

EPHRAIM MOGALE LOCAL MUNICIPALITY

111
MARBLE HALL
0450
013-261 8400
013-261 2985



Leeuwfontein Office (013) 266 7025
Elandskraal Office (013) 268 0006
Zamenkomst Office (013) 973 9160
Traffic Section (013) 261 8400

1. GENERAL

Phahlamohlaka PJ, in my capacity as the Accounting Officer of Ephraim Mogale Local Municipality, herewith delegate, in terms of section 79 of the Municipal Finance Management Act, 2003 (Act .56 of 2003), certain of my powers with effect from 02 December 2013 subject to the following legislative requirements as well as Treasury guidelines issued from the time by the Minister and Council's policies:

Section 79 of MFMA

1. "The Accounting Officer of the Municipality;
 - (a) Must, for the proper application of this Act in the Municipality's administration, develop an appropriate system of delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the municipality's financial administration;
 - (b) May, in accordance with the system, delegate to the member of the municipality's top management referred to in section 77 or any other official of the municipality-
 - i. Any of the powers or duties assigned to an accounting officer in terms of this Act; and –
 - ii. Any powers or duties reasonably necessarily to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievements of the aims of a specific provision of this act; and-
 - (c) Must regularly review delegations issued in terms of paragraph (b) and if necessary, amend or withdraw any of those delegations."
2. The Accounting Officer may not delegate to any political structures or political officer-bearer of the municipality any of the powers or duties assigned to accounting officers in terms of this Act,
3. A delegation in terms of subsection (1)-
 - (a) Must be in Writing
 - (b) In subject to such limitations and conditions as the accounting officer may impose in a specific case;
 - (c) May either be to a specific post in the municipality;
 - (d) May, in the case of delegation to a member of the municipality's top management in terms of section (1)(b), authorizes that member to sub-delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility, and

- (e) Does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty;
4. The accounting officer may confirm, vary or revoke any decision taken in consequences of a delegation or sub-delegation in terms of this section, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision”.

2. OBJECTIVES

Delegations of financial authority within Ephraim Mogale Local Municipality are intended to achieve the following objectives:

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

3. GENERAL PRINCIPLES FOR APPLICATION

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

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

The policy details minimum delegations for financial related functions and activities within the municipality.

Financial responsibilities, of either Council or delegated authority, apply to all funds received by the municipality.

An Official to whom the authority has been delegated must:

- Act with fidelity, honesty, integrity and in the best interests of the municipality on managing its financial affairs.
- Disclose to the accounting officer all material facts which are available or reasonably obtainable, and which in any way might influence the decisions or actions of the municipality.
- Seek within the sphere of influence of the delegated official, to prevent any prejudice to the interest of the municipality

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

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

NOTES:

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

4. Review of Delegations

This system of delegation will be reviewed annually or when a need arises.

5. SCHEDULED OF FINANCIAL DELEGATIONS

The following table list the type of delegations and designations of post which the delegations apply:

NO.	Description	Position to which authority is delegated
1.	Transfer of funds within i.e. Department (Virements within the same department)	As per the virement policy
1.1	10% of vote excluding capital projects but limited to R100 000(vat included) per line item	As per the virement policy
1.2	Above 10% of the vote and capital projects and above R100 000(vat included) <u>Adjustment budget</u> Transfer of funds from one department to another	As per the virement policy Council on recommendation by the Executive Mayor
2.	<u>Obtaining Quotations</u> 1. R001 - R2000.00 2. R2001 - R30 000.00 3. R30 001 - R200 000 (vat included)	Manager. Manager SCM. Manager SCM
3.1	Specification Memo to purchase	Director
3.2	<u>Approval of Requisitions (Manual)</u> 1. R001 - R10 000.00 2. R10 001 - R30 000.00 3. R30 001 - R200 000.00 (vat included) 4. R200 000.00 – Above (vat included)	1. Manager. 2. Director. 3. Municipal Manager. 4. Municipal Manager.

3.3	<u>Evaluation and Adjudication of Bids</u> 1. R30 001-R200 000.00-Evaluation 2. R200 001-above	Bid Evaluation and Adjudication Committees
3.4	Approval of Requisitions (Systems) R001-R200 000 (vat included)	Manager - SCM
4.	Appointment of Bid Committees	Municipal Manager
5.	Approval of specification 1. R001 - R10 000.00 2. R10 001 - 30 000.00 3. R30 001 and Above	1. Managers 2. Director 3. Municipal Manager
6.	Approval of Placement of advertisement for staff recruitment 1. R001 - R30 000.00 2. R30 000.00 and Above	1. Director Corporate Services 2. Municipal Manager
7.	Appointment of Consultants 1. R200 000.00 and Above and if contract exceeds one year: Competitive Bid process. 2. Below R200 000.00; • R001 - R10 000.00 • R10 001 - 30 000.00 • R30 001 and Above Quotation from database on a rotational basis (but not necessarily limited to database if another supplier meets listing criteria).	1. Municipal Manager 2. Accounting Officer • Manager • Director • Municipal Manager
8.	<u>Specialized /Sole Supplier</u> 1. R2000.00 - R100 000.00 2. R100 000.00 – above	1. Chief Financial Officer on recommendation by the Manager-SCM. 2. Municipal Manager on recommendation by the CFO.
9.	Emergencies: 1. R2001 – R100 000.00 2. R100 000.00 and Above	1. Director 2. Municipal Manager
10.	<u>Authorisation of Orders</u> 1. R001-R200 000.00	1. Manager SCM
11.	<u>Approval of invoices for Payments</u> 1. R001 – R10 000.00 2. R10 001.00 – R50 000.00 3. R50 001.00 - Above 4. Certifies that the goods or services have been received in good order and payments may be affected	1. Manager 2. Director 3. Municipal Manager/Director of Department which received goods or services
12.	Printing of Cheques	

	Printing of Cheques in the event that electronic transfer not possible for whatever reason	Manager – Financial Accounting
13.	<u>Approval of Credit and Debit Notes (Debtors)</u> R001-R10 000.00 R10 001 – R200 000.00 R200 001 - Above	Manager – Financial Accounting Chief Financial Officer
14.	<u>Authorisation of payments (any two signatories)</u> Two signatories are always required on all cheque payments and two authorizations on all electronic transfer funds: 1. R001-R50 000. 00. 2. R50 001 - Above	1. Any two of: <ul style="list-style-type: none"> • Manager: Budget and Reporting. • Manager Financial Accounting. • Chief Finance Officer • Director: Corporate Department. 2. Any two of: <ul style="list-style-type: none"> • Municipal Manager • Manager Financial Accounting. • Director Corporate Department. • Chief Financial Officer
15.	<u>Payroll</u> Authorization of Payroll	Chief Financial Officer
16.	<u>Journal Entries</u> 1. R001 - R200 000.00 2. R200 001 - Above	1. Manager-Financial Accounting 2. Manager-Budget & Reporting 3. Chief Financial Officer
17.	<u>Approval of Petty Cash per Department</u> R001 - R2000.00	Manager
18.	Authority to travel / trip authorization 1. -CFO and Directors 2. -Managers 3. -Other Staff	1. Municipal Manager 2. Directors 3. Managers
19	Authority for Accommodation 1. CFO and Directors 2. Managers 3. Other Staff	1. Municipal Manager 2. Directors 3. Managers
20.	Approval of Overtime	Director
21.	Approval of Investments	Municipal Manager
22.	Approval of Leave 1. Directors	1. Municipal Manager.

	2. Managers 3. Other staff	2. Directors. 3. Managers.
23.	Time Register	Managers, Supervisors and Directors
24.	Signing of Contract	1. Municipal Manager 2. Director on approval by Municipal Manager.
25.	Signing of External Letters	1. Municipal Manager 2. Director on approval by Municipal Manager
26.	Employee Transport Allowance Applications 1. Recommendation to Evaluation Committee. 2. Assessment of applications 3. Final awarding	1. Director 2. Transport Assessment Committee 3. Municipal Manager


 Acting Municipal Manager
 P.J. Phahlamohlaka

2/12/2013
 Date

