition	HoD	HE010: Create quote	Ongoing		
	HoD to approve acquisition	HoD	HE030: Capture quotation	Ongoing		
	The Supplier must be chosen from the Municipal Supplier Database, unless the listed suppliers are not able to supply the required goods and/or service	SCM	HO510: Supplier reliability history	Ongoing		
	In cases where the HoD decides to procure an item from a Supplier that is not listed on the Municipal Supplier Database, then this Supplier has to be captured first in order to facilitate payment (Suppliers are firstly captured into an MS Excel spreadsheet and then into the Venus system – once a Supplier is captured on Venus they cannot be removed)	SCM	HR053: Orders audit trail	Ongoing		
	A Purchase Requisition must be compiled by the End User and authorised by the HoD or an official delegated by the HoD	End User / HoD	HC150: Modify supplier	Ongoing		
	A Purchase Requisition must be compiled by the End User and authorised by the HoD or an official delegated by the HoD	End User / HoD	n/a	Ongoing		
	The Manager: Budgets / SCM is engaged to determine if sufficient funds are in the budget / vote to procure the goods and/or services	Manager: Budgets	GS570: Lookup Actual Expenditure	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	On receipt of the goods and/or services the End User confirms that they meet required specifications by signing the delivery note and accepting the invoice	End User / HoD	n/a	Ongoing		
	The invoice and requisition is forwarded to the Expenditure Section to be paid	End User / HoD	n/a	Ongoing		
	The following procedure must be adhered to when procuring goods/services for the following threshold: <u>R2,001 – R30,000</u> 3 written quotations required	SCM	HR510: Requisitions HE010: Create quote	Ongoing		
	HoD to approve acquisition	HoD	HE030: Capture quotation	Ongoing		
	The Supplier must be chosen from the Municipal Supplier Database, unless the listed suppliers are not able to supply the required goods and/or service	SCM	HO510: Supplier reliability history	Ongoing		
	SCM obtains the quotes and forwards them to the relevant department for approval	SCM	HR053: Orders audit trail	Ongoing		
	A Purchase Requisition and Expenditure Requisition must be completed and authorised by the HoD or by an official delegated by the HoD	HoD	HC150: Modify supplier	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The information that is entered on the requisition is the date, department name, supplier name, quantity and description of the item/service, as well as the vote number and the price of the item	HoD	n/a	Ongoing		
	The Expenditure Requisition is signed by both the HOD , MM & CFO	HoD	n/a	Ongoing		
	The Manager: Budgets / SCM is engaged to determine if there are sufficient funds within the specified budget to pay for the goods and/or services	Manager: Budgets	GS570: Lookup Actual Expenditure	Ongoing		
	SCM compiles an Order for the purchase and this is signed by the SCM	SCM	n/a	Ongoing		
	The Order is faxed or verbally communicated to the Supplier	SCM	n/a	Ongoing		
	The purchase order to be a sequentially numbered, duplicated document: <ul style="list-style-type: none"> ▪ 1 copy to remain in book with SCM ▪ 1 copy to be forwarded to Supplier ▪ 1 copy to Expenditure Section 	SCM	n/a	Ongoing		
	Once the goods and/or services are received at SCM, a GRN is compiled by SCM	SCM	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The invoice and delivery note is received and SCM confirms that the goods and/or services meet required specifications	SCM	n/a	Ongoing		
	The requisition, expenditure requisition, order, invoices and GRN are dispatched to the Expenditure Section to facilitate payment	SCM	n/a	Ongoing		
	<p>The supplier providing a quote must clearly indicate the following information (or as supporting documentation) on the document:</p> <ul style="list-style-type: none"> ▪ Full name; ▪ Identification number or company or other registration number; ▪ tax reference number and VAT registration number 	SCM	n/a	Ongoing		
	Supplier performance to be measured and recorded and reported on by SCM	SCM	HO510: Supplier reliability history	Ongoing		
	The following procedure must be adhered to when procuring	SCM	HR510:	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	goods/services for the following threshold: <u>R30,001 – R119,999 formal quotations</u>		Requisitions HE010: Create quote			
	The affected department compiles the tender documents in accordance with the stipulations of the Supply Chain Policy This task may be delegated to the SCM section in certain instances SCM will obtain the quotes	HoD / SCM	HE030: Capture quotation HO510: Supplier reliability history	Ongoing		
	A bid number (reference number) is firstly obtained from Corporate Services	HoD	HR053: Orders audit trail	Ongoing		
	An advert is placed on the Municipal notice board for a period of 7 days	SCM	HC150: Modify supplier	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>An advert is placed on the Municipal website for a period of not less than 7 days</p> <p>Section 21B of the Municipal Systems Act, No. 32 of 2000 stipulates that every Municipality should have it's own website 21B (1)(a) where information relating to the Municipality is placed for the public 21B (1)(b).</p> <p>If the Municipality cannot afford to host such a website then they can use the website of an organised local government organisation 21B (2).</p> <p>The Municipal Manager is to ensure that the information on this website remains current and relevant 21B (3)</p>	SCM	n/a	Ongoing		
	<p>The Supply Chain Management forwards the tender to at least 3 Suppliers (from the Supplier database)</p> <p>Extended to other Suppliers through the website</p>	SCM	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The supplier providing a quote must clearly indicate the following information (or as supporting documentation) on the document:</p> <ul style="list-style-type: none"> ▪ Full name ▪ Identification number or company or other registration number ▪ Tax reference number and VAT registration number ▪ Tax Clearance Certificate (from R15,000 onwards) <p>Proposals can be faxed or posted</p>	SCM	n/a	Ongoing		
	A schedule of all quotes / bidders is prepared and signed by the SCM/HoD or CFO	SCM	n/a	Ongoing		
	<p>The SCM make the decision on the supplier to engage</p> <p>The only criteria used here is the lowest price</p>	SCM	n/a	Ongoing		
	SCM notifies CFO of selection	SCM	n/a	Ongoing		
	Supplier performance to be measured and recorded and reported on by SCM	SCM	HO510: Supplier reliability history	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The following procedure must be adhered to when procuring goods/services for the following threshold:</p> <p><u>Greater than R120,000 - Formal tenders</u></p> <p>Competitive bidding process</p> <p>Section 13 of the MFMA, Act no 56 of 2003 stipulates that the policy to make provision for following supporting documentation to be attached to a quote or bid:</p> <ul style="list-style-type: none"> ▪ Full name ▪ Identification number or company or other registration number ▪ Tax reference number and VAT registration number ▪ Valid tax clearance certificate from SARS 	SCM	HR510: Requisitions HE010: Create quote HE030: Capture quotation HO510: Supplier reliability history HR053: Orders audit trail HC150: Modify supplier	Ongoing		
	The affected department compiles the tender documents in accordance with the stipulations of the Supply Chain Policy	HoD	n/a	Ongoing		
	The concerned Departments compiles the tender specifications and submits to the Bid Specifications Committee	HoD	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Once the specifications have been approved, the documents are then forwarded to the SCM section in order for it to be allocated a bid number	SCM	n/a	Ongoing		
	An advert is then placed on the Municipal notice board (not less than 14 days);	SCM	n/a	Ongoing		
	An advert is also placed in a local newspaper (not less than 14 days) – unless due to the urgency the MM may approve a deviation, eg. 7 days	SCM	n/a	Ongoing		
	Section 21B of the Municipal Systems Act, No. 32 of 2000 stipulates that every Municipality should have it's own website 21B (1)(a) where information relating to the Municipality is placed for the public 21B (1)(b). If the Municipality cannot afford to host such a website then they can use the website of an organised local government organisation 21B (2). The Municipal Manager is to ensure that the information on this website remains current and relevant 21B (3).	SCM	n/a	Ongoing		
	Suppliers place their proposals in the tender box at the entrance to the Municipal offices	Suppliers	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Once the tender period has lapsed, the tender box is opened (this is done in public with Suppliers signing an attendance register) and the proposals extracted SCM	SCM	n/a	Ongoing		
	This is done in the presence of the SCM and end user Dept	SCM / HoD	n/a	Ongoing		
	Each proposal is stamped and signed by the SCM and the end-user Dept	SCM / HoD	n/a	Ongoing		
	The name and price of each proposal is read out one-by-one and these are recorded in a tender register	SCM	n/a	Ongoing		
	The tenders together with a copy of the attendance register is then provided to the SCM	SCM	n/a	Ongoing		
	The SCM signs the Register to confirm receipt of the documents	SCM	n/a	Ongoing		
	The Bid Evaluation Committee undertakes a Functionality Assessment where the bid specifications ask for it)	BEC	n/a	Ongoing		
	The report is submitted to the Chairman of the Bid Adjudication Committee	SCM	n/a	Ongoing		
	The minutes and the report are sent to the Chairman of the Bid Adjudication Committee	BAC	n/a	Ongoing		
	This is accompanied by recommendations to the MM					

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	If the Municipal Manager is not satisfied with the procedure followed, then the documentation is sent back to the BAC	MM	n/a	Ongoing		
	If satisfied, the Municipal Manager signs off/approves the minutes of the meeting and the members of the BAC members sign off the minutes This is sent back to the MM for the compilation of the letter of appointment, contract, etc	BAC / MM	n/a	Ongoing		
	On a monthly basis a report is compiled by the CFO (or delegated official) of all tenders and this is submitted to Council	CFO	n/a	Monthly		
	Goods and/or services may not be deliberately split into parts or items of a lesser value merely to avoid complying with the above-mentioned requirements	SCM	n/a	Ongoing		
	Legislation provides for the lowering of the threshold values specified, but not for the increase of these values	SCM	n/a	Ongoing		
	Once the goods are received, they are to be checked/inspected by SCM to ensure that they meet the specifications	SCM	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	He/she further ensures that: <ul style="list-style-type: none"> ▪ The quantities are correct ▪ They are of a satisfactory standard ▪ The SCM signs the GRV and receives the invoice as evidence that the goods were received in a good order 	SCM	n/a	Ongoing		
	Supplier performance to be measured and recorded and reported on by SCM	SCM	HO510: Supplier reliability history	Ongoing		
o) Fixed Assets	i) <u>Fixed Asset Register</u>					
	The Municipality to have an approved Fixed Asset policy in place to manage the acquisition, monitoring and disposal of municipal assets	Asset Controller	n/a	Ongoing	MFMA, No. 56 of 2003, Section 63 (1)(a)(b) & (2)(a)(b)	Fixed Asset Management Policy
	The function of maintaining and asset register should be performed by a separate asset official reporting to the CFO	CFO	QR310 to QR490: Assets	Ongoing		Supply Chain Management



7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Asset Controller must access all invoices relating to the purchase of fixed assets on a monthly basis	Asset Controller	n/a	Ongoing	MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Sections 11 (1) (2) & 15 (a) (b) (c) (d)	Policy
	The invoices relating to the purchase of assets are then captured in to an Excel spread sheet	Asset Controller	n/a	Ongoing		
	The invoices should then be captured onto the Venus System by the Asset Controller and the additions authorised by the Expenditure Controller	Asset Controller / Expenditure Controller	QR310 to QR490: Assets	Ongoing		
	A formal fixed asset register must be maintained on the Venus system	Asset Controller	QR310 to QR490: Assets	Ongoing		
	Before an asset can be capitalised it must meet the definition of an asset	Asset Controller	QR310 to QR490: Assets	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>The following details must appear on the Fixed Assets Register (where necessary):</p> <ul style="list-style-type: none"> ▪ Description ▪ Date of acquisition ▪ Location of the asset ▪ Department which will be using the asset ▪ Title deed number (if fixed property) ▪ Stand number (if fixed property) ▪ Asset identification number ▪ Original price ▪ Late re-valued date ▪ Re-valued value ▪ Name of the person who did the last revaluation ▪ Accumulated depreciation ▪ Depreciation charge for the year ▪ Carrying value 					

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<ul style="list-style-type: none"> ▪ Impairment losses ▪ Funding source ▪ Insurance arrangement ▪ Has debt been secured with the asset ▪ Date of disposal ▪ Price of Disposal ▪ Date of retirement <p>The above information must be provided for each asset captured on the Venus system.</p>					
	<p>ii) Donated assets</p> <p>Donated assets should be recognised at fair value if no costs are available</p> <p>The services of an external valuer must be engaged</p> <p>Such assets should also be captured on the system by the Asset Controller and authorised by the Expenditure Controller</p>	<p>Valuer</p> <p>Asset Controller</p>	<p>n/a</p> <p>n/a</p>	<p>Ongoing</p> <p>Ongoing</p>		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>iii) <u>Bar-coding of assets</u></p> <p>The delegated asset controller must ensure that all assets are easily identifiable either by unique bar coding system or car registration numbers</p> <p>When the assets are purchased and delivered to the Municipality, the assets must be fitted with the unique bar coding system before it can be used or distributed</p>	Asset Controller	n/a	Ongoing		
	<p>iv) <u>Transfer of assets</u></p> <p>With respect to the transfer of assets, asset transfer permission must be prepared by asset officer, and approved by the Expenditure Controller indicating the relevant details as per asset register</p> <p>The asset transfer permission must be approved by the HOD of the transferring Department or CFO or delegated official</p>	Asset Controller	n/a	Ongoing		
	The receiving department should confirm the list of assets being transferred by signing the asset transfer permission	Asset Controller	n/a	Ongoing		
	The fixed asset register should be updated by the asset officer to reflect the transfer	Asset Controller	n/a	Ongoing		
	The update should then be reviewed and approved by the	Asset Controller	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Expenditure Controller					
	Documentation regarding the asset transfer should be properly filed	Asset Controller	n/a	Ongoing		
	<p>v) <u>Selling / disposing of assets</u></p> <p>When fixed assets are sold, disposed of, they must be approved by the Head of Department, the MM and by Council depending on the value and type of item</p>	Asset Controller	n/a	Ongoing		
	A disposal list must be drawn up by the asset officer, depending on the age and use of each asset	Asset Controller	n/a	Ongoing		
	The list must be reviewed and signed by Asset Controller and CFO and by the various HoD's as evidence of authorisation	Asset Controller / HoDs	n/a	Ongoing		
	The MM should also be presented with the list to perform the final authorisation and to present the disposal list to the Council	Asset Controller	n/a	Ongoing		
	The fixed asset register must be up-dated	Asset Controller	n/a	Ongoing		
	The journal entries to record the sale, disposal, must be prepared manually initially, signed by the preparer Asset Controller and reviewed and signed by the Chief Financial Officer	Asset Controller / CFO	n/a	Ongoing		
	Captured on the Venus system, reviewed and authorised by the CFO	Asset Controller / CFO	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Fixed Assets may also be disposed of by public auction or tender	Asset Controller / CFO	n/a	Ongoing		
	vi) Depreciation					
	The Venus system automatically calculates depreciation if all the required information has been correctly captured	Asset Controller	QF040: Depreciation run	Ongoing		
	The Asset Controller must review the depreciation figure and review the reasonability of depreciation calculation	Asset Controller	QF040: Depreciation run	Ongoing		
	Once authorised the system will update the relevant financial records with the depreciation calculation	Asset Controller	QF040: Depreciation run	Ongoing		
	Once the calculation has been performed the CFO must review the calculation to ensure that it is correct	CFO	n/a	Ongoing		
	The CFO must sign off on the system, and the printed depreciation working as evidence of review	CFO	n/a	Ongoing		
	vii) Annual asset count					
	Annually the Asset Controller must organise an asset count	Asset Controller	QD310 – QR490: Assets	Annually		
	This must state when the assets will be count, by who, where and what will be counted	Asset Controller	QD310 – QR490: Assets	Annually		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	All the details per the asset count must be signed by the person performing the count and the supervisor at the count	Asset Controller	QD310 – QR490: Assets	Annually		
	The asset officer may count and a senior official may perform and check and initial next to the correct count;	Asset Controller	QD310 – QR490: Assets	Annually		
	Any missing or assets not recorded on the asset register must be investigated	Asset Controller	QD310 – QR490: Assets	Annually		
	Any missing assets must be reported to the Asset Controller and CFO	Asset Controller	QD310 – QR490: Assets	Annually		
	If the assets are not elsewhere the person responsible for the assets must be called in to explain	Asset Controller	QD310 – QR490: Assets	Annually		
	If the assets are lost/stolen this must be reported to the police and a case number must be obtained and filed for record and audit trail purposes	Asset Controller	QD310 – QR490: Assets	Annually		
	The fixed asset register and general ledger must then be updated with the results of the count, i.e. remove lost or stolen assets;	Asset Controller	QD310 – QR490: Assets	Annually		
	Add asset erroneously omitted	Asset Controller	QD310 – QR490: Assets	Annually		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	viii) <u>Re-valuation / impairment</u>					
	The CFO must review all the assets and decide on what assets need to be re-valued	Asset Controller	QD205: Impairment	Ongoing		
	When an item of PPE is re-valued, the entire class of property to which that asset belongs, should be re-valued	Asset Controller	QD205: Impairment	Ongoing		
	With impairments this must be done on an annual basis	Asset Controller	QD205: Impairment	Ongoing		
	When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited directly to the non-distributable reserves of the Municipality	Asset Controller	QD205: Impairment	Ongoing		
	When an asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements except in so far as the decrease may be debited in the first instance to any existing revaluation reserve	Asset Controller	QD205: Impairment	Ongoing		
	Obtain/perform a revaluation/impairment, where necessary	Asset Controller	QD205: Impairment	Ongoing		
	The CFO must obtain the fair value of assets from a reputable and independent valuator	CFO	QD205: Impairment	Ongoing		
	The CFO must review the revaluation to consider if the revaluation is considered to be reasonable	CFO	QD205: Impairment	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>ix) <u>Reconciliation of the Fixed Asset Register to the GL</u></p> <p>At year end the Asset Controller must reconcile the fixed asset register to the general ledger</p> <p>The following items should reconcile:</p> <ul style="list-style-type: none"> ▪ Original price ▪ Re-valued value ▪ Accumulated Detailed ledger depreciation ▪ Depreciation charge for the year ▪ Carrying value ▪ Impairment losses ▪ Date of disposal ▪ Price of Disposal 	Asset Controller	n/a	Annually		
	The CFO must review the reconciliation performed by the Asset Controller and sign the reconciliation as evidence of the review	CFO	n/a	Ongoing		
	The verification of fixed assets are to be done by the Internal Auditor on a quarterly basis	Internal Auditor	n/a	Quarterly		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
p) Stores	i) <u>Ordering of Stores items</u> Stores are maintained by the Stores Controller under the supervision of CFO The Store carries consumable items such as stationery, globes, toilet paper, etc	Stores Controller	n/a	Ongoing	MFMA, No. 56 of 2003, Section 63 (1)(a)(b) & (2)(a)(b) MFMA, No. 56 of 2003: Municipal Supply Chain Management Principles, Sections 11 (1) (2) & 15 (a) (b) (c) (d)	Supply Chain Management Policy
	Stores re-order levels must be set for all store items	Stores Controller	HC110 – HC690 – Stores/items	Ongoing		
	A reorder listing should be printed daily and reviewed by the Stores Controller	Stores Controller	n/a	Ongoing		
	The Stores Controller: <ul style="list-style-type: none"> ▪ Must use the listing as a primary source of information to complete the purchase requisition; and ▪ Should also consult the Engineers about stores required for planned maintenance 	Stores Controller	n/a	Ongoing		
	The purchase requisition must be completed in duplicate, with one copy kept in the requisition book and an original copy forwarded to the Stores Controller	Stores Controller	n/a	Ongoing		
	The order must be matched to the requisition copy to verify that the correct quantities and correct items have been ordered	Stores Controller	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Orders must thereafter be filed in date sequence	Stores Controller	n/a	Ongoing		
	This file must form the basis for follow up of orders and for matching goods that are delivered to stores	Stores Controller	n/a	Ongoing		
	The orders file should be reviewed daily by the Stores Controller and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately	Stores Controller	n/a	Ongoing		
	ii) Receipt of Stores Stores will be delivered to the receiving area where the documentation will be recorded and then forwarded to the Stores Controller	Stores Controller	HI650: Capture Stock items	Ongoing		
	The receiving official must match the delivery note to the purchase order, and fill out a pre-numbered goods received note	Stores Controller	n/a	Ongoing		
	The Stores Controller must compare the delivery to the relevant order before accepting the goods	Stores Controller	n/a	Ongoing		
	The goods received note must be signed by the Stores Controller as proof of acceptance of the goods	Stores Controller	n/a	Ongoing		
	A stores register which reflects full particulars of receipts and issues must be maintained by the Stores Controller and updated immediately when goods are received or issued	Stores Controller	n/a	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Stores that are unused after the completion of the work or the fulfillment of the purpose for which they were issued, must be returned to the store and must be included in stock	Stores Controller	n/a	Ongoing		
	Sections returning the remaining stores on the completion of work, must send to the Stores Controller an advice note detailing the stores that were returned	Stores Controller	n/a	Ongoing		
	iii) Maintenance of Stores Stores and equipment belonging to the Council must be clearly marked/ bar-coded as such, to indicate ownership	Stores Controller	n/a	Ongoing		
	Stores belonging to the Council shall be kept in a place approved of by the Chief Financial Officer, subject to the conditions he or she determines	Stores Controller	n/a	Ongoing		
	No section shall carry stores in excess of its normal requirements, as may be determined by the Chief Financial Officer	Stores Controller	n/a	Ongoing		
	Designated officers will be responsible for the safe custody of stores issued to their section, and must, if requested to do so by the Chief Financial Officer, furnish full details of any stores held by their section	Stores Controller	n/a	Ongoing		
	The Chief Financial Officer shall ensure that at least once every financial year, stock-taking of all stores of the Council takes place as follows:	CFO	n/a	Ongoing		



7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<ul style="list-style-type: none"> ▪ The financial year-end stock take will take place on the last day of the financial year or as close to that date as possible ▪ All Heads of Sections and the Council's external auditors must be notified of the date of the annual year end stock take ▪ Stores must be closed at noon the day before stock take. A notice to this effect must be prominently displayed on the stores notice board ▪ In the case of an emergency, stores may only be issued on the explicit authority of a designated official ▪ Prior to stock take, the Stores Controller must ensure that all transactions up to the date of stock take, have been recorded ▪ All goods received notes, requisition issues and goods returned notes should be entered onto the stores register ▪ An official delegated the responsibility, shall make available stock take listing sheets to auditors for recording the physical count figures ▪ Stock items must be counted in an orderly fashion from one end to the other, by persons not dealing with stock on a regular basis ▪ Stock that has been drawn for use at a later date, should 					



7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>be included in the stock-count and not expensed. Consumables should also be included in the stock-count and not expensed</p> <ul style="list-style-type: none"> ▪ After each item is counted, they must be marked with a sticker to indicate that they have been counted ▪ After each item is counted, the total must be entered onto the stock sheets ▪ Stock sheets must be signed by counters and checkers ▪ On completion of the count, all stock sheets must be handed to the Chief Financial Officer ▪ Physical count figures will be verified to the computerised listing. The Stock Controller should not be involved in any aspect of this verification ▪ Should any discrepancies arise, a recount of the product is done, and the requisition entries are re-checked ▪ All write-offs of obsolete or damaged stock should be authorised by the Chief Financial Officer ▪ The Chief Financial Officer shall submit a report stating the quantity and value of any surplus or shortage of stores revealed by the stock-take, together with the reasons for this, who may then require the Stores Controller to furnish him with reasons for any shortages, in writing ▪ The Chief Financial Officer shall then report such surpluses and shortfalls to the Council for further steps to be taken, if 					

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>necessary</p> <ul style="list-style-type: none"> A thorough internal control system must be established by the Chief Financial Officer to ensure that when a change of officials responsible for stores and equipment takes place, accountability with regard to losses and deficits can be clearly established 					
	<p>iv) Store Issues</p> <ul style="list-style-type: none"> Only the Stores Controller will be authorised to issue goods from the storeroom Stores should only be issued in terms of a properly authorised requisition form Specimen signatures of all persons authorized to sign requisitions shall be supplied to the Stores Controller If the signature is not of an authorised official, the requisition should be sent back to the respective section The Stores Controller must verify that the correct vote is entered on the requisition for the type of goods requested and that there is sufficient budget provision against the vote An issue note must then be completed and printed in duplicate. Control of the issue book is the responsibility of the Stores Controller The Stores Controller and the recipient of goods must agree that the goods requisitioned, agree to the goods drawn 	Stores Controller	HR590: Issues HI625: Capture stock issues HI626: Authorise stock issue	Ongoing		

7. Supply Chain Management						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>from stores, which is consistent with the issue note</p> <ul style="list-style-type: none"> ▪ The recipient must sign the issues note/book as evidence that the goods stated on the issue note, have been received ▪ Once the stores have been issued, the stores register must be updated by the Stores Controller ▪ The issue note and the requisition must be filed in sequential order 					

8. Payroll						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
q) Payroll	<u>i) New Appointments</u>					
	When the Municipality makes a new appointment, the Expenditure Section submits an Expenditure Request to the Finance Intern to capture onto the PayDay salaries system	HR Department	n/a	Ongoing (when a new appointment is made)	MFMA of 2003, Sections 11 (a) & 65 (2)(f)	HR Policy
	This request contains the following: <ul style="list-style-type: none"> ▪ Signed letter of appointment / contract (signed By the MM, HoD and 2 witnesses) ▪ Copy of ID ▪ Medical Aid form ▪ Provident fund/Pension fund form ▪ Personal details form (banks, address, etc) ▪ Any other relevant documentation 	HR Department	n/a		Municipal Systems Act of 2000, Sections 66 (1) & 67 (1)	
	The Payroll Officer must firstly create a salary record for the new employee on the PayDay system	Payroll Officer	n/a	Ongoing	Certain resolutions of the South African Local Government Bargaining Council	
	He/she must then capture the salary based on the level	Payroll Officer	n/a	Ongoing		
The new employee bank details must then be captured into the banking system by the Payroll Officer	Payroll Officer	n/a	Ongoing			

8. Payroll						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The salary file with all supporting documentation must be reviewed and authorised by the Expenditure Controller who logs into the PayDay system and verifying it against the supporting employee documentation	Payroll Officer	n/a	Ongoing		
	The Payroll Officer must create a physical file for the new employee where all documentation relating to this employee is stored	Payroll Officer	n/a	Ongoing		
	<u>ii) 3rd Party & Salary payments</u>					
	The cut-off date to effect salary-related transactions (changes of bank details, new deductions, etc) is 15th of each month – these are done by the Payroll Officer	Payroll Officer	BK30: Process personnel deductions	Monthly (11th of each month)	MFMA of 2003, Section 11 (a)	HR Policy
	The Payroll Officer closes the payroll system on this date by typing 'FINISH' in Payday This prohibits any further transactions to be made on the salary system	Payroll Officer	BK315: Upload personnel deductions BK320: Update Personnel deductions		Municipal Systems Act of 2000, Sections 66 (1) & 67 (1) Certain resolutions of the South African Local Government Bargaining Council	
	The Payroll Officer prints an Employee Salaries report detailing the net employee salaries and a 3rd party report detailing the net amounts to be paid to 3rd parties (this report is for control purposes and is filed by the Payroll Officer)	Payroll Officer	GP110: Post Payday Salaries data to Ledger	Monthly		

8. Payroll						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	These reports must be reviewed and signed-off by the Expenditure Controller prior to filing	Expenditure Controller	GP120: Authorisation	Monthly		
	The Payroll Officer logs into FNB-online and imports these reports from PayDay into FNB-online	Payroll Officer	GP220: Download account for PayDay	Monthly		
	The Expenditure Controller must log into FNB-online and verify that the amounts specified match the reports printed and are correct He/she validates the bank account numbers and checks and resolves exceptions	Expenditure Controller	GP340: Authorise journals	Monthly		
	The CFO and Municipal Manager log into FNB-online and authorise the transaction	CFO	n/a	Monthly		
	The Payroll Officer forwards the copies of the schedules to 3rd parties to ensure they are aware of who has paid	Payroll Officer	n/a	Monthly		
	Municipal staff are paid on 25th of each month	Payroll Officer	n/a	Monthly		
	In the instances of 3rd parties being paid by cheque (SARS, Treasury Raymond Mhlaba , SDL, UIF and ADM, the Payroll Officer prints a schedule detailing the amounts to be paid – this is taken to the Expenditure Section for a cheques to be processed – the Payroll Officer banks those cheques to be banked (SARS, SDL & UIF) and delivers those that are to be delivered (ADM & Treasury	Payroll Officer	n/a	Monthly		

8. Payroll						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	Raymond Mhlaba) – the bank stamped bank deposit slips (SARS, SDL & UIF) and the receipts (ADM and Treasury Raymond Mhlaba) are filed by the Payroll Officer					
	<u>iii) Payroll integration with FMS</u>					
	The Payroll Officer must prepare the company integration between PayDay and Venus FMS	Payroll Officer	IP110: Import from PayDay	Monthly	MFMA of 2003, Section 11 (a)	HR Policy
	The Payroll Officer processes the journal from PayDay (by department) – this is imported into the C-Drive	Payroll Officer	IP310: Capture payment	Monthly		
	The Expenditure Controller extracts the file from the C-Drive and processes into Venus	Expenditure Controller	IP320: Authorise	Monthly		
	The CFO must log into Venus and verify and review the transaction	CFO	n/a	Monthly		
	The Payroll Controller would prepare the reconciliation – this will be reviewed by the Expenditure Accountant	Payroll Controller	n/a	Monthly		
	An Audit Trail (a record of all payroll transactions for the month) is printed from the PayDay system (by the Payroll Officer)	Payroll Officer	n/a	Monthly		
	This Audit Trail must be signed and dated by both the Payroll Officer and the Expenditure Controller – it is then filed for record purposes	Expenditure Controller	n/a	Monthly		
	The Payroll Officer then prints the payslips, sorts them by department and distributes them – each HoD or delegated	Payroll Officer	n/a	Monthly		

8. Payroll						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	official to sign as proof of receipt					
	All other relevant reports are printed and filed by the Payroll Officer	Payroll Officer	n/a	Monthly		
	A back-up is taken of the PayDay system by the Payroll Officer (the CD is kept off site)	Payroll Officer	n/a	Monthly		
	The PayDay system is then rolled over into the next month by the Payroll Officer	Payroll Officer	n/a	Monthly		

9. Budgeting						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
r) Budgets	The budget preparation process is to commence at least 10 months before the start of the new financial year	Council	n/a	Annually	MFMA of 2003, Section 16 (1)	Budget Policy
	The Mayor of the Municipality must table the budget before Council at least 3 (90 days) months before the start of the new financial year	Mayor	n/a	Annually		
	Council must consider approval of the budget at least 1 month (30 days) before the start of the new financial year	Council	n/a	Annually		
	i) <u>Capturing the budget</u>					
	After the budget has been approved it is now captured into Venus	Manager: Budgets	GG050: Update budget	Annually		
	The Manager: Budgets must capture the budget into Venus from the approved budget document	Manager: Budgets	GG050: Update budget	Annually		
	The CFO logs into the Venus to verify that the budget has been captured correctly into the system as per the Council approved budget document	CFO	GG050: Update budget	Annually		
The Manager: Budgets to print the captured budget from Venus and both he/she and the CFO to sign	Manager: Budgets & CFO	GG050: Update budget	Annually			

9. Budgeting						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	<p>ii) <u>Funds transfer between votes</u></p> <p>When desiring to procure goods and/or services, the respective HoD would enquire from the Manager: Budgets whether sufficient funds are available within the vote to procure these goods and/or services</p>	CFO	n/a	Ongoing	MFMA of 2003, Section 69 (b)	Budget Policy
	If it is found that there are insufficient funds, the HoD completes and signs a 'Move Budget' form and submits it to the CFO to transfer funds from the one vote (sufficient funds) to another vote (insufficient funds)	HoD	n/a	Ongoing		
	This memo would be accompanied by a motivation by the HoD detailing why such a deviation is required	HoD	n/a	Ongoing		
	If the CFO approves the deviation, then he/she must forward a memo to the Manager: Budgets to transfer funds between the votes	Manager: Budgets	GG115: Amend approved budget among votes	Ongoing		
	<p>iii) <u>Adjustments budget</u></p> <p>The Municipality may revise its annual budget by means of an adjustments budget</p>	CFO	GS560: Posting register	Annually (by 25th of January of each year)	MFMA of 2003, Sections 69 (2) & 70 (1) (a) (b) & 72 (1)(a)(b)	Budget Policy
	Only the Mayor of the Municipality may table an adjustments budget	Mayor	GS570: Lookup Actual Expenditure			

9. Budgeting						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The Manager: Budgets must run the month-end processes in Venus (BK, BJ & BF functions) to ensure that all transactions are updated in Venus	Manager: Budgets	GG110: Amend approved budget			
	The Manager: Budget must run the Posting Register, which depicts movement for the month, ie. opening balance, movement and closing balance) – YTD summary from July to December of that year)	Manager: Budgets	GG560: Reporting Budget amendments			
	The CFO must analyse this report to determine income levels against budget – determines if an Adjustment Budget required	CFO	n/a			
	iv) <u>Monitoring the Budget</u> The Manager: Budgets and the CFO must prepare a monthly variance report of actual expenditure to budgeted expenditure by vote	Manager: Budgets & CFO	GS560: Posting register	Monthly	MFMA of 2003, Sections 71 (1) & 69 (1)(a) (b)	Budget Policy
	The Manager: Budgets runs the month-end processes in Venus (BK, BJ & BF functions) to ensure that all transactions are updated in Venus	Manager: Budgets	GS570: Lookup Actual Expenditure			
	The Manager: Budgets then prints the Posting Register, which depicts movement for the month, ie. opening balance, movement and closing balance)	Manager: Budgets	GG580: Reporting Overspent accounts			
	The CFO analyses the report (makes notes where necessary) and	CFO	n/a			

9. Budgeting						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	distributes to the respective departments Heads					
	This report is provided to the Municipal Manager to report on	Municipal Manager	n/a			
	The Mayor must receive the reports and where necessary, act upon them	Mayor	n/a			
	<p>v) <u>Reporting to Provincial & National Treasury</u></p> <p>The Municipal Manager of the Municipality must ensure that reports are submitted to the National Treasury, the Provincial Treasury, the Dept of Local Government in the Province or the Auditor General such information, returns, documents, explanations, and motivations as may be prescribed or as may be required</p>	Municipal Manager	GS570: Lookup Actual Expenditure	Monthly (within 10 days after the end of each month)	MFMA of 2003, Sections 71 (1) & 72 (1)(b) & 74 (1)	Budget Policy
	The Posting Register is run by the Manager: Budgets and is used to update the Section 71 report template on a monthly basis	Manager: Budgets	GG590: Reporting Budget balances			
	This report must be forwarded to the CFO for review	Manager: Budgets	n/a			
	After being reviewed, this report must be forwarded to National and Provincial Treasury	Manager: Budgets	n/a			

9. Budgeting						
Control Objective	Control Procedure	Responsibility	Venus Function	Frequency	Legislative Reference	Policy Reference
	The CFO and the Manager: Budgets to sign the report as proof of the review	Manager: Budgets & CFO	n/a			
	The Manager: Budgets must confirm that the report has been received by the recipient	Manager: Budgets	n/a			