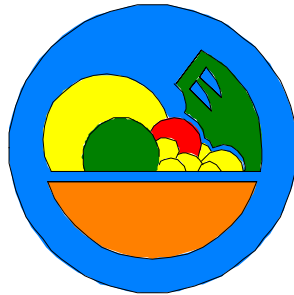




*Umnotho Development*

# FINANCIAL BY-LAWS

9 SEP 2003



Greater Tzaneen  
Municipality

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## CHAPTER 1

### Definitions

#### 1. Definitions

1. (1) In these by-laws, unless the context otherwise indicates –

“**Chief Financial Officer**” means the Chief Financial Officer of the Council being a manager appointed to head the finance department of the Council, and any person duly authorized by him or her to act on his or her behalf;

“**Council**” means the Council of the Greater Tzaneen Local Municipality, established in terms of section 12 of the Local Government: Municipal Structures Act, no 117 of 1998;

“**department**” means any department, section or branch of the Council, the head of which is a manager;

“**Executive Committee**” means the Executive Committee of the Council elected in terms of section 43 of the Structures Act;

“**Local Government Transition Act**” means the Local Government Transition Act, no 209 of 1993;

“**manager**” means a person appointed in terms of section 56 of the Structures Act, directly responsible to the municipal manager, or any person fully authorized by such manager to act on his or her behalf;

“**municipal manager**” means a person appointed in terms of section 82 of the Structures Act, No 117 of 1998;

“**Structures Act**” means the Local Government: Municipal Structures Act, No 117 of 1998;

“**Systems Act**” means the Local Government: Municipal Systems Act, No 32 of 2000.

## **CHAPTER 2**

### **BUDGET**

2. The annual budget of the Council referred to in section 10 G (3) of the Local Government Transition Act, shall be drawn up in the form prescribed from time-to-time by the Executive Committee.
3. The Chief Financial Officer shall not later than the 1st day of April of each year furnish each manager in the Municipality with the financial information required for the preparation by such manager of a draft budget for the ensuing financial year in respect of the department concerned and within twenty one (21) days. After receiving such information each manager shall submit to the Chief Financial Officer such draft estimate in respect of their department.
4. The Chief Financial Officer shall submit to the Municipal Manager the draft budget of all departments together with a summary thereof and recommendations for submission to the Executive Committee, subject to subsection 6.
5. The Executive Committee after considering the draft budget of each department and amending them in any manner deemed necessary, shall submit them to the Council for approval.
6. The Council may establish a committee in terms of section 79 and/ or section 80 of the Structures Act, to consider the draft budget, obtain any information or

investigate any matter relating to the income and/or expenditure indicated in such draft budget and make any recommendation in regard to the draft.

7. A report on the draft budget and recommendation referred to in section 6 must be submitted to the Executive Committee together with the draft budget.
8. The draft budget meant must be accompanied by a cash flow analysis based on the income and expenditure reflected in the budget, prepared by the Chief Financial Officer.
9. The Council must approve the draft budget, with or without amendment, or refer it back to the Executive Committee for reconsideration and report.
10. A meeting or further subsequent meetings for the consideration of a budget referred back in terms of subsection (2), must be convened by the Speaker of the Council within seven (7) days from the date of the previous meeting at which the budget was considered.
11. All stipulations in these by-laws relating to draft by-laws and the approval thereof by the Council, shall with the necessary changes, apply to an adjustment budget.

### **CHAPTER 3**

### **BUDGET REQUIREMENTS**

12. The budget must be divided into separate sections for operating, capital and personnel expenditure.
13. The budget must indicate any such amount accumulated surplus of prior years, as is actually available for operating, capital and personnel expenditure.
14. The budget must indicate:

- (a) realistic estimates of future operating and capital expenditure per vote which will be incurred in the financial year or years after the year for which the budget is approved; and
  - (b) the projected financial implications on future budgets; and
  - (c) the extent, manner, financing and other cost which will be incurred in regard to future operating and capital cost referred in section 12, including with the method of financing thereof.
15. The expenditures indicated in the budget must realistically correspond with the projected income of the Council terms of the budget.
16. The budget must make provision for a realistic level of income taking into consideration also the projected irrecoverable debt.

## **CHAPTER 4 DELEGATION**

17. The Council may, subject to applicable legislation, delegate to the Municipal Manager or the Executive Committee, the authority to approve expenditure on such votes in terms of the approved budget and to an amount determined by Council.
18. The Council may, subject to applicable legislation, include in the delegation meant in clause 16, the power to sub-delegate approval of expenditure in terms of the approved budget to another member of staff to an amount determined by the Council.
19. Nothing in these by-laws shall detract from the Municipal Managers' responsibility as accounting officer of the Council in terms of the Systems Act.

20. A budget approved by Council must:
- (a) be in accordance with its integrated development plan;
  - (b) have regard to any national or provincial inter-governmental projects;
  - (c) give effect to the Council's Tariff By-Laws and Credit Control and Debt Collection By-Laws; and
  - (d) support effective and responsible administration of the Council's affairs.

## **CHAPTER 5 EXPENDITURE**

20. The Council shall make no decision concerning a capital expenditure unless the Executive Committee, after consideration of a report submitted by the Chief Financial Officer, has reported thereon.
21. A recommendation to the Executive Committee relating to expenditure shall specify the vote to which the expenditure is to be charged or, as the case may be, shall state that an additional vote or an excess vote is required therefore.

## **CHAPTER 6 EXCESS EXPENDITURE**

22. In every case where the actual expenditure on a budget vote has exceeded or in the opinion of the Chief Financial Officer may exceed the estimated figures, or where the actual revenue is or in the opinion of the Chief Financial Officer may be less than the estimated figures, the manager concerned must, at the request of the Chief Financial Officer, submit a report in writing, giving all the reasons for the excess or the shortfall as the case may be, together with an adjustment budget.



23. A soon as a manager becomes aware of an excess or shortfall or possible excess or shortfall in relation to any expenditure or revenue meant in subsection (1), such manager must report it to the Chief Financial Officer.
24. The Executive Committee shall consider the report and an adjustment budget mentioned in subsection (1) together with a report of the Chief Financial Officer in connection therewith and must make a recommendation to the Council.
25. When the full amount provided for a specific purpose in the budget on revenue account is not spent for that purpose, the balance will not be used for another purpose in order to meet expenditure in excess for an amount provided for that other purpose, unless an adjustment budget is approved by Council.

## **CHAPTER 7**

### **COLLECTION AND CONTROL OF REVENUE**

26. The Chief Financial Officer shall, having regard to the Credit Control and Debt Collection By-Law of the Council, be responsible for the collection of all moneys due to the Council and unless he or she authorizes another department to do so, all moneys shall be collected by his or her department.
27. The manager of the department authorized by the Chief Financial Officer to collect any money, shall be responsible to identify a member or members of staff in his or her department to do such collection, shall institute procedures for such collection as directed by the Chief Financial Officer and shall monitor that such procedures are adhered to.
28. All moneys collected by another department in terms of subsection (1) shall be paid over to the department of the Chief Financial Officer in a manner determined by the Chief Financial Officer or with the approval of the Chief Financial Officer, into the bank account of the Council.

29. All moneys collected in terms of section 10 shall be balanced and banked daily or at such regular times and in such a manner as the Chief Financial Officer may determine.
30. No amount due to the Council shall be written off as irrecoverable without the approval of the Council.
31. The receipt of all moneys collected in terms of section 24, shall be acknowledged forthwith by the issue of a numbered official receipt or ticket or in any other manner approved by the Chief Financial Officer.
32. No alteration shall be made on a receipt, ticket or other form of acknowledgement issued in terms of subsection (1) and any error appearing thereon shall be rectified by the issue of a new receipt, ticket or acknowledgement and the cancellation of the erroneous one.
33. A receipt, ticket or other form of acknowledgement canceled in terms of subsection (2) and all duplicates thereof shall be kept in safe custody by the Chief Financial Officer.
34. If the amount of money in a staff members' possession is less than that for which he or she is accountable to the Council, he or she shall make an entry recording the deficiency in the register concerned and shall forthwith make up the deficiency, or in the event of his or her inability to do so, the amount of the deficiency shall be entered as a debt owing by him or her to the Council: Provided that if the Council, having considered the circumstances, is satisfied that the staff member was in no way to blame for the deficiency, it may decide that he or she shall not be obliged to make it good or that the amount of any deficiency which he or she has made good, shall be refunded to him or her.
35. When a staff member mentioned in section (34) relinquishes his or her duties, he or she shall balance the cash and negotiable instruments in his or her possession and the accuracy of the balance shall be certified in a manner determined by the Chief Financial Officer.

36. If the amount of money in a staff members' possession is greater than that for which he or she is accountable to the Council it shall forthwith be brought into account as revenue of the Council.

## **CHAPTER 8**

### **TENDERS AND CONTRACTS**

37. Subject to the provisions of section 59, the Council's authority in terms of section 10 G (5) of the Local Government Transition Act read with section 35 of the Local Government Ordinance, 1939, to enter into a contract for the purchase of goods or the execution of works to the value of less than the amount determined in terms of section 35 (1) of the Local Government Ordinance, 1939, without inviting tenders, shall not be exercised until it has invited and considered quotations for such goods or works: Provided that –
- (a) In the discretion of the Council, quotations need not be invited for the purchase of goods or the execution of works for an amount not exceeding 12% of the amount mentioned in terms of the aforesaid section 35 (1);
  - (b) Contracts for the purchase of goods or the execution of works to the value of more than 50% of the amount mentioned in terms of the aforesaid section 35 (1), may not be entered into unless approved by the Executive Committee .
38. The foregoing provisions shall not apply where the Executive Committee is of the opinion that the proposed contract is an emergency or is a special case of necessity for which the invitation of quotations should be dispensed with.
39. Every tender addressed to the Council, shall be completed on the prescribed tender form, obtainable from the Council, placed in a sealed envelope or package bearing on its exterior the number which have been allocated by the

Council to the invitation to tender and the nature of the goods or works to which the tender relates.

40. No tender shall be considered unless it has been placed by not later than the closing date and time specified in the invitation to tender in the locked tender box which the Council shall provide for the purpose and kept at a place indicated in the invitation to tender.
41. A tender received otherwise than by deposit in the tender box shall, as soon as it has been so received, be placed by the staff member authorized so to act in the tender box mentioned in section (40).
42. When a tender received otherwise than by deposit in the tender box is found not to comply with the requirements of section (39) it shall be placed in the tender box after it has been placed in a sealed envelope on which shall be noted –
  - (a) the date and time of receipt of tender;
  - (b) the tender number and nature of the goods or works to which it relates; and
  - (c) the condition in which the tender was received;
43. When a tender is found, on the opening of the tender box, not to comply with the requirements of section (39), the person opening tenders shall declare and endorse upon it the aspects in which it fails to comply.
44. A tender submitted on the prescribed form and received after the advertised closing date but before the tender has been allocated to another tenderer, may be considered, if posted by pre-paid registered post not less than five (5) days before the advertised closing date and the Council is satisfied that the tenderer has taken all reasonable precautions and is otherwise in no way to blame for the delay.

45. Immediately after the opening of the tender box all the tenders shall be opened in public by the Chief Financial Officer in the presence of at least one other member of staff of the department concerned with the tender, and the person opening the tenders shall in the case of each read out the name of the tenderer, and if any tenderer so requests, the amount of the tender.
46. As soon as a tender has been opened –
  - (a) the official stamp of the Council and the signatures of the person who opened it and of the person in whose presence it was opened as prescribed by subsection (1), shall be placed upon it;
  - (b) the name of the tenderer shall be recorded in a register kept for that purpose; and
  - (c) the person who opened the tender shall forthwith place his or her initials against every altered figure in the tender documents.
47. After being recorded in the register mentioned in section (46)(b) the tenders shall be handed over to a member of staff authorized by the manager of the department concerned and he or she must acknowledge receipt thereof by signing the register.
48. The manager of the department concerned must forthwith hand to the Chief Financial Officer any deposit or security received with the tenders and must thereafter submit a written report on these tenders with his or her recommendations.
49. A report as referred to in subsection (4), which contains a recommendation for acceptance of a tender other than the lowest must state fully the reasons for that recommendation.
50. Subject to the provisions of section 10 G (5) of the Local Government Transition Act, 1993, and the Preferential Procurement Policy Framework Act,

2000 (Act 5 of 2000) the Council shall not accept a tender other than the lowest unless it has considered and is satisfied as to the adequacy of the report referred to in section 18 (5) and the Council will record the reasons for not accepting the lowest tender in the minutes of the meeting.

51. No member or officer of the Council shall disclose to any person other than a member, political structure or staff member of the Council who in the course of his, her or its official duties is concerned with the tender, any information relating to such tender or anything in regard thereto contained in any report of a staff member, consultant or other adviser of the Council.
52. The financial provisions of a contract which the Council intends to conclude shall be referred to the Chief Financial Officer for him or her to make his or her recommendations thereon before the conclusion of the contract.
53. The Chief Financial Officer shall in respect of every contract concluded by the Council keep a record in which the financial rights and obligations of the Council there under are set forth and shall enter in the record every payment made by or to the Council in terms of that contract.
54. If at any time after publication of an invitation to tender, the Council considers it necessary to depart from the original conditions of tender, fresh tenders shall be called for.
55. Where the Council calls for tenders for the supply and delivery of goods or the execution of works, the Council's conditions of tender and conditions of contract shall apply.

## **CHAPTER 9**

### **STORES MATERIAL**

56. A store register reflecting full particulars of purchases and issues that will permit of balancing at any time, shall be maintained by the Chief Financial Officer.

57. Stores in excess of what is required for normal operations shall not be carried by any department, except where the Chief Financial Officer is of the opinion that reasons exist for so doing,
58. Whenever the Chief Financial Officer is of the opinion that compliance by him or her with a request to purchase any material would be contrary to the provisions of section (57) he or she shall inform the manager of the department concerned of that fact and if the request is not withdrawn he or she shall submit a written report setting out fully the facts of the dispute to the Municipal Manager, who will decide the matter.
59. With the exception of petty cash disbursements made from an imprest account all goods and material shall be purchased by the Chief Financial Officer and no goods or material so purchased are issued otherwise than against a requisition signed by the manager of the Department by which the goods or material are or is required.
60. (1) Specification for goods, material and plant to be purchased by tender or by quotation shall be drawn up by the manager of the department concerned in consultation with the Chief Financial Officer.
- (2) The manager of the department concerned shall recommend the tender or quotation to be accepted and if the tender or quotation so recommended is not the lowest he or she shall furnish to the Chief Financial Officer full reasons for the recommendation.
- (3) If the Chief Financial Officer does not agree with the reasons furnished in terms of subsection (2) he or she shall submit a report setting out fully the facts of the dispute to the Municipal Manager, who must decide the matter.
61. (1) All stores belonging to the Council shall be kept in a place or places controlled by the Chief Financial Officer: Provided that such stores as

the Chief Financial Officer may approve may, subject to conditions to be determined by him or her, be kept by the manager of a department in a place under his or her control.

- (2) The Chief Financial Officer shall at least once in every financial year carry out a stocktaking covering all goods and material constituting the stores held by the Council.
62. The Chief Financial Officer shall annually submit a written report to the Council stating the quantity and value of any surplus or shortage of goods and material revealed by stock-taking together with the reasons therefore and he or she may in respect of the stores referred to in the provision to section 42 (1) require the manager of the department concerned to furnish him or her with such reasons in writing, for any surplus or shortage.
- 63 (1) All printed matter offered for sale and all tickets, badges, receipt books and cheque forms shall be obtained or purchased and issued by the Chief Financial Officer only.
- (2) The Chief Financial Officer shall keep a register of all purchases and issues made in terms of subsection (1).
- (3) The receipt of anything issued in terms of subsection (1) shall be acknowledged by means of the signature of the recipient in the register mentioned in subsection (2).
64. A store requisition shall not be executed unless particulars, as determined by the Chief Financial Officer, and of the vote to be debited in respect of the goods or material supplied, are indicated thereon.
65. Subject to the provisions of section 64, no stores requisition in respect of a uniform or other clothing shall be executed unless it states in the case of an issue to a specific person, the name and official designation of the person for whom such uniform or clothing is required and unless the Chief Financial



Officer has indicated thereon that it complies with the requirements of the Council regarding such issue.

66. If by order of the Chief Financial Officer delivery is made of goods or material by the supplier directly at a place other than a store, the person authorized by the manager of the department concerned to do so shall take delivery thereof and sign the delivery note which shall be sent to the Chief Financial Officer by the manager of the department.
67. Goods, material, equipment, vehicle or plant shall not be regarded as redundant or obsolete unless so authorized by the Council and in such case the Council shall give direction as to its disposal.
68.
  - (1) Any goods remaining unused after the completion of the work or the fulfillment of the purpose for which they were issued shall be returned to the store or to such place as the Chief Financial Officer may direct.
  - (2) A department returning surplus goods in terms of subsection (1) shall send to the Chief Financial Officer an advice note in such form as he or she may prescribe which specifies fully the goods so returned.
69. No order for the purchase of goods shall be placed on behalf of the Council or shall be valid unless it has been signed by the Chief Financial Officer or other member of staff authorized by the Council to do so.
70. A manager of a department shall be responsible for the safe custody of goods or material issued to his or her department and shall, if requested to do so by the Chief Financial Officer furnish full details of any goods or material held by his or her department.

## **CHAPTER 10**

### **PAYMENTS**

71. Every payment, except a petty cash disbursement shall be made by means of a banking account of the Council and each cheque drawn on such banking account shall be signed by the Chief Financial Officer or other member of staff authorized to do so by the Council and shall be countersigned by as many members of staff of the Council as may be determined to do so by the Council.
72. (1) The Chief Financial Officer, or the manager of a department requested by him or her, shall certify in respect of each account to be paid for goods supplied or services rendered to or work performed for the Council, that it is in order, that the goods or services, as the case may be, were in fact supplied or rendered or that the work was in fact done, that the price charged is reasonable or according to contract and that it is within a vote authorized by the Council.
- (2) Such account shall be sent to the Chief Financial Officer with a supporting voucher and he or she or a member of staff authorized to do so by the Council shall approve such voucher before settlement of the account.
73. Progress payments in respect of a contract shall be limited to the value of the work done and the material supplied, as certified in terms of section 53 (1), less the amount of previous payments made and the amount of retention money withheld in terms of the contract.
74. The Chief Financial Officer shall not in respect of any contract make any payment in excess of the total amount authorized by the Council unless the Council has resolved otherwise after considering a written report by the manager of the department concerned stating the reasons why the excess expenditure should be incurred.
75. An imprest account for petty cash disbursements shall be opened only with the approval of the Chief Financial Officer who shall determine the amount that may be kept in such account, the nature and extent of the payments that may

be made there from and what supporting vouchers are to be completed for such payments.

76. The Chief Financial Officer shall submit monthly a report to the Executive Committee of the immediately preceding month, setting out the cash and bank balances as at the beginning of that month, the total amounts received and payments made during that month, the total amounts received and payments made during that month and the cash and bank balances as at the end of that month reconciled with the bank balances as at the end of that month reconciled with the bank statements.
77. Not later than the last day of January of each year, the Chief Financial Officer shall submit a report in respect of those cases in which, in his or her opinion, the discrepancy between the actual and the estimated income or between the actual and estimated expenditure for at least the first five (5) months of that financial year is of such a serious nature as to require to be brought to the notice of the Council.

## **CHAPTER 11**

### **CAPITAL EXPENDITURE**

78. Capital expenditure however financed and notwithstanding that provision has been made therefore in the annual budget shall not be incurred without the express approval of the Council, subject thereto that the Council may delegate to the Municipal Manager, another member of staff or the Executive Committee the authority to approve a capital expenditure budgeted for to an amount as determined by the Council, but not more than fifty (50) percent of the amount determined in terms of section 35(1) of the Local Government Ordinance. 1939.
79. The manager of a department shall in respect of a recommendation made by him or her for the execution of works or other undertaking entailing capital expenditure, submit with such a recommendation a report setting out the following information in respect of such works or undertaking -

- (a) The total estimated cost with a complete analysis thereof and any consequential expenditure which will arise as a result of the works or undertaking;
  - (b) the estimated capital amount to be expended annually in respect of the works or undertaking;
  - (c) the estimated annual income to be derived and the estimated annual expenditure of any kind, including expenditure on staff, to be incurred when the works or undertaking is taken into use;
  - (d) the estimated life of the asset to be created; and
  - (e) any other information required by the Chief Financial Officer.
80. Expenditure which is to be met by means of a loan, excluding any provisional expenditure incurred in connection with an application for borrowing powers, shall not be incurred until all approvals required by law have been obtained and all other statutory requirements have been complied with.
81. (1) Works, which execution shall include the maintenance and repair of such works, the anticipated cost of which will, in the opinion of the manager of the department concerned, exceed 30% of the amount determined in terms of section 35 (1) of the Local Government Ordinance, 1939, and such other work as may be determined by the Council, shall not be carried out departmentally unless the Chief Financial Officer has on application by the manager of the department concerned issued a works order therefore.
- (2) The Chief Financial Officer may refuse to issue a works order as referred to in subsection (1) if the application therefore is not supported by such information relating to material, labour, transport and other costs as he or she deems necessary.

- (3) An application for the issue of a works order shall be submitted on a form prescribed by the Chief Financial Officer and the vote to which the relevant expenditure is to be charged, together with such other information, required by the Chief Financial Officer, shall be stated therein.
82. Cost accounts shall be kept by the Chief Financial Officer in such form as he or she determines in respect of all works as referred to in section 81.
83. (1) No goods of any kind belonging to the Council or for which it is made chargeable shall be supplied to, and no work shall be carried out by if for, any other person without the Council's approval and unless it is satisfied that the supplying of such goods or the doing of such work is to its advantage.
- (2) No goods shall be supplied to and no work shall be commenced with for any person until he or she has either paid in full therefore or entered into such an agreement in writing and given such security for the payment to the Council of its charges therefore as the Chief Financial Officer considers necessary for the proper protection of the Council.

## **CHAPTER 12**

### **CLOSING OF VOTES**

84. On completion of the work for which a works order has been issued, the manager of the department concerned shall forthwith notify the Chief Financial Officer thereof and if the difference between the actual and the estimated cost of that work exceeds 10 per cent, he or she shall forthwith submit to the Chief Financial Officer his or her reasons therefore in writing.
85. The manager of a department concerned shall as soon as practicable after all the work under a capital vote has been completed advise the Chief Financial Officer accordingly giving all the reasons for the excess expenditure or the saving as the case may be and recommending that the vote be closed, and the

Chief Financial Officer shall submit a written report on such recommendation for consideration by the Council.

## **CHAPTER 13**

### **ASSETS**

86. (1) The Chief Financial Officer shall keep a register in which shall be recorded details of all assets of the Council save those mentioned in section 87 (1).
- (2) When an asset under the control of the manager of a department has been purchased, sold, demolished, destroyed or damaged or any other event materially affecting its value has occurred such manager shall forthwith report the facts to the Chief Financial Officer in writing.
- (3) The manager of a department shall at such intervals as the Chief Financial Officer may prescribe submit to him or her a written report giving such particulars concerning all assets under the control of such manager as the Chief Financial Officer may require.
87. (1) Each department shall keep inventories, in a form to be approved by the Chief Financial Officer, of all animals, vehicles, plant, books, equipment, tools and furniture and other departmental assets, details of which the Chief Financial Officer has not required to be recorded in the register referred to in section 86 (1).
- (2) At such date during every financial year of the Council as the Chief Financial Officer may decide every manager of a department shall cause a comparison to be made between the inventories referred to in subsection (1) and the assets in the possession of his or her department and shall report to the Chief Financial Officer in writing the result of such comparison.
- (3) If any asset referred to in the aforesaid inventories is found not to be in the departments' possession the manager of the department shall

include a statement of all the facts relevant to the shortage in the report referred to in subsection (2).

- (4) The Chief Financial Officer shall annually submit a report in writing setting out the relevant facts relating to the absence of any asset brought to his or her notice in terms of subsection (3) and the Executive Committee shall report to the Council thereon.

## **CHAPTER 14 INSURANCE**

88. The Chief Financial Officer shall whenever necessary submit for the Councils approval a written report setting out any insurance of its property or interests that should in his or her opinion be effected.
89.
  - (1) The Chief Financial Officer may at any time require from a manager of a department, who shall duly supply a statement setting out the assets held by that department, all risks requiring to be insured and any other information which the Chief Financial Officer deems necessary and the Chief Financial Officer shall in accordance with such statement and subject to the provisions of section 69 effect such insurance as the Council's interests require.
  - (2) It shall be the duty of a manager of a department to notify the Chief Financial Officer without delay of any new insurable risk or of any alteration in an existing insurable risk that has arisen in connection with his or her department.
90. On the occurrence of any event giving rise or likely to give rise to a claim by or against the Council or against its insurers the manager of the department concerned shall immediately notify the Chief Financial Officer of that event and the Chief Financial Officer shall as soon as possible notify the Council's insurer thereof.

91. The Chief Financial Officer shall keep a register in which particulars of all insurance policies held by the Council shall be entered and he or she shall be responsible for the payment of all premiums and shall ensure that claims, which arise under such policies, are instituted.

## **CHAPTER 15 INVESTMENTS**

92. The Council shall lay down a policy specifying the general principles according to which its funds shall be invested and its securities acquired and disposed of by the Municipal Manager.

## **CHAPTER 16 Internal Audit and Accounting**

- 93 (1) The Chief Financial Officer, members of an internal audit staff and any other person authorized by him or her shall be entitled to require production of or the access to all books, accounts and other records relating to financial matters of any department.
- (2) A manager of a department and every officer thereof shall at the request of the Chief Financial Officer furnish him or her to the best of his or her knowledge with such information relating to financial matters as he or she may specify.
94. The system operated by a department for the collection of revenue, the keeping of books or any records relating to financial matters including costing shall be subject to the approval of the Chief Financial Officer and no such system shall be altered or departed from without the Chief Financial Officer's prior approval.
95. The Chief Financial Officer shall annually within one month after the end of the financial year, submit the financial statements for the Council, in accordance



with generally recognized accounting practice, to the Municipal Manager and the audit committee referred to in section 96.

- 96 (1) The Council shall annually at the start of a financial year institute an independent audit committee consisting of such number of persons as the Council may determine, with knowledge and/or experience of municipal accounting, accounting practice or legal knowledge.
- (2) The audit committee referred to in subsection (1) must:
- (a) meet not less than once a month and must oversee that generally recognized accounting practices are adhered to, investigate and/or request reports on any matter which may impact on the Council's finances and good financial practices and any other matter which it deems necessary; and
  - (b) must report to the Municipal Manager on any auditing matter it deems prudent to do, at least once every quarter.
- (3) Members of the audit committee may be paid such fee for their services, as the Council may determine from time-to-time.
97. The annual report referred to in section 95 and the functions of the audit committee referred to in section 77 (2) shall also apply to the financial and accounting practices of a Council.

## **CHAPTER 17**

### **CUSTODY OF DOCUMENTS**

- 98 (1) All deeds of transfer, title deeds, leases, agreements and similar documents shall, upon completion, be placed in safe custody in accordance with the directions of the Municipal Manager.
- (2) The Municipal Manager shall keep or cause to be kept a register of all documents in subsection (1) in which the number, nature period of

validity and any other information of importance regarding each document, shall be recorded.

## **CHAPTER 18**

### **PAYMENT OF SALARIES, WAGES AND ALLOWANCES**

- 99 (1) The Chief Financial Officer shall keep a record in where all relevant particulars relating to all salary, wages, allowances and leave of every employee or member of the Council are recorded.
- (2) The Chief Financial Officer shall approve pay sheets and payment shall be made in accordance therewith.
- (3) The Chief Financial Officer will pay all salaries, wages and allowances in such manner as he or she may determine: Provided that payment is made in cash, the employee or member shall sign for receipt thereof, in the presence of at least two members of staff, who shall co-sign such receipt, a copy which shall be kept for accounting purposes.
100. A manager of a department shall forthwith notify the Chief Financial Officer of any change in or addition to his or her staff, or any alteration in a salary or wage scale, or any leave granted and of any absence of an employee from duty without leave, as well as any hours of overtime or stand-by approved.

## **CHAPTER 19**

### **GENERAL PROVISIONS**

101. These By-laws shall be known as the Financial By-laws.