

SECTION E – FUNDING MANAGEMENT

10. STANDARD OPERATING PROCEDURES FOR FUNDING MANAGEMENT

Procedures for the performing of responsibilities and duties of funding management, provide the staff in the Finance Department with procedures and guidelines on the operational management aspects of the day to day running of the Finance Department in a municipality.

This manual is intended to be a practical guide, assisting municipalities to maintain a management, accounting and information system that accounts for the funding of the municipality.

Each section of the Procedures Manual indicates the staff involved for that specific section. Municipalities can adjust the staff members involved, based on their own circumstances. In assigning different responsibilities to staff members, care must be taken that each procedure is monitored (verified) by a staff member senior to the person performing the procedure. A staff member senior to the verifier, must review the procedure/s as indicated in the time-frames. This will reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or fraud in the normal course of the person's duties. It will also ensure that management directives are carried out.

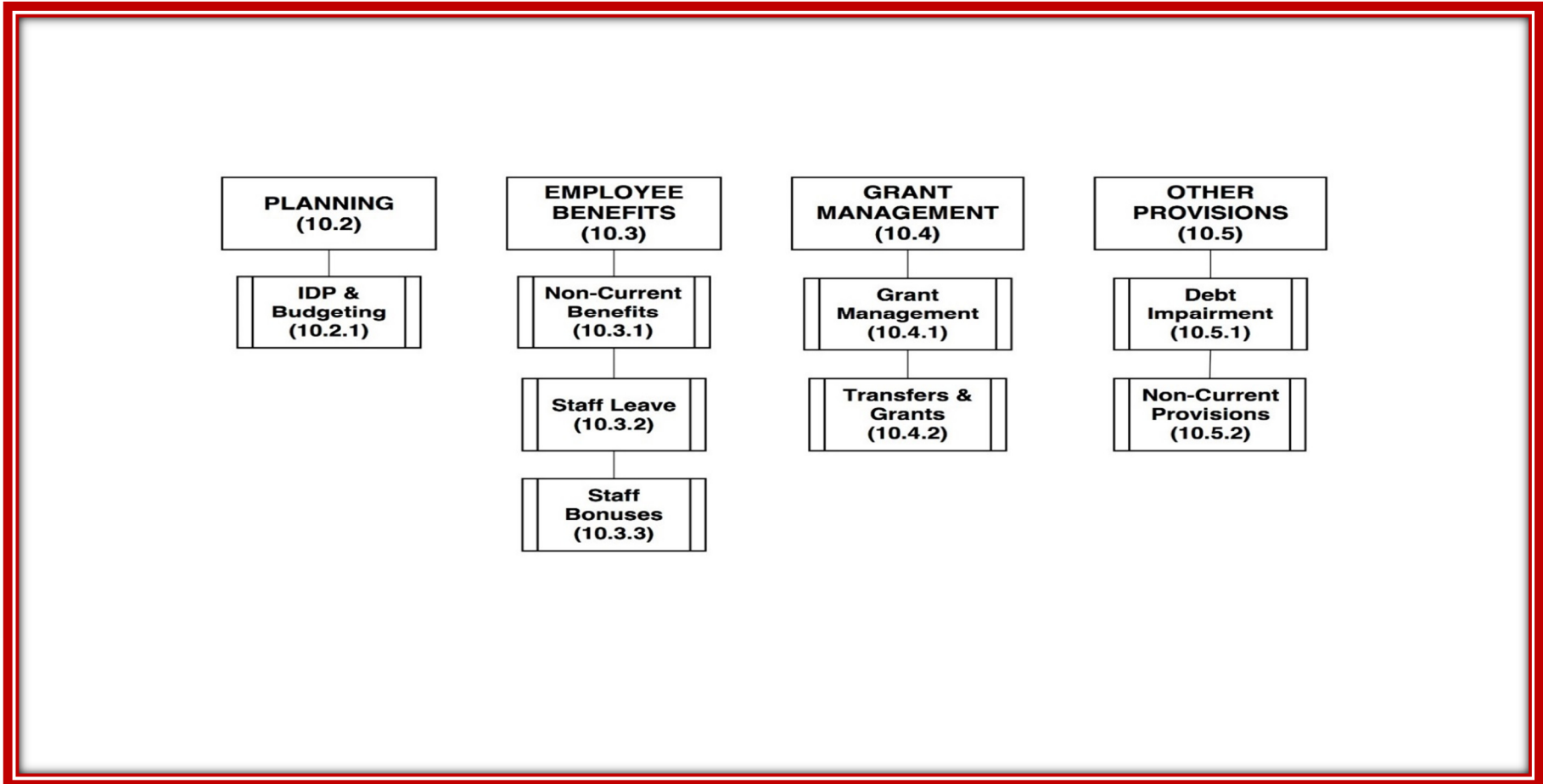
When monitoring/reviewing procedures performed by staff members, sufficient evidence must be available to confirm that a specific procedure was performed. This evidence can then be used for performance monitoring of staff members.

The level of involvement of each official is indicated at each procedure and is summarised as follows:

PD	Perform Daily
PW	Perform Weekly
PM	Perform Monthly
PQ	Perform Quarterly
PBI	Perform Bi-Annually
PA	Perform Annually
VD	Verify Daily
VW	Verify Weekly
VM	Verify Monthly
VQ	Verify Quarterly
VBI	Verify Bi-Annually
VA	Verify Annually
RD	Review Daily
RW	Review Weekly
RM	Review Monthly
RQ	Review Quarterly
RBI	Review Bi-Annually
RA	Review Annually

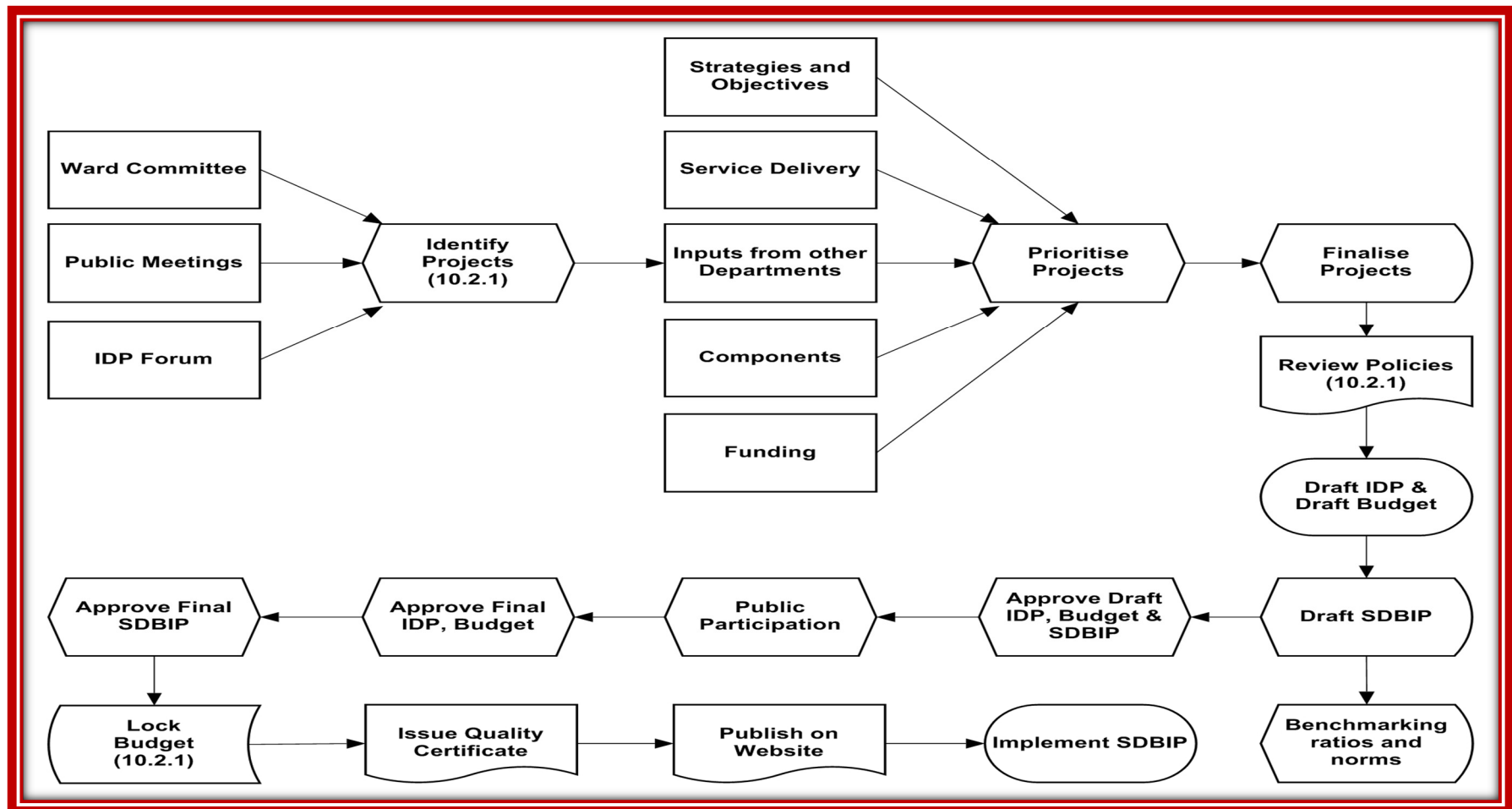
10.1 PROCESS FLOW CHARTS

High-level overview of business processes covered in this section:



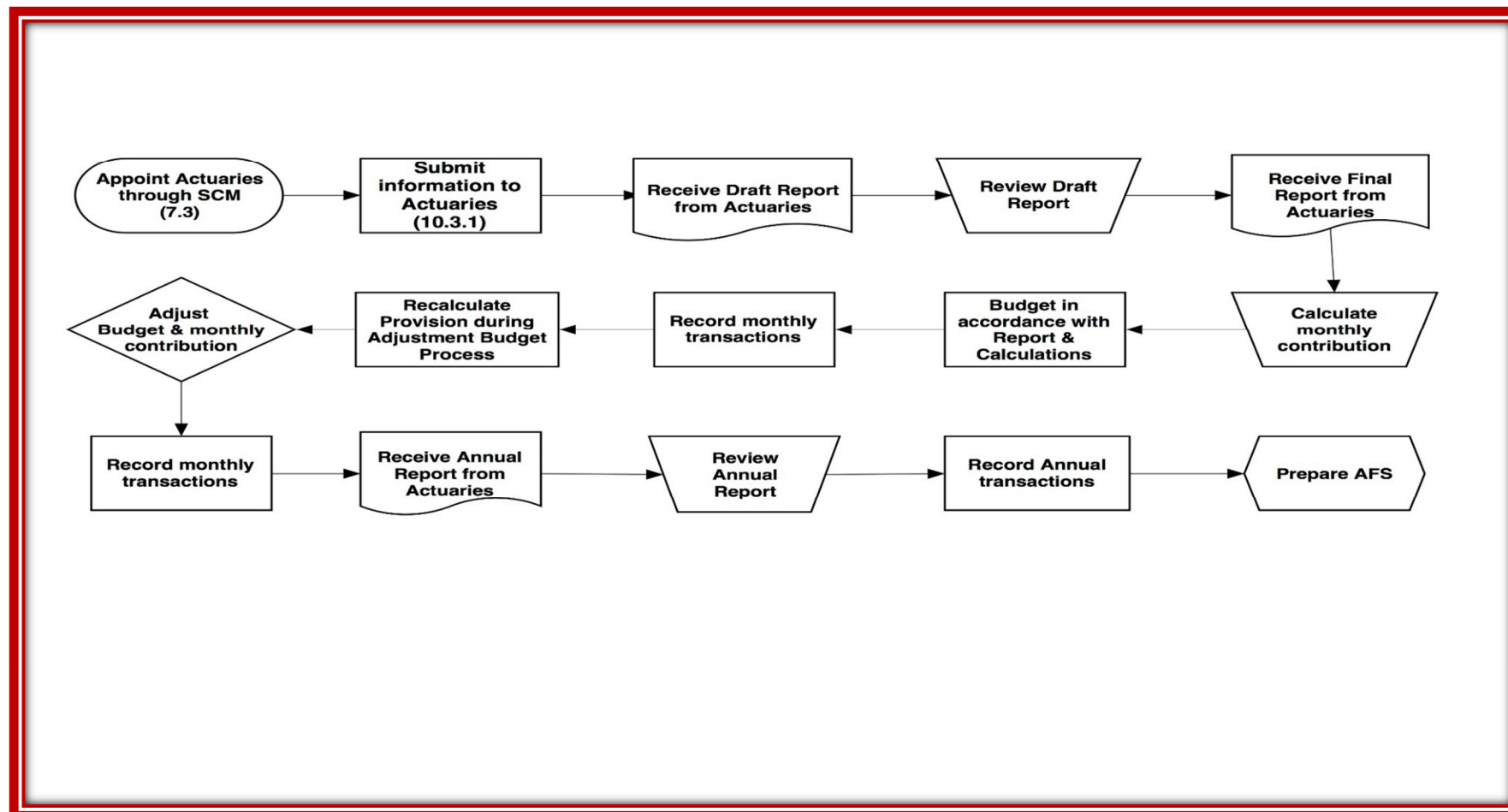
10.1.1 Planning

Overview of procedures for Planning Activities. Detailed standard operating procedures are set out in section 10.2.



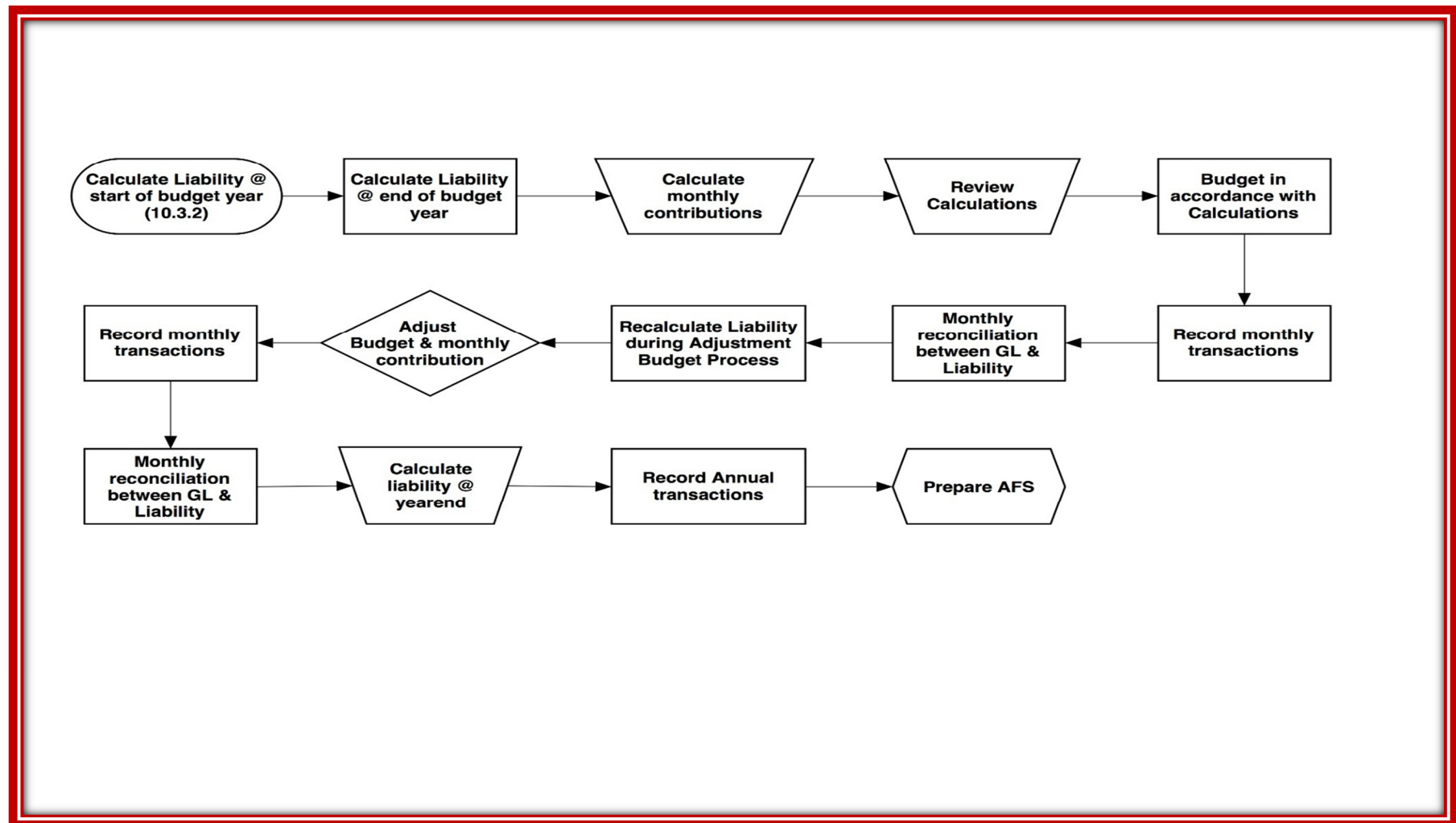
10.1.2 Non-Current Employee Benefits

Overview of procedures for Non-Current Employee Benefits. Detailed standard operating procedures are set out in section 10.3.1.



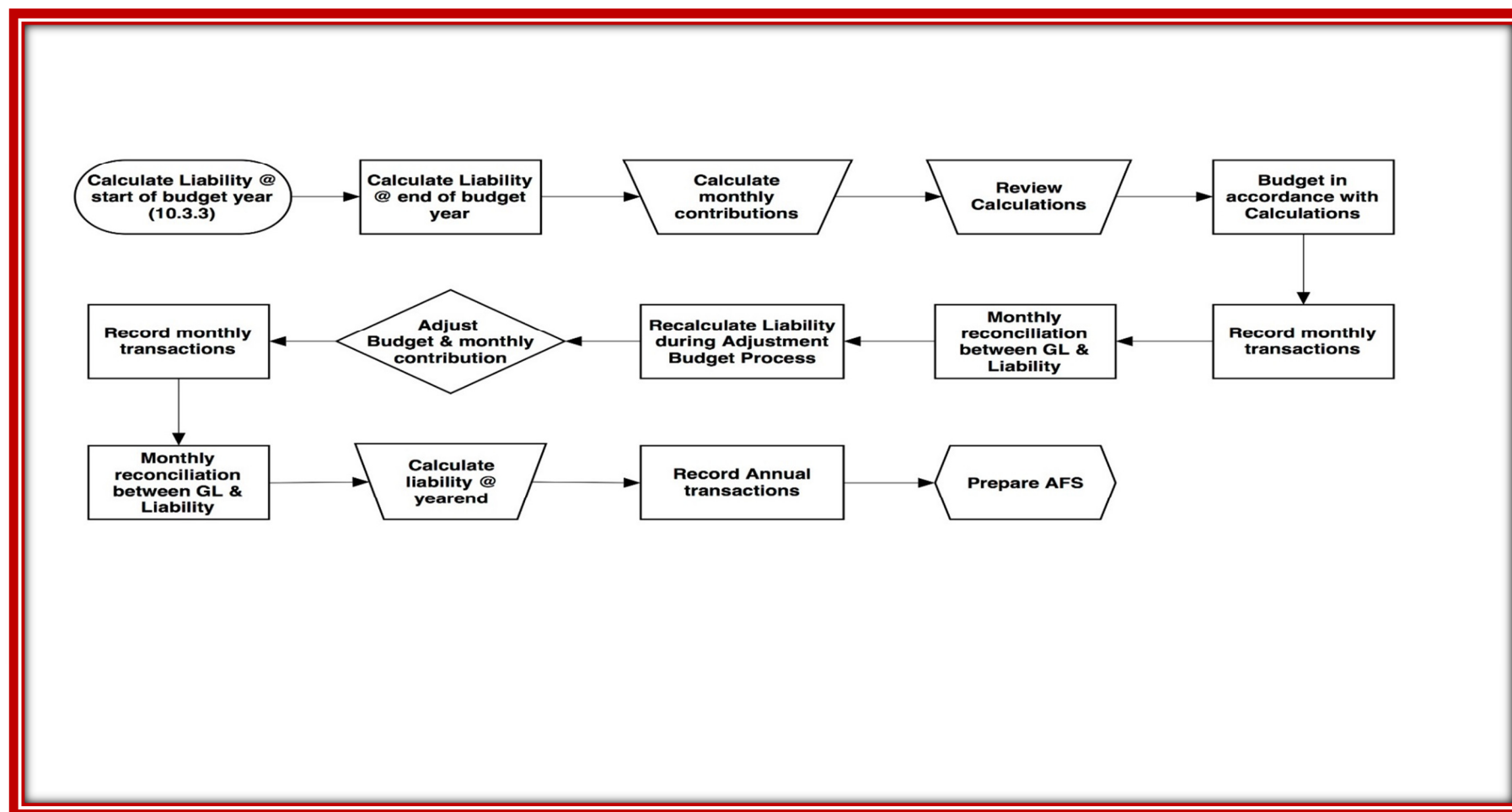
10.1.3 Staff Leave

Overview of procedures for Staff Leave. Detailed standard operating procedures are set out in section 10.3.2.



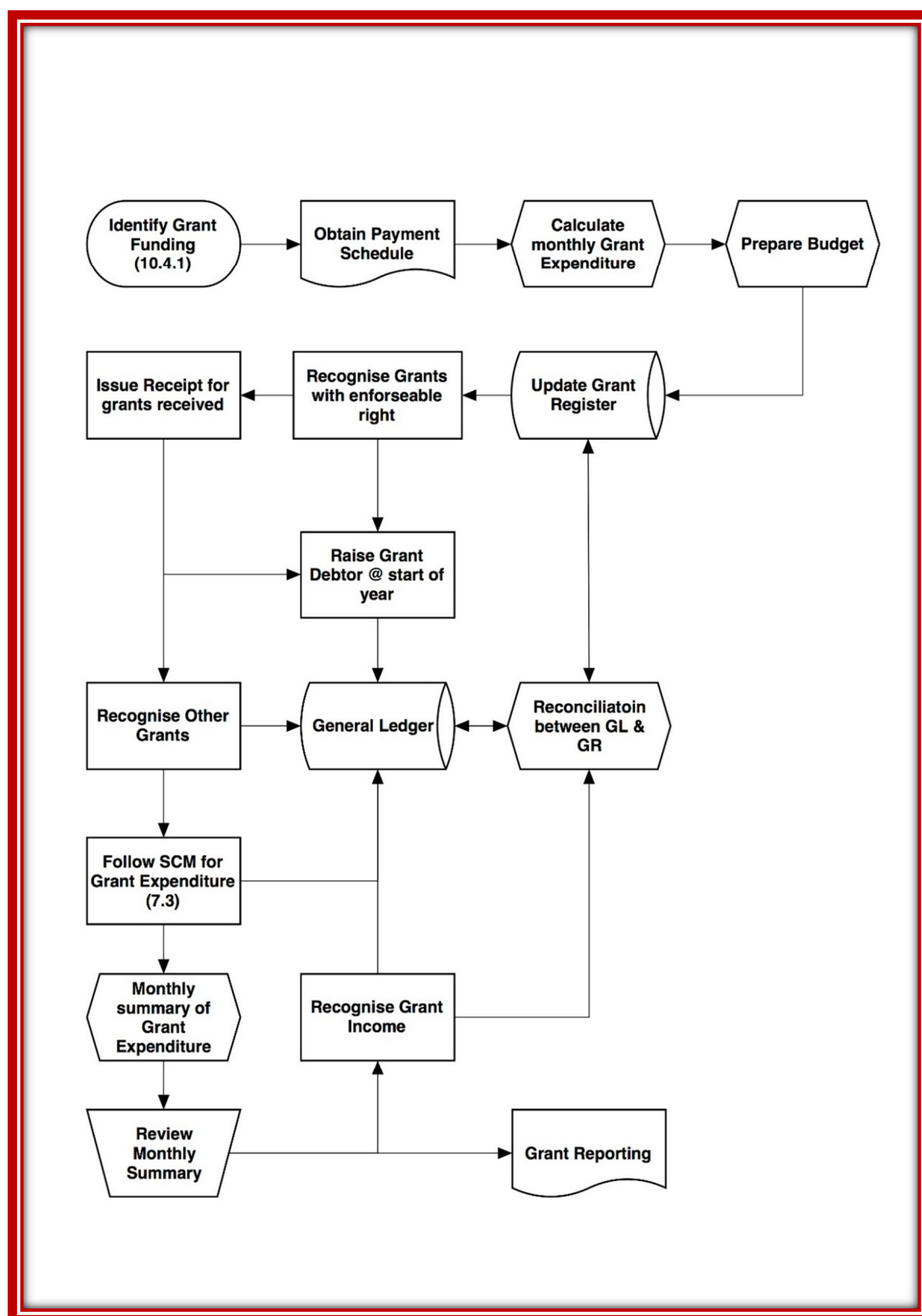
10.1.4 Staff Bonuses

Overview of procedures for Staff Bonuses. Detailed standard operating procedures are set out in section 10.3.3.



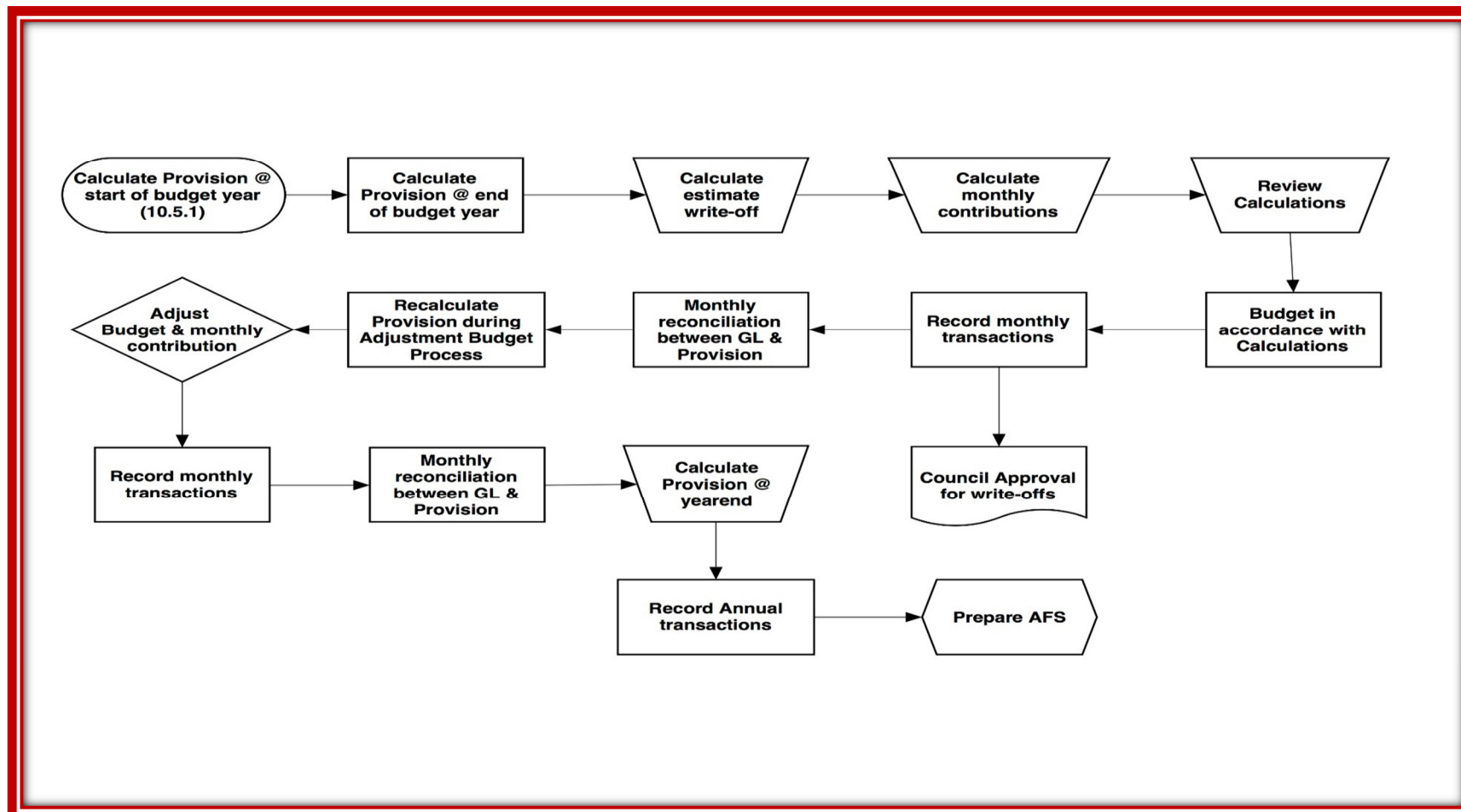
10.1.5 Grant Management

Overview of procedures for Grant Management. Detailed standard operating procedures are set out in section 10.4.1.



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An overview of procedures for Provision for Debt Impairment. Detailed standard operating procedures are set out in section 10.5.1.



10.2 PLANNING

The accounting officer of a municipality must take all reasonable steps, in terms of section 62(1) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The resources of the municipality are used effectively, efficiently and economically;
- b) Full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- c) The municipality has and maintains effective, efficient and transparent systems —
 - (i) Of financial and risk management and internal control; and
 - (ii) Of internal audit operating in accordance with any prescribed norms and standards.

Staff members involved in procedures

DC	Data Capturer
CHR	Clerk: Human Resources
CS	Clerk: Salaries
CCE	Chief Clerk: Expenditure
CE	Clerk: Expenditure
CCD	Chief Clerk: Debtors
MHR	Manager: Human Resources
AE	Accountant: Expenditure
ABTO	Accountant: Budget and Treasury Office
AI	Accountant: Income
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HI	Head: Income
HOD	Heads of other Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
FC	Finance Committee (can also be Executive Committee)
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.2.1 Procedures for performing Planning Activities (Revised IDP and Annual Budget)

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the procedures, as set out in Chapter 5 of the Municipal Systems Act (Act of 2000) to develop, implement and approve an Integrated Development Plan (IDP).			PA			VA		RA			N/A	N/A	Approved IDP
2	Review the Integrated Develop Plan (IDP) and previous year's actual performance against set targets. Obtain inputs from: <ul style="list-style-type: none"> Ward Committees; Public (via Public IDP Meetings); and Public Sector (via IDP Forum). 			PA			VA		RA	MSA S 34		N/A	N/A	Attendance List and Minutes of Meetings
3	Capture projects in the Planning Module of the financial system.			PA		VA	RA					N/A	N/A	
4	Send the draft list of projects to Other Departments within Municipality for inputs.			PA			VA					N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Hold meetings within the Departments to prioritise projects.				PA		VA					N/A	N/A	
6	<p>Prioritise projects, based on:</p> <ul style="list-style-type: none"> • Master Plans; • Spatial Development Framework; • Asset Replacement Policy; • Housing Implementation Plans; • Service Delivery Backlogs; • Statutory Requirements; • Maintenance Plans; • Strategic Objectives; • Infrastructure Plans identified in prior years; • Duration of project; • Cost effectiveness of project; • Indicate if project is for a new/renewal asset; and • Inputs received during IDP process <p>This procedure is performed in the Planning Module of the financial system.</p>				PA		VA					N/A	N/A	Departmental Strategic Meetings

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Identify funding sources of prioritised projects. (Make use of Funding segment of mSCOA)				PA		VA					N/A	N/A	
8	Allocate all segments of mSCOA to all prioritised projects.				PA		VA					N/A	mSCOA Item Charts	
9	Calculate the available Reserves to fund the Budget.		PA			RA	VA					N/A	N/A	
10	Calculate the contribution to Reserves based on the Funding and Reserves Policy.		PA			RA	VA				GRAP 19	N/A	N/A	
11	Calculate the contribution to Provisions based on historical trends and reports from 3rd parties.		PA		PA	RA	VA					N/A	N/A	
12	Send list of prioritised projects, with aligned mSCOA segments, to Strategic Manager.			VA	PA		RA					N/A	N/A	
13	Compile list of all prioritised projects. This list should be an extract from the Planning Module of the financial system.			PA			VA					N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
14	Hold Executive Council Committee Meeting.						PA		VA			N/A	N/A	Minutes of Meeting
15	Finalise projects based on: <ul style="list-style-type: none"> • Available Funding; • Master Plans; • Spatial Development Framework; • Housing Implementation Plans; • Service Delivery Backlogs; • Asset Replacement Policy; • Statutory Requirements; • Maintenance Plans; • Strategic Objectives; • Future Operational Cost and Revenue of Project; • Municipal tariffs implications; and • Duration of project. 						PA	VA	VA			N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	Indicate on Final Project List: <ul style="list-style-type: none"> • Strategic Objectives; • Duration of project; • Future Operational Cost and Revenue of Project; • Estimate monthly expenditure of project; and • mSCOA Project Number. 					PA	VA	VA				N/A	N/A	Final Project List
17	Prepare the draft Budget, by using all segments of mSCOA. Add the mSCOA Project Number to GUID of Project Segment. Include contributions to/from Reserves in Budget. All budget schedules should be prepared by the financial system.					PA	RA	VA	VA			N/A	N/A	Draft Budget
18	Prepare the draft Service Delivery and Budget Implementation Plan (SDBIP). Add the mSCOA Project Number to each project to ensure a link between the IDP, the Budget and the SDBIP.			PA		PA	RA	VA	VA			N/A	N/A	Draft SDBIP

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Evaluate the draft Budget against approved Benchmarking ratios and norms.			PA		PA	RA	VA	VA					Financial Ratios and Norms
20	Submit the draft IDP, the draft Budget and the draft SDBIP to Council and follow budget procedures as set out in the MFMA, Budget Regulations and Planning and Performance Management Regulations.						PA	VA	VA		MFMA S 21	N/A	N/A	Budget Process Documents
21	Council approve the IDP and the Annual Budget.								PA			N/A	N/A	IDP / Annual Budget
22	Council approve the SDBIP.								PA			N/A	N/A	SDBIP
23	Upload budget on the National Treasury Local Government Database (LG Database) portal by using data extraction from the segments of mSCOA.					PA	RA					N/A	N/A	mSCOA Data String
24	Publish the IDP, the Budget and the SDBIP on municipal website.			PA			RA			MFMA S75		N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Strategic Manager	Heads of Departments	Chief Financial Officer	Municipal Manager	Finance Committee	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
25	Submit the Activity / Business Plans for grants to relevant Organs of State.		PA		PA	VA	RA					N/A	N/A	Activity / Business Plans
26	Register the Municipal Infrastructure Projects with MIG Unit within National Treasury. The MIG implementation plan must at least include the following: <ul style="list-style-type: none"> Required timeline detail for design; EIA; Relevant licenses, if needed; and Procurement initiation. 		VA		PA	VA	RA					N/A	N/A	
27	Implement the SDBIP.						PA	VA	VA			N/A	N/A	
28	Start with the Supply Chain Management procedures as per the monthly Operating and Capital Budget.	VW			PD		VM		VM			N/A	N/A	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing Planning Activities (Revised IDP and Annual Budget) accepted by:

	Employee	Signature	Date
HBTO			
HAE			
SM			
HOD			
CFO			
MM			

Procedures for performing Planning Activities (Revised IDP and Annual Budget) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

10.3 EMPLOYEE BENEFITS

The accounting officer of a municipality must take all reasonable steps, in terms of section 62(1) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The resources of the municipality are used effectively, efficiently and economically;
- b) Full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- c) The municipality has and maintains effective, efficient and transparent systems —
 - (i) Of financial and risk management and internal control; and
 - (ii) Of internal audit operating in accordance with any prescribed norms and standards.

Staff members involved in procedures

DC	Data Capturer
CHR	Clerk: Human Resources
MHR	Manager: Human Resources
AE	Accountant: Expenditure
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
CFO	Chief Financial Officer
MM	Municipal Manager

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.3.1 Procedures for Provision of Non-Current Employee Benefits

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the SCM procedures and appoint a specialist to calculate Non-Current Employee Benefits.					PA	VA	RA			GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
2	As part of the budget process, request the calculations for Non-Current Employee Benefits at the start and end of the budget year.					PA	VA	RA			GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
3	Request the Information Template and Questionnaire from the appointed Actuaries to enable them to perform their calculations.			PA	VA	RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Information Template and Questionnaire
4	Extract information required by the Actuaries from the financial and payroll system.		PA	VA		RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Complete the Template and Questionnaire provided by the Actuaries.		PA	VA		RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
6	Send the completed Template, Questionnaire and supporting documentation to the Manager: Human Resources for review.		PA	VA		RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Information Template and Questionnaire
7	Review the summary, questionnaire and supporting documentation, and revised if needed.		VA	PA		RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
8	Send the completed summary and questionnaire to the Actuaries.		PA	VA		RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Information Template and Questionnaire
9	Obtain the Valuation Report from the Actuaries.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Valuation Report

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	Review the calculations and methodology used to calculate Non-Current Employee Benefits. Sign as proof of the review.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
11	Request the Actuaries if incorrect information was used, to perform calculations.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
12	Calculate the estimate monthly contribution to Non-Current Employee Benefits.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
13	Budget in accordance with the calculations made for Non-Current Employee Benefits, by using all segments of mSCOA.					VA	PA	RA			GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Annual Budget

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
14	During the year: Prepare a journal for the monthly contribution to Non-Current Employee Benefits, by using all segments of mSCOA.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Journal
15	Send journal to the Head: Assets and Expenditure for review.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
16	Review journal and sign as proof of the review.			VM	VM	PM	RM				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
17	Capture the journal, by using all segments of mSCOA.	PM		VM		RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
18	File the journal, with supporting documentation for future reference.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
19	Allocate any payments for Non-Current Employee Benefits, against Non-Current Employee Benefits, by using all segments of mSCOA.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
20	Request the Actuaries to perform a recalculation of estimate Non-Current Employee Benefits at the end of the financial year, during the Revised Budget process, if additional material transactions occurred during the year or are projected for the remainder of the year.			PA	VA	RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Valuation Report
21	Calculate the revised contribution to Non-Current Employee Benefits for the remainder of financial year.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
22	Submit the revised calculations to the Chief Financial Officer for review.			PA		VA	VA	RA			GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
23	Review calculations and revise if needed. Sign as proof of the review.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
24	Calculate the revised estimate monthly contribution to Non-Current Employee Benefits.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
25	Budget in accordance with the calculations made, by using all segments of mSCOA.					VA	PA	RA			GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Revised Budget
26	At the end of the financial year: Obtain reports from the Actuaries, appointed through SCM process, for all Non-Current Employee Benefits at the end of the financial year.			PA	VA	RA					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Valuation Report
27	Review the calculations and methodology used to calculate Non-Current Employee Benefits. Sign as proof of the review.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
28	Request the Actuaries if incorrect information was used, to perform calculations.			PA		RA	VA				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
29	Prepare a journal to record transactions for the year, by using all segments of mSCOA.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Journal
30	Send the journal to the Head: Assets and Expenditure for review.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
31	Review the journal and sign as proof of the review.			VM	VM	PM	RM				GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
32	Capture the journal, by using all segments of mSCOA.	PM		VM		RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Clerk: Human Resources	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
33	File the journal for future reference.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	
34	File the Final Valuation Report obtained from the Actuaries for future reference.			PM	VM	RM					GRAP 25	Non-Current Employee Benefits	Defined Benefit Obligations	Final Valuation Report

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Provision of Non-Current Employee Benefits accepted by:

	Employee	Signature	Date
DC			
CHR			
MHR			
AE			
HAE			
HOD			
CFO			
MM			

Procedures for Provision of Non-Current Employee Benefits approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.3.2 Procedures for Provision of Staff Leave

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	As part of the budget process, calculate the estimate Provision for Staff Leave at the start and end of the budget year, by using all segments of mSCOA.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	Staff Leave Calculations
2	Submit the estimate calculations to the Head: Assets and Expenditure for review.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
3	Review calculations and revise if needed. Sign as proof of the review.		VA		PA	RA				GRAP 25	Staff Leave	Provisions	
4	Calculate the estimate monthly contribution to Staff Leave.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
5	Budget in accordance with the calculations made for Staff Leave, by using all segments of mSCOA.				VA	PA	RA			GRAP 25	Staff Leave	Provisions	Annual Budget
6	<u>During the year:</u> Calculate the Provision for Staff Leave on a monthly basis.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	Journal

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Calculate the monthly contribution to Provision for Staff Leave		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
8	Prepare the journal for monthly contribution to Staff Leave, by using all segment so of mSCOA.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
9	Send journal to the Head: Assets and Expenditure for review.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
10	Review the journal and sign as proof of the review.		VM	VM	PM	RM				GRAP 25	Staff Leave	Provisions	
11	Capture the journal, by using all segments of mSCOA.	PM	VM		RM					GRAP 25	Staff Leave	Provisions	
12	File the journal for future reference.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
13	Allocate any leave payments made during the year against the Provision for Staff Leave, by using all segments of mSCOA.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
14	Recalculate the estimate Provision for Staff Leave at the end of the financial year, during the Revised Budget process.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	Staff Leave Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Submit the revised calculations to the Head: Assets and Expenditure for review.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
16	Review the calculations and revise if needed. Sign as proof of the review.		VA		PA	RA				GRAP 25	Staff Leave	Provisions	
17	Calculate the revised estimate monthly contribution to Provision for Staff Leave.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
18	Budget in accordance with the calculations made, by using all segments of mSCOA.				VA	PA	RA			GRAP 25	Staff Leave	Provisions	Revised Budget
19	<u>At the end of the financial year:</u> Verify that all leave forms are captured on the Leave Register.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
20	Recalculate the Provision for Staff Leave at the end of the financial year.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
21	Calculate the additional contribution / reversal to Provision for Staff Leave.		PA		RA	VA				GRAP 25	Staff Leave	Provisions	
22	Prepare the journal to record additional transactions for the year, by using all segments of mSCOA.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	Journal
23	Send the journal with calculations to the Head: Assets and Expenditure for review.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
24	Review the journal and sign as proof of the review.		VM	VM	PM	RM				GRAP 25	Staff Leave	Provisions	
25	Capture the journal by using all segments of mSCOA.	PM	VM		RM					GRAP 25	Staff Leave	Provisions	
26	File the journal for future reference.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	
27	File the final calculation for Provision for Staff Leave, for future reference.		PM	VM	RM					GRAP 25	Staff Leave	Provisions	Final Staff Leave Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Provision of Staff Leave accepted by:

	Employee	Signature	Date
DC			
MHR			
AE			
HAE			
HOD			
CFO			
MM			

Procedures for Provision of Staff Leave approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.3.3 Procedures for Provision of Staff Bonuses

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	As part of the budget process, calculate the estimate Provision for Staff Bonuses at the start and end of the budget year, by using all segments of mSCOA.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	Staff Bonus Calculations
2	Submit the estimate calculations to the Head: Assets and Expenditure for review.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
3	Review calculations and revise if needed. Sign as proof of the review.		VA		PA	RA				GRAP 25	Staff Bonuses	Provisions	
4	Calculate the estimate monthly contribution to Staff Bonuses.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
5	Budget in accordance with the calculations made for Staff Bonuses, by using all segments of mSCOA.				VA	PA	RA			GRAP 25	Staff Bonuses	Provisions	Annual Budget
6	<u>During the year:</u> Prepare the journal for monthly contribution to Provision for Staff Bonuses, by using all segments of mSCOA.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	Journal
7	Send the journal to the Head: Assets and Expenditure for review.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
8	Review the journal and sign as proof of review.		VM	VM	PM	RM				GRAP 25	Staff Bonuses	Provisions	
9	Capture the journal, by using all segments of mSCOA.	PM	VM		RM					GRAP 25	Staff Bonuses	Provisions	
10	File the journal for future reference.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	
11	Allocate any bonus payments made during the year against the Provision for Staff Bonuses, by using all segments of mSCOA.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	
12	Recalculate the estimate Provision for Staff Bonuses at the end of the financial year, during the Revised Budget process.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	Staff Leave Calculations
13	Submit the revised calculations to the Head: Assets and Expenditure for review.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
14	Review the calculations and revise if needed. Sign as proof of the review.		VA		PA	RA				GRAP 25	Staff Bonuses	Provisions	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Calculate the revised estimate monthly contribution to Provision for Staff Bonuses.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
16	Budget in accordance with the calculations made, by using all segments of mSCOA.				VA	PA	RA			GRAP 25	Staff Bonuses	Provisions	Revised Budget
17	<u>At the end of the financial year:</u> Recalculate the Provision for Staff Bonuses at the end of the financial year.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
18	Calculate the additional contribution / reversal to the Provision for Staff Bonuses.		PA		RA	VA				GRAP 25	Staff Bonuses	Provisions	
19	Prepare the journal to record additional transactions for the year, by using all segments of mSCOA.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	Journal
20	Send the journal with calculations to the Head: Assets and Expenditure for review.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	
21	Review the journal and sign as proof of the review.		VM	VM	PM	RM				GRAP 25	Staff Bonuses	Provisions	
22	Capture the journal, by using all segments of mSCOA.	PM	VM		RM					GRAP 25	Staff Bonuses	Provisions	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Manager: Human Resources	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
23	File the journal for future reference.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	
24	File the final calculation for Provision for Staff Bonuses, for future reference.		PM	VM	RM					GRAP 25	Staff Bonuses	Provisions	Final Staff Leave Calculations

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Provision of Staff Bonuses accepted by:

	Employee	Signature	Date
DC			
MHR			
AE			
HAE			
HOD			
CFO			
MM			

Procedures for Provision of Staff Bonuses approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.3.4 Procedures for Monthly Meetings (Employee Benefits)

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Head: Income	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Head: Assets and Expenditure and the Head: Budget and Treasury to discuss exceptions identified during the month.	PM	PM	PM	PM	RM			Employee Benefits	Employee Benefits	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	PM	RM			Employee Benefits	Employee Benefits	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.	PM	PM	PM	RM				Employee Benefits	Employee Benefits	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Employee Benefits) accepted by:

	Employee	Signature	Date
HAE			
HBTO			
CFO			
MM			

Procedures for Monthly Meetings (Employee Benefits) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

10.4 GRANT MANAGEMENT

The accounting officer of a municipality must take all reasonable steps, in terms of section 62(1) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The resources of the municipality are used effectively, efficiently and economically;
- b) Full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- c) The municipality has and maintains effective, efficient and transparent systems —
 - (i) Of financial and risk management and internal control; and
 - (ii) Of internal audit operating in accordance with any prescribed norms and standards.

Staff members involved in procedures

DC	Data Capturer
HC	Head Cashier
AE	Accountant: Expenditure
ABTO	Accountant: Budget and Treasury
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HI	Head: Income
HOD	Heads of Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.4.1 Procedures for Grant Management

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Identify all grant funding during the budget process.				PA	VA	PA	RA			GRAP 1 GRAP 23	Unspent Grants	Transfers and Subsidies	
2	Verify all grant funding, to be included in the Budget, with Dora and written confirmation from the other Organs of State / Grant Providers.				PA	VA	PA	RA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Dora & Letter of Confirmation
3	Obtain the payment schedule from all Grant Providers.				PA	VA	PA	RA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Payment Schedule
4	Calculate the estimate monthly grant expenditure.				PA	VA	PA	RA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
5	Budget in accordance with the payment schedule and the estimate monthly grant expenditure, by using all segments of mSCOA. (Align with Procurement Plan)				VA	PA	VA	RA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Annual Budget

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
6	Update the Grant register to ensure that all grants as included in the Budget are included in the Grant Register.				PA	RA		VA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Grant Register
7	Recognise all Conditional Grants for which the municipality has an enforceable right, on the first day of financial year, by raising a Debtor for the Conditional Grant. Use all segments of mSCOA to recognise the Conditional Grants.				PA	VA		RA			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
8	Issue a receipt for all grants received and allocate receipt for Conditional Grants against Debtor raised. Use all segments of mSCOA when receipts is issued.		PD		VD	RD					GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
9	Follow the normal SCM procedures for all grant expenditure.			PD	VD	VD	PD	RD			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	Allocate the operating grant expenditure against all segments of mSCOA, by nature of the expenditure.			PD	VD	VD	PD	RD			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
11	Allocate the capital grant expenditure against all segments of mSCOA, as per approved priorities project list.			PD	VD	VD	PD	RD			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
12	Prepare a summary of grant expenditure for the month. Expenditure must include VAT.				PM	VM					GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Monthly Grant Expenditure Report
13	Send summary of grant expenditure to the Heads of Departments to verify the expenditure for the month.				PM	RM	VM				GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
14	Confirm the monthly grant expenditure by signing the summary of grant expenditure.				VM	RM	PM				GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
15	Send the signed summary of monthly grant expenditure to the Accountant: Budget and Treasury.				VM	RM	PM				GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	Prepare a monthly journal for Grant Expenditure to recognised the Grant Income (Transfer to Revenue), by using all segments of mSCOA.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Journal
17	Send the journal with supporting documentation to the Head: Budget and Treasury for review.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
18	Review the journal and sign as proof of the review.				VM	PM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
19	Capture the journal, by using all segments of mSCOA.	PM			VM	RM					GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
20	Update the Grant Register with monthly receipts and expenditure, by using all segments of mSCOA.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Grant Register
21	Reconcile the Grant Register with the General Ledger.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Grant Register Reconciliation

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	Investigate and correct any differences.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
23	Send the monthly Grant Reconciliation, with supporting documentation, to the Head: Budget and Treasury for review.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
24	Review the monthly Grant Register Reconciliation and sign as proof of the review.				VM	PM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
25	File the Grant Register Reconciliation for future reference.				PM	RM		VM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Grant Register Reconciliation
26	Prepare the monthly grant reports.				PM	VM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
27	Send monthly grant reports to the CFO for review.				PM	VM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
28	Review the monthly grant reports and sign as proof of review.				VM	VM		PM	RM		GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
29	Submit the monthly grant reports to the relevant Grant Providers.				PM	VM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Monthly Grant Reports
30	Submit the monthly section 71 reports to the Mayor indicating amounts of allocations received and actual expenditure on those allocations (except on equitable share).					VM		VM	PM	MFMA S 71	GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Section 71 Reports
31	Develop remedial action plans if spending &/or performance is not in line with business, support or implementation plans.					PM	PM	PM	RM		GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Remedial Action Plans
32	Implement remedial action plans if spending &/or performance is not in line with business, support or implementation plans.					PM	PM	PM	RM		GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Remedial Action Plans



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
33	Follow-up all outstanding grant funding on a monthly basis, to ensure that all grant funding is received.				PM	VM		RM			GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	
34	Submit requests for any roll-over of grant funding to the National Treasury, before 31 August.					VA		PA	RA	MFMA Budget Circ.	GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Request for roll-over
35	Obtain written approval from the National Treasury for any roll-over of grant funding.					VA		PA	RA		GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Approval for roll-over
36	Table quarterly reports to the Council, in an agreed format, on whether or not the municipality is complying with the Division of Revenue Act and also report on any delays in the transfer or the withholding of funds.					VM		VM	PM	MFMA S 71	GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	Quarterly Reports

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Head Cashier	Accountant: Expenditure	Accountant: Budget and Treasury	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
37	Submit financial and non-financial performance evaluations of programmes to the Transferring National Officer and the Provincial Treasury within two months of the financial year end.					PA		VA	RA	MFMA S 74	GRAP 1 GRAP23	Unspent Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing Grant Management accepted by:

	Employee	Signature	Date
HC			
CE			
ABTO			
HOD			
CFO			
MM			

Procedures for performing Grant Funding Management approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.4.2 Procedures for transfer of funds to Organisations

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Prepare a policy for the transfer of funds to organisations and bodies outside sphere of government.			VA	PA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
2	Submit the policy to Council for approval.			VA	PA		GRAP 1	Transfers and Grants	Transfers and Subsidies	Council Resolution
3	Implement the Transfer of Funds Policy.			VA	PA		GRAP 1	Transfers and Grants	Transfers and Subsidies	Transfer of Funds Policy
4	Receive the request for transfer of funds from organisations.			VA	PA		GRAP 1	Transfers and Grants	Transfers and Subsidies	
5	Evaluate the request for funds from the organisation and verify the following with supporting documentation: <ul style="list-style-type: none"> The organisation has the capacity to comply with the proposed agreement; 									

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> The organisation has the capacity to provided audited financial statements and any other reporting information as set out in proposed agreement; The organisation has the capacity to report on a monthly basis on actual expenditure; The organisation implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and The organisation has a history of compliance with contracts with the municipality. 	PA		VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
6	Budget for transfer of funds to organisations, during the Annual Budget process, by using all segments of mSCOA.	PA		VA	RA		GRAP 1	Transfers and Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
7	Prepare a draft contract with the organisation requesting the funding. The agreement must contain at least the following: <ul style="list-style-type: none"> The period of the agreement; Agreement by organisation to comply with all reporting, financial management and auditing requirements as may be stipulated in the contract; Agreement by organisation to report monthly on actual expenditure; The organisation implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and Actions to be taken if contract is not complied with by organisation. 		PA	VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	Draft Agreement
8	Submit the draft agreement to the Municipal Manager for review.		PA	VA	RA		GRAP 1	Transfers and Grants	Transfers and Subsidies	
9	Send the agreement to the organisation for signing.		PA	VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	Received the signed agreement from the organisation.		PA	VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
11	Sign the agreement after representative of the organisation has signed.		VA	VA	PA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	Signed Agreement
12	File the signed agreement for future reference.		PA	VA	RA		GRAP 1	Transfers and Grants	Transfers and Subsidies	
13	Follow the normal payment procedures and transfer funds to the organisation via EFT.	PA		VA	RA		GRAP 1	Transfers and Grants	Transfers and Subsidies	
14	Subsequent funds may only be transferred to an organisation if: <ul style="list-style-type: none"> The organisation has comply with all the requirements in procedure 7; and Provincial Treasury has approved the transfer. 	PA		VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
15	Receive the monthly reporting on expenditure from the organisation.	PM		VM	RM	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	Monthly Expenditure Report

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
16	Verify that the expenditure is in accordance with the agreement and the project plan.	PM		VM	RM	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
17	Report any deviations from contract immediately to the Municipal Manager.	PM		VM	RM	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
18	Address any deviations, from the contract with organisation, immediately by using contractual mechanisms and any other appropriate mechanisms.	VM	VM	VM	PM	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
19	Visit the organisations and verify that the funds are spent as per contract and project plan.	PQ		VQ	RQ	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	
20	Receive the Annual Audited Financial Statements from the organisation.	PA		VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	Audited Financial Statements
21	Review the Financial Statements and address any deviations.	VA		VA	PA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
22	Follow the normal cash receipting process for all funds transferred back to the municipality.	PA	VA	RA			GRAP 1			
23	Prepare the Annual Report to Council on transfer of funds to organisations.	PA		VA	RA	MFMA S 67	GRAP 1	Transfers and Grants	Transfers and Subsidies	Annual Report

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for performing transfer of funds to Organisations accepted by:

	Employee	Signature	Date
HC			
CE			
ABTO			
HOD			
CFO			
MM			

Procedures for performing transfer of funds to Organisations approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.4.3 Procedures for Monthly Meetings (Grant Management)

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Head: Income	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Head: Budget and Treasury to discuss exceptions identified during the month.	PM	PM	PM	PM	RM			Unspent Grants	Transfers and Subsidies	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	PM	RM			Unspent Grants	Transfers and Subsidies	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.	PM	PM	PM	RM				Unspent Grants	Transfers and Subsidies	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Grant Management) accepted by:

	Employee	Signature	Date
HBTO			
CFO			
MM			

Procedures for Monthly Meetings (Grant Management) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

10.5 OTHER PROVISIONS

The accounting officer of a municipality must take all reasonable steps, in terms of section 62(1) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

- a) The resources of the municipality are used effectively, efficiently and economically;
- b) Full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- c) The municipality has and maintains effective, efficient and transparent systems —
 - (i) Of financial and risk management and internal control; and
 - (ii) Of internal audit operating in accordance with any prescribed norms and standards.

Staff members involved in procedures

DC	Data Capturer
CCD	Chief Clerk: Debtors
AE	Accountant: Expenditure
AI	Accountant: Income
HAE	Head: Assets and Expenditure
HBTO	Head: Budget and Treasury
HI	Head: Income
HOD	Heads of Departments within Municipality
CFO	Chief Financial Officer
MM	Municipal Manager
C	Council

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.5.1 Procedures for Provision of Debt Impairment

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	<p>As part of planning, during the budget process, calculate the estimate Provision for Debt Impairment at the start and end of the budget year by using the following method:</p> <ul style="list-style-type: none"> Assesses whether objective evidence of impairment exists individually for financial assets that are individually significant; Assesses whether objective evidence of impairment exists individually for financial assets that are not individually significant; and 													



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
	<ul style="list-style-type: none"> If no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses the assets for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. 		PA	PA	RA		VA				GRAP 104	Provision for Debt Impairment	Impairment	Debt Impairment Calculation
2	Determine the estimate write-offs for the budget year, based on Councils objectives and historic trends.		PA	PA	RA		VA			Credit Control and Debt Collection Policy	GRAP 104	Bad Debts Written Off	Bad Debts Written Off	Estimate Write-offs

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
3	Calculate the contribution to Debt Impairment for the budget year.		PA	PA	RA		VA				GRAP 104	Provision for Debt Impairment	Impairment	Contribution to Debt Impairment
4	Submit the estimate calculations to the Chief Financial Officer for review.		VA	VA	PA		RA				GRAP 104	Provision for Debt Impairment	Impairment	
5	Review the calculations and revise if needed. Sign as proof of the review.				VA		PA	RA			GRAP 104	Provision for Debt Impairment	Impairment	
6	Calculate the estimate monthly contribution to the Provision for Debt Impairment.				PA	VA	RA				GRAP 104	Provision for Debt Impairment	Impairment	
7	Budget in accordance with the calculations made, by using segments of mSCOA.				VA	PA	RA	RA			GRAP 104	Bad Debts Written Off / Provision for Debt Impairment	Bad Debts Written Off / Impairment	Annual Budget
8	<u>During the year:</u> Prepare the journal for monthly contribution to the Provision for Debt Impairment, by using all segments of mSCOA.			PM	RM	VM					GRAP 104	Provision for Debt Impairment	Impairment	Monthly Journal

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
9	Send the journal to the Head: Income for review.			PM	RM	VM					GRAP 104	Provision for Debt Impairment	Impairment	
10	Review the journal and sign as proof of the review.			VM	PM	RM					GRAP 104	Provision for Debt Impairment	Impairment	
11	Capture the journal, by using all segments of mSCOA.	PM		VM	RM						GRAP 104	Provision for Debt Impairment	Impairment	
12	File the journal for future reference.	PM		VM	RM						GRAP 104	Provision for Debt Impairment	Impairment	
13	Prepare a list for write-off of Consumer Accounts, based on Councils' Credit Control and Debt Collection Policy.		PM	VM	RM					Credit Control and Debt Collection Policy	GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
14	Submit the list of write-offs to the Head: Income for review.		VM	PM	RM						GRAP 104	Bad Debts Written Off	Bad Debts Written Off	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
15	Review the list of write-offs and revise if needed. Sign as proof of review.			VM	PM		RM				GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
16	Submit the list of write-offs to the Council for approval.			VM	PM		RM				GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
17	Obtain approval from the Council for write-offs.				VM		VM	VM	PM	Credit Control and Debt Collection Policy	GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
18	Prepare a journal for monthly write-offs, by using all segments of mSCOA.			PM	RM	VM					GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
19	Send the journal to the Head: Income for review.			PM	RM	VM					GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
20	Review journal and sign as proof of the review.			VM	PM	RM					GRAP 104	Bad Debts Written Off	Bad Debts Written Off	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
21	Capture the journal by using all segments of mSCOA. Bad Debts Written Off is an Item: Expenditure.	PM		VM	RM						GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
22	File the journal for future reference.	PM		VM	RM						GRAP 104	Bad Debts Written Off	Bad Debts Written Off	
23	Recalculate the estimate Provision for Debt Impairment at the end of the financial year, during the Revised Budget process.		PA	PA	RA		VA				GRAP 104	Provision for Debt Impairment	Impairment	
24	Calculate the revised contribution to Debt Impairment for remainder of financial year.		PA	PA	RA		VA				GRAP 104	Provision for Debt Impairment	Impairment	Contribution to Debt Impairment
25	Submit the revised calculations to the Chief Financial Officer for review.		VA	VA	PA		RA				GRAP 104	Provision for Debt Impairment	Impairment	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
26	Review the calculations and revise if needed. Sign as proof of the review.				VA		PA	RA				Provision for Debt Impairment	Impairment	
27	Calculate the revised estimate monthly contribution to Provision for Debt Impairment.				PA	VA	RA					Provision for Debt Impairment	Impairment	
28	Budget in accordance with the calculations made, by using all segments of mSCOA.				VA	PA	RA	RA				Provision for Debt Impairment	Impairment	Revised Budget
29	<u>At the end of the financial year:</u> Recalculate the Provision for Debt Impairment at the end of the financial year.		PA	PA	RA		VA					Provision for Debt Impairment	Impairment	Provision for Debt Impairment
30	Calculate the contribution to Debt Impairment / Reversal of Debt Impairment.		PA	PA	RA		VA					Provision for Debt Impairment	Impairment	Contribution to Debt Impairment
31	Submit the calculations to the Chief Financial Officer for review.		VA	VA	PA		RA					Provision for Debt Impairment	Impairment	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Chief Clerk: Debtors	Accountant: Income	Head: Income	Head: Budget and Treasury	Chief Financial Officer	Municipal Manager	Council	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
32	Review the calculations and revise if needed. Sign as proof of the review.				VA		PA	RA				Provision for Debt Impairment	Impairment	
33	Prepare the journal for additional contribution to / reversal of Debt Impairment, by using all segments of mSCOA.			PM	RM	VM						Provision for Debt Impairment	Impairment	Journal
34	Send the journal to the Head: Income for review.			PM	RM	VM						Provision for Debt Impairment	Impairment	
35	Review journal and sign as proof of the review.			VM	PM	RM						Provision for Debt Impairment	Impairment	
36	Capture the journal, by using all segments of mSCOA.	PM		VM	RM							Provision for Debt Impairment	Impairment	
37	File the journal for future reference.	PM		VM	RM							Provision for Debt Impairment	Impairment	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Provision of Debt Impairment accepted by:

	Employee	Signature	Date
DC			
CCD			
AI			
HI			
HBTO			
CFO			
MM			

Procedures for Provision of Debt Impairment approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.5.2 Procedures for Non-Current Provisions

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	Follow the SCM procedures and appoint a specialist/s to calculate the Non-Current Provisions, if municipality has not suitable, qualified employees to perform calculations.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
2	As part of the budget process, calculate / obtain calculations for the Non-Current Provisions at the start and end of the budget year, by using all segments of mSCOA.			PA	VA	PA	RA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision
3	Review the calculations and methodology used to calculate the Non-Current Provisions. Sign as proof of the review.			PA	VA	PA	RA			GRAP 19	Non-Current Provision	Non-Current Provision	
4	Request the specialist / employees performing calculations to revise calculations if incorrect information was used to perform calculations.			PA	VA	PA	RA			GRAP 19	Non-Current Provision	Non-Current Provision	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
5	Where the effect of the time value of money is material, calculate the present value of the expenditures expected to be required to settle the present obligation. Use a discount rate that reflects current market assessments of the time value of money and risks specific to the liability.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision
6	Submit the estimate calculations to the Chief Financial Officer for review.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
7	Review the calculations and revise if needed. Sign as proof of the review.			VA	VA		PA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision
8	Calculate the estimate monthly contribution to the Non-Current Provision.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
9	Budget in accordance with the calculations made for Non-Current Provisions, by using all segments of mSCOA.			VA	PA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	Annual Budget

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
10	During the year: Prepare a journal for the monthly contribution to Non-Current Provision, by using all segments of mSCOA.		PM	RM	VM					GRAP 19	Non-Current Provision	Non-Current Provision	Journal
11	Send the journal to the Head: Assets and Expenditure for review.		PM	RM	VM					GRAP 19	Non-Current Provision	Non-Current Provision	
12	Review the journal and sign as proof of review.		VM	PM	RM					GRAP 19	Non-Current Provision	Non-Current Provision	
13	Capture the journal, by using all segments of mSCOA.	PM	VM	RM						GRAP 19	Non-Current Provision	Non-Current Provision	
14	File the journal for future reference.	PM	VM	RM						GRAP 19	Non-Current Provision	Non-Current Provision	
15	Allocate any payments for Non-Current Provisions, against the Non-Current Provision, by using all segments of mSCOA.		PM	RM	VM	VM				GRAP 19	Non-Current Provision	Non-Current Provision	
16	Recalculate the estimate Non-Current Provisions at the end of the financial year, during the Revised Budget process.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	



STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
17	Calculate the revised contribution to Non-Current Provision for remainder of the financial year.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision
18	Submit the revised calculations to the Chief Financial Officer for review.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
19	Review the calculations and revise if needed. Sign as proof of the review.			VA	VA		PA			GRAP 19	Non-Current Provision	Non-Current Provision	
20	Calculate the revised estimate monthly contribution to Non-Current Provision.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
21	Budget in accordance with the calculations made, by using all segments of mSCOA.			VA	PA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	Revised Budget
22	<u>At the end of the financial year:</u> Recalculate or obtain the reports from specialists, appointed through the SCM process, for all Non-Current Provisions at the end of the financial year.			PA	VA	PA	RA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
23	Where the effect of the time value of money is material, calculate the present value of the expenditures expected to be required to settle the present obligation. Use a discount rate that reflects current market assessments of the time value of money and risks specific to the liability.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
24	Submit the calculations to the Chief Financial Officer for review.			PA	VA		RA			GRAP 19	Non-Current Provision	Non-Current Provision	
25	Review calculations and revise if needed. Sign as proof of the review.			VA	VA		PA			GRAP 19	Non-Current Provision	Non-Current Provision	Calculation for Non-Current Provision
26	Prepare the journal to record transactions for the year, by using all segments of mSCOA.		PA	RA	VA					GRAP 19	Non-Current Provision	Non-Current Provision	Journal
27	Send the journal to the Head: Assets and Expenditure for review.		PA	RA	VA					GRAP 19	Non-Current Provision	Non-Current Provision	
28	Review the journal and sign as proof of the review.		VA	PA	RA					GRAP 19	Non-Current Provision	Non-Current Provision	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

No.	Procedure	Data Capturer	Accountant: Expenditure	Head: Assets and Expenditure	Head: Budget and Treasury	Heads of Departments	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
29	Capture the journal, by using all segments of mSCOA.	PA	VA	RA						GRAP 19	Non-Current Provision	Non-Current Provision	
30	File the journal for future reference.	PA	VA	RA						GRAP 19	Non-Current Provision	Non-Current Provision	
31	File the final report and calculations for future reference.	PA	VA	RA						GRAP 19	Non-Current Provision	Non-Current Provision	
32	Identify any Contingent Liabilities for disclosure in the Financial Statements. (e.g. non-compliance with legislation of landfill-site permit)			PA	VA	PA	RA			GRAP 19	Non-Current Provision	Non-Current Provision	

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Non-Current Provisions accepted by:

	Employee	Signature	Date
DC			
CCD			
AE			
HAE			
HBTO			
CFO			
MM			

Procedures for Non-Current Provisions approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

10.5.3 Procedures for Monthly Meetings (Other Provisions)

No.	Procedure	Head: Assets and Expenditure	Head: Budget and Treasury	Head: Income	Chief Financial Officer	Municipal Manager	Legislation	GRAP Standard	GRAP Line-Item	Proposed mSCOA Item	KPI
1	CFO holds monthly meeting with the Head: Assets and Expenditure, the Head: Budget and the Treasury and Head: Income to discuss exceptions identified during the month.	PM	PM	PM	PM	RM			Provisions	Provisions	Number of meetings per year
2	Determine corrective action to be taken to prevent or reduce similar exceptions.	PM	PM	PM	PM	RM			Provisions	Provisions	Number of outstanding findings and findings solved during year.
3	Submit pre-audit checklist to the CFO as proof that tasks have been performed and work performed was verified as correct by relevant officials.	PM	PM	PM	RM				Provisions	Provisions	Number of pre-audit checklists per year.

STANDARD OPERATING PROCEDURES FOR MUNICIPALITIES

Procedures for Monthly Meetings (Other Provisions) accepted by:

	Employee	Signature	Date
HAE			
HBTO			
HI			
CFO			
MM			

Procedures for Monthly Meetings (Other Provisions) approved by:

	Signature	Date
Chief Financial Officer		
Municipal Manager		

11. MEASUREABLE KEY PERFORMANCE INDICATORS

Measurable Key Performance Indicators of a qualitative and quantitative nature are included in a separate column at each Standard Operating Procedures Section, in sections 6 to 10.

These Key Performance Indicators serve only as a guideline and the municipality must include their own approved Key Performance Indicators.

12. NON-COMPLIANCE

Departure from the provisions of this Standard Operating Procedures without prior written authorisation by the CFO will be treated as non-compliance with internal controls of the municipality and may result in appropriate disciplinary being considered and instituted against the relevant person, where deemed necessary.

13. CONCLUSION

The content of the Standard Operating Procedures must be brought to the attention of all officials within the Municipality.

The Standard Operating Procedures are effective from [insert date].

14. CONTACT PERSONS

For any enquiries related to the implementation of the Standard Operating Procedures contact the following officials:

SECTION	NAME	CONTACT NUMBER
Revenue Management		
Expenditure Management		
Asset Management		
Liability Management		
Funding Management		

For any other enquiries related to the Standard Operating Procedures contact MFMAhelpdesk@treasury.gov.za with Municipal SOP's as a subject of the email.

15. GENERAL APPROVAL

SIGNATURE

DATE

Chief Financial Officer

Municipal Manager
