

## Key changes to Budget Policies

| <b>Supply Chain Management Policy</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| Section 13 (3)                                   | <p>This section has been deleted.</p> <p>The sub-section previously read as follows:</p> <p>The following line items are not required to be procured in terms of the supply chain management process:-</p> <ul style="list-style-type: none"> <li>- Library books;</li> <li>- Telecommunication costs;</li> <li>- Reference books, newspapers and magazines;</li> <li>- Legal expenses;</li> <li>- Advertising costs;</li> <li>- Accommodation expenses and car rental for staff and councillors within the range approved by the Municipality's policy;</li> <li>- Occupational health expenses.</li> </ul> |
| Section 21 (10)                                  | There is an inclusion of <b>Section 62</b> in the second paragraph to clarify the section referred to in the Systems Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Section 37 (6)                                   | <p>This sub-section has been deleted.</p> <p>The sub-section previously read as follows:</p> <p>If possible (if not, clear reasons have to be documented as evidence and approved by the MM) the Municipality must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to local SMME's (situated in the Langeberg area).</p>                                                                                                                                                                                |
| <b>Credit Control and Debt Collection Policy</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Section 7 (13) (iii) & (iv)                      | <p>These sections have been deleted.</p> <p>These sub-sections previously read as follows:</p> <p>(iii) Banks: a short term rating of F1 (Fitch ratings), A1 (Global Credit rating Co.) or Prime-1 (Moody's).</p>                                                                                                                                                                                                                                                                                                                                                                                            |

|                                              | (iv) Insurers: a claim paying ability rating of A- or above from Global Credit Rating, or A3 or above from Moody's.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |       |                          |           |                             |           |                     |           |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------|--------------------------|-----------|-----------------------------|-----------|---------------------|-----------|
| Section 9 (4)                                | There is an inclusion of EFT and Easypay outlets as methods of payment of accounts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |       |                          |           |                             |           |                     |           |
| Section 17 (3)                               | <p>The following payment arrangements have been clearly specified:</p> <table border="1"> <thead> <tr> <th>Income</th><th>Terms</th></tr> </thead> <tbody> <tr> <td>R0 – R4 020.00 per month</td><td>36 months</td></tr> <tr> <td>R4 021 – R6000.00 per month</td><td>24 months</td></tr> <tr> <td>&gt;R6000.00 per month</td><td>36 months</td></tr> </tbody> </table>                                                                                                                                                                                                                      | Income | Terms | R0 – R4 020.00 per month | 36 months | R4 021 – R6000.00 per month | 24 months | >R6000.00 per month | 36 months |
| Income                                       | Terms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |        |       |                          |           |                             |           |                     |           |
| R0 – R4 020.00 per month                     | 36 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |       |                          |           |                             |           |                     |           |
| R4 021 – R6000.00 per month                  | 24 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |       |                          |           |                             |           |                     |           |
| >R6000.00 per month                          | 36 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |       |                          |           |                             |           |                     |           |
| Arrangement Criteria for residential debtors | The provision that stated that the Municipal Manager has the sole discretion to determine the amount to be paid in terms of sub-items (9) (c) has been deleted.                                                                                                                                                                                                                                                                                                                                                                                                                              |        |       |                          |           |                             |           |                     |           |
| Principles for non-residential debtors       | <p>The provisions below have been included:</p> <p>The non-residential debtors are also subjected to item 17(8 – 10)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        |       |                          |           |                             |           |                     |           |
| Customer assistance programme                | Repairing of water leakages at cost for non-indigent households has been deleted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |        |       |                          |           |                             |           |                     |           |
| <b>Cash Management and Investment Policy</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |       |                          |           |                             |           |                     |           |
| Investment Principles – Limiting exposure    | <p>There is an insertion of a sentence that provides clarity on the limitation of exposure.</p> <p>The sentence reads as follows:</p> <ul style="list-style-type: none"> <li>Municipality may not make an investment with an institution where it holds more than two investments, provided that one of the two investments, or both investments is/are maturing within thirty days from the date of the proposed investment.</li> </ul>                                                                                                                                                     |        |       |                          |           |                             |           |                     |           |
| <b>Asset Management Policy</b>               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |       |                          |           |                             |           |                     |           |
| Donated Assets                               | <p>Documentation on the initial recognition and subsequent measurement of donated assets was improved to state that donated assets should be measured at fair value, reflected in the asset register, and depreciated in accordance with the principles of the relevant standard of GRAP.</p> <p>There is an inclusion of the following sentence:</p> <ul style="list-style-type: none"> <li>The Chief Financial Officer must be notified of the approved donated assets to ensure that these assets are recorded in the asset register and are recorded in the reporting period.</li> </ul> |        |       |                          |           |                             |           |                     |           |

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| Classification of Capital Assets | Heritage assets were included under the classes of capital assets.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Spare parts                      | One year period was changed to more than twelve months.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Land and Buildings               | Treatment of land and buildings changed from revaluation to cost.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| General Procedures               | <p>A paragraph explaining the term asset champion and its appointment was included.</p> <ul style="list-style-type: none"> <li>• Directors must appoint an asset champion for each department in their respective directorates. An asset champion is an official that will be contacted by the Asset Control Section for asset related queries in a user department (e.g notified of the planned dates of asset verification; respond to follow up questions from physical verification; etc.)</li> </ul> |