

04008

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

EXTRACTS FROM THE MINUTES OF THE 14TH SPECIAL COUNCIL MEETING OF EPHRAIM MOGALE LOCAL MUNICIPALITY HELD ON THURSDAY THE 29TH MAY 2014

FILE/S: ^{5/1/13} ~~6/1/33~~ [05/01/01/32] Book File

SC14/01/2014 ANNUAL BUDGET FOR THE 2014/2015 AND 2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

6/1/33 [05/01/01/32]

RESOLVED

- That Council approves the budget of Ephraim Mogale Local Municipality for the financial year 2014/15 and indicative allocations for the two projected outer years of 2015/16 and 2016/17, as well as multiyear and single year appropriations, be considered as set out in new budget and reporting regulations, attached as **Annexure A** to the budget document:-
 - Budgeted Financial Performance (revenue and expenditure by standard classification)
 - Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - Budgeted Financial Performance (revenue by source and expenditure per type)
 - Multiyear and single year capital appropriations by municipal vote; standard classification and associated funding source;
- That Council approves the Medium Term Revenue and Expenditure Framework consisting of operational and capital budget for 2014/15 -2015/16 and 2016/17. The Operational expenditure be incurred according to the schedule below:-

Operational Expenditure Description	2014/15	2015/16	2016/17
	R'000	R'000	R'000
Employee Costs	47 115	49 941	53 138
Remuneration of Councillors	10 656	11 338	12 063
Depreciation & Asset Impairment	27 500	27 000	26 773
Finance Charges	3 360	5 205	80
Material and Bulk Purchases	23 828	25 258	26 773
General Expenditure	52 390	67 574	48 042
	R163 230	R168 436	R178 038

- That Council approves the tariff in terms of Section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003, Section 74 and 75A of the Local Government:

Municipal System Act, 32 of 2000, as amended and the Municipal Property rates Act 6 of 2004, as well as NERSA regulations; the tariff for the supply of electricity, waste removal services, sundry and property rates as set out below be considered for implementation with effect from 1 July 2014:-

Services	% Tariff increase
Property rates	6.8%
Electricity	7.39%
Refuse removal	6.8%
Sundry	6.8%

4 That Council approves the following capital projects:

Capital Expenditure is as follows:

Internally Funded Projects:-

PROJECT	BUDGET 2014/2015	Ward
Corporate Services		
Fire Detectors	250 000	7
10 clocking machines	150 000	
Purchase and install fixed projectors and remote controlled screen in the Council chamber, the community hall and satellite offices	350 000	all
Transfer of old files to Archive respository	300 000	7
Installation of network cable and linking of offices	100 000	7
TOTAL CORPORATE SERVICES	1 150 000	
Community Services		
Machinery and equipment (solid waste)	6 245 000	all
Extension of building (landfill)	120 000	7
Landscaping Marble Hall town	2 500 000	7
Machinery and equipment (parks)	1 400 320	all
Infrastructure for new cemetery Marble Hall	250 000	7
TOTAL COMMUNITY SERVICES	10 515 320	
Technical Services		
Mohlalotwane internal street (Planning and designs)	1 300 000	11
Leeuwfontein extension highmast	1 200 000	8
Elandskraal highmast	2 000 000	15
Driefontein Community Hall	3 200 000	1
New LDV	350 000	7
Rehabilitation of M/Hall Total garage road	4 500 000	7
Upgrading of Leeuwfontein internal streets	7 500 000	8
Moomane Community Hall	3 450 000	13
Makgatle A & B phase 2 road	5 450 000	10
Mogalatsane/Phetwane Internal Road	9 500 000	16
Matlala Ramoshebo Highmast	1 300 000	
Dichoueng Internal road (Planning and design)	1 200 000	14
TOTAL	40 950 000	
TOTAL INTERNALLY FUNDED	52 615 320	

MIG Funded Projects:

Project Description	2014/15 Budget	Ward
Upgrading of road and stormwater Matilu	9 500 000	11
Upgrading of road and stormwater Puleng	9 500 000	11

Elandskraal internal streets	10 000 000	15
Letebejane & Ditholong internal road(Planning and designs)	1 292 000	16
TOTAL MIG FUNDED	30 92 000	

- 5 That Council approves the following budget related policies and by laws as set out in **Annexure B:**
- Budget Policy
 - Grants, Donations, Sponsorship and Gifts Policy
 - Tariff and Sundry Charge Policy
 - Tariffs By-Laws
 - Property Rates Policy
 - Property Rates by-Law
 - Virement Policy
 - Credit Control and Debt Collection Policy
 - Credit Control and Debt Collection By-Law
 - **Inventory Policy**
 - Investment Policy
 - Cell Phone Policy
 - Overtime and Standby Policy
 - Acting Allowance Policy
 - Transport Allowance Policy
 - Travel and Subsistence Policy
 - Supply Chain Management Policy
- 6 That Council approves the proposed organisational structure as set out on pages 351-357 which should show all vacant positions.
- 7 That Council approves the Integrated Development Plan for 2014/2015 as set out on pages 358-541.
- 8 That all Councillors be workshopped on the use of tablets as a matter of urgency and further that Council condone the expenditure incurred by Councillors on those tablets for the period in question.
- 9 That a policy be developed on the use of tablets which will include, inter alia: who will be the custodian of the tablet after Councillors left office.
- 10 That overtime and standby be arranged in advance and be accordingly pre - approved.
- 11 That the Council approves that Subsistence and Travel Allowances payable to Municipal Officials be calculated based on the monthly Department of Transport tariffs, further that the Subsistence and Travel Allowances payable to Councillors be calculated based on the SARS calculations.

12 That the Acting Municipal Manager implements the decision of Council accordingly



**K.N KEKANA
SPEAKER**

29 MAY 2014

FINALISATION BY:

Referred to *B70*by Municipal Manager



**N.S. Mashamba
Municipal Manager**

..... *10/06/2014*

Date Received


**INVENTORY POLICY
2014/2015 FINANCIAL YEAR**



Ephraim Mogale Local Municipality

INVENTORY POLICY

DOCUMENT APPROVAL

Responsible Person:	Name	Signature	Date
	N.S. MASHAMBA		10/06/2014

Date approved: 29/05/2014

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**



Ephraim Mogale Local Municipality

INVENTORY POLICY

INVENTORY POLICY

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
1.	DEFINITIONS	3
2.	OBJECTIVE	3
3.	SCOPE	3
4.	STOREKEEPER	3
5.	SAFEKEEPING	3
6.	RECEIVABLES	4
7.	PROCEDURE AND VALUATIONS	4
8.	INSURANCE	5

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

1. Definitions

The following words and phrases shall, when used in this policy, have the following meanings:

- 1.1 “CFO” shall mean the Chief Financial Officer of the Municipality;
- 1.2 “inventory” shall mean all inventory of the municipality, including the stores referred to in section 7;
- 1.3 “storekeeper” shall mean the person appointed as storekeeper under section 4.1 below.

2. Object of Policy

The object of this policy is to regulate the management, administration and control of inventory in the municipality.

3. Scope of Policy

This policy applies to all inventory kept within and outside the store building under supervision of the storekeeper.

4. Storekeeper

4.1 The CFO shall appoint a person in the Finance Department of the municipality as storekeeper.

4.2 The storekeeper shall be responsible for:

- 4.2.1 the safekeeping of inventory in accordance with section 5;
- 4.2.2 the receiving and issuing of items of inventory from the store rooms;
- 4.2.3 the maintaining of a proper record keeping system for inventory;
- 4.2.4 the performance of such other tasks as may be assigned to him or her according to the relevant job descriptions or the procedures referred to in section 7.

5. Safekeeping of Inventory

- 5.1 Inventory shall, until it is issued, at all times be safeguarded and kept in a suitable protected area. Wherever practical, such area shall be in an enclosed place, the entrance to which shall be locked.
- 5.2 No unauthorised entrance to any such area is permissible. Authorisation to enter such area may be granted only by the Manager Supply Chain Management.

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

- 5.3 No person other than storekeeper, or any other person designated by the CFO, may have access to any keys for such area.
- 5.4 No person other than the storekeeper, or any other person designated by the CFO, may have control over the administration of inventory.

6. Items received

- 6.1 All items received will be acknowledged by issuing of a goods received note as prescribed by the CFO.
- 6.2 Such acknowledgement must state:
- the firm that was contracted with;
 - the date of receipt;
 - the type of items received;
 - the quantity of each item;
 - the invoice and delivery note numbers applicable;
 - the unit price of each item;
 - the total price of each item;
 - the total price of all items according to invoice.
- 6.3 The storekeeper shall enter the details referred to in 6.2 in the register as prescribed by the CFO.

7. Procedures for the Ordering, Receipt, Maintenance, Issuing and Disposal of Stores

- 7.1 The procedures for the Ordering, Receipt, Maintenance, Issuing, and Disposal of Stores are contained in the Annexure hereto.
- 7.2 Such procedures shall be incorporated in and form part of this policy, and shall be adhered to accordingly.
- 7.3 The CFO shall be responsible for ensuring that such procedures are complied with.
- 7.4 Where there is no particular person is charged in any particular procedure with the duty of carrying out such procedure, the CFO shall designate a person or persons within the Finance Department of the Municipality to carry out such procedure.

7. Valuation of inventory

- 7.5 Inventory are valued on the principle of the first-in-first-out method as stated in the inventory register, such cost to be determined with every receipt and

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

issue of stock. Such value will be disclosed in the annual financial statements of the municipality.

- 7.6 In cases of slow-moving, expensive items, a valuation shall be obtained in writing from specialist suppliers of such items, on the basis of which the cost shall be adjusted in the records of municipality.

8. Insurance of Inventory

- 8.1 The CFO shall insure inventory on at least a yearly basis with the municipality's appointed insurance firm.
- 8.2 The amount inventory shall be insured at shall not be less than the amount as determined in accordance with section 7 above.

CERTIFICATE OF ENDORSEMENT:

The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations has been reduced to writing and been signed by the Accounting Officer. Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to supersede.

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

ANNEXURE

**PROCEDURES FOR ORDERING, RECEIPT, MAINTENANCE, ISSUING AND
DISPOSAL OF STORES**

NO.	PROCEDURE	FREQUENCY
1.	Ordering of Stores:	
1.1	Stores reorder levels must be set for all items by the CFO.	Ongoing
1.2	A reorder listing should be printed daily and reviewed by the Storekeeper.	Ongoing
1.3	<p>The Storekeeper:</p> <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 Technical Department about stores required for planned maintenance 	Ongoing
1.4	The purchase requisition must be completed in duplicate, with one copy kept in the requisition book and an original copy forwarded to the buying section.	Ongoing
1.5	A copy of the purchase order form will then be forwarded by the buying section to the stores section.	Ongoing
1.6	The order must be matched to the requisition copy to verify that the correct quantities and correct items have been ordered.	Ongoing
1.7	Orders must thereafter be filed in date sequence.	Ongoing
1.8	This file must form the basis for follow up of orders and for matching goods that are delivered to stores	Ongoing
1.9	The orders file should be reviewed daily by the Storekeeper and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.	Ongoing
2.	Receipt of Stores:	
2.1	Stores will be delivered to the receiving area where the documentation	

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

NO.	PROCEDURE	FREQUENCY
	will be recorded and then forwarded to the Storekeeper.	Ongoing
2.2	The receiving official must match the delivery note to the purchase order, and fill out a pre-numbered goods received note.	Ongoing
2.3	The Storekeeper must compare the delivery to the relevant order before accepting the goods.	Ongoing
2.4	The goods received note must be signed by the Storekeeper as proof of acceptance of the goods.	Ongoing
2.5	A stores register which reflects full particulars of receipts and issues must be maintained by the Storekeeper and updated immediately when goods are received or issued.	Periodically
2.6	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.	Periodically
2.7	Sections returning the remaining stores on the completion of work, must send to the Storekeeper an advice note detailing the stores that were returned.	Periodically
2.8	The CFO shall trace a sample of these advice notes to the stores register on a periodic basis.	Periodically
3.	Maintenance of Stores:	
3.1	Stores and equipment belonging to the Council must be clearly marked/ bar-coded as such, to indicate ownership.	Ongoing
3.2	Stores belonging to the Council shall be kept in a place approved of by the CFO, subject to the conditions he or she determines.	Ongoing
3.3	No section shall carry stores in excess of its normal requirements, as may be determined by the CFO.	Ongoing
3.4	Designated officers will be responsible for the safe custody of stores issued to their section, and must, if requested to do so by the CFO, furnish full details of any stores held by their section.	Ongoing
3.5	The CFO shall ensure that at least once every financial year, stock-taking of all stores of the Council takes place as follows:	Annually
3.5.1	The financial year-end stock take will take place on the last day of the	Annually

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

NO.	PROCEDURE	FREQUENCY
3.5.2	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.	Annually
3.5.3	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.	Annually
3.5.4	In the case of an emergency, stores may only be issued on the explicit authority of a designated official.	Annually
3.5.5	Prior to stock take, the Storekeeper 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.	Annually
3.5.6	An official delegated the responsibility, shall make available stock take listing sheets to auditors for recording the physical count figures.	Annually
3.5.7	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.	Annually
3.5.8	Stock that has been drawn for use at a later date, should be included in the stock-count and not expensed. Consumables should also be included in the stock-count and not expensed.	Annually
3.5.9	After each item is counted, they must be marked with a sticker to indicate that they have been counted.	Annually
3.5.10	After each item is counted, the total must be entered onto the stock sheets.	Annually
3.5.11	Stock sheets must be signed by counters and checkers.	Annually
3.5.12	On completion of the count, all stock sheets must be handed to the CFO.	Annually
3.5.13	Physical count figures will be verified to the computerised listing. The Stock Controller should not be involved in any aspect of this verification.	Annually
3.5.14	Should any discrepancies arise, a recount of the product is done, and the requisition entries are re-checked.	Annually
3.5.15	All write-offs of obsolete or damaged stock should be authorised by the CFO.	Annually
3.5.16	The CFO shall submit a report stating the quantity and value of any surplus or shortage of stores revealed by the stock-take, together with the	Annually

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

NO.	PROCEDURE	FREQUENCY
3.5.17 3.6	<p>reasons for this, who may then require the Storekeeper to furnish him with reasons for any shortages, in writing.</p> <p>The CFO shall then report such surpluses and shortfalls to the Council for further steps to be taken, if necessary.</p> <p>A thorough internal control system must be established by the CFO 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>	Periodic
4. 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9 4.10	<p>Issue of Stores:</p> <p>Only the Storekeeper will be authorised to issue goods from the storeroom.</p> <p>Stores should only be issued in terms of a properly authorised requisition form.</p> <p>Specimen signatures of all persons authorized to sign requisitions shall be supplied to the Storekeeper.</p> <p>If the signature is not of an authorised official, the requisition should be sent back to the respective section.</p> <p>The Storekeeper 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.</p> <p>An issue note must then be completed and printed in duplicate. Control of the issue book is the responsibility of the Storekeeper.</p> <p>The Storekeeper and the recipient of goods must agree that the goods requisitioned, agree to the goods drawn from stores, which is consistent with the issue note.</p> <p>The recipient must sign the issues note/book as evidence that the goods stated on the issue note, have been received.</p> <p>Once the stores have been issued, the stores register must be updated by the Storekeeper.</p> <p>The issue note and the requisition must be filed in sequential order.</p>	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing
5. 5.1	<p>Disposal of Stores:</p> <p>The CFO must furnish the Council with a list of stores to be disposed of, together with the reasons for their disposal.</p>	Periodically

**EPHRAIM MOGALE LOCAL MUNICIPALITY
INVENTORY POLICY**

NO.	PROCEDURE	FREQUENCY
5.2	<p>The stores disposed of in the instance referred to above may only be handed over to the purchaser on full payment of the purchase price, or when other satisfactory arrangements for payment have been made with the CFO.</p> <p>Stores may be disposed of by public auction provided that the approval of Council is obtained.</p>	Periodically
5.3		Periodically