



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Limpopo Provincial Departments

Transversal Financial Policies

4/9/2008

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SECTION A: INTRODUCTION

1. INTRODUCTION

Due to lack of consistency in treating similar items within the Province, a decision was taken to develop transversal financial policies that could be applied by all provincial departments.

2. SCOPE OF APPLICATION

These policies are applicable to all departments within Limpopo Province.

3. LEGISLATIVE FRAMEWORK

This policy is established in terms of the following Statutes and Policies

- 3.1 The Constitution of the Republic of South Africa
- 3.2 Public Finance Management Act, 1999 (Act No. 1 of 1999)
- 3.3 Treasury Regulations, 2005;
- 3.4 The Division of Revenue Act
- 3.5 PSCB Resolution Number 3 of 1999, as amended;
- 3.6 Public Service Act, 1994 (Proclamation R103 of 1994);
- 3.7 Public Service Regulations;
- 3.8 Public Service Circulars; and
- 3.9 Tariffs guidelines: Department of Transport;
- 3.10 Information and Communication Technology Act.

- 4. All policies outlined in the policy document will be read in conjunction with the introduction section as outlined in pages A4 – A9.
- 5. Departments may customize these transversal policies to accommodate departmental specific needs, subject to prior approval of such customization by Provincial Treasury.
- 6. Any function allocated in these policies may be delegated in terms of S44 of the PFMA.

7. DEFINITIONS

Terminology	Description
Accounting Officer	Head of department.
Act	Public Finance Management Act as amended.
Advance	Money paid to an official prior to undertaking the trip to cover expenses that may be incurred
Asset	Non-current asset acquired and controlled by Limpopo Provincial Government.
Asset Register	The asset database that contains all information contained in individual asset files.
Biannually	Twice a year.
Biennially	Every second year
Budget	A budget is a financial plan that provides guidance regarding the appropriation.
Budget Office	An office within the Department responsible for the consolidation, capturing, monitoring and controlling of the budget.
Budget Committee	A Committee responsible for reviewing the budget and recommending the allocation of the funds received from Provincial Treasury within the Department.
Capitalization	A process whereby expenditure is charged to an asset account rather than to an expense account.
Cash Shortage	Where the actual cash on hand is less than cash recorded per receipts
Cash Surplus	Where the actual cash on hand is more than cash recorded per receipts
Chief Financial Officer	A Chief Financial Officer is an Officer who is responsible to assist the Accounting Officer in discharging his/her financial

	management duties.
Cashier	A person who has been appointed by the Department to receive revenue on behalf of the department.
Checking Officer	A person who has been appointed by the department to reconcile the total cash on hand with what has been recorded and banked.
Capturer	A person appointed by the department to capture all returns into the financial system.
Claim	A lawsuit, action, interdict, arbitration, inquest, or dispute and also includes an intended lawsuit, action, interdict, arbitration, inquest or dispute
Department	A vote within the provincial government.
Depreciation	A systematic allocation of an asset over its estimated useful life.
Early payment	When an invoice/claim is paid any time before the prescribed payment period lapses (which is 30 days after receipt in the case of an invoice).
Effectiveness	Doing the right things.
Efficiency	Doing things right-maximization of outputs for any given set of inputs.
Entity	An element of Government, which is funded wholly or partly through the Revenue Fund.
Executive Manager	Member of the executive management of the department or as defined by the departmental policy.
Finance Lease	A lease that transfers risks and rewards incidental to ownership to the lessee without transferring the legal ownership until expiry of the lease term.
Gift, Donations and Sponsorship	An item or service given by or received by the department as a token of appreciation or for assistance in the delivery of the department's mandate.

Grant-in-aid	Funds paid to organisations/institutions for specific purpose.
Head Quarters	Primary place of work
Implementing Agent	Any competent institution or private company which performs certain departmental duties/functions on its behalf.
Inventory List	A list of assets drawn from the Asset Register used to assign responsibility and location.
Losses	Any loss or damages or prejudice to the State or a said person, and without derogating from or limiting the concept, also shortages, damages, fruitless or wasteful expenditure and compensations.
Movement of funds	The transfer of funds from one line item to another line item within the same Programme subject to the provisions of Treasury Regulations 6.3.
Obsolete/redundant Asset	Asset which is not useable anymore or has expired in terms of the batch number.
Official Traveler	Any officer employed by Government or any interviewee who travels on invitation of the department.
Operating Lease	An agreement that conveys the right to use an asset for an agreed payment or series of payments- i.e. a lease other than a finance lease.
Over Collection	Revenue collected over and above the targeted revenue.
Payroll	The listing of all salary payments to departmental officials that includes a certificate of authenticity and entitlement of such remuneration by the paymaster.
Persal	The integrated personnel and salary system currently utilised by Government for the payment of salaries.
Primary Residence	Place where official resides when executing his/her duties at head quarters.
Provincial Revenue Fund	The main account of the province which consists of all cash

	balances derived from Provincial Treasury's operating, investing and financing activities
Receivables	Money that is due to the department is still due to collect.
Triennially	Every third year.
Useful life	The time period over which it is expected that an asset will be used by the entity before it becomes uneconomical to do so.
Paymaster General Account	An account into which all revenues received/collected by the Department are deposited.
Pre-payment	When payment is made before receiving the goods or services.
Programme/Branch	A main division within the vote which is separately identified in the appropriation statement.
Programme Manager	An Official who is responsible for the overall activities of the Programme/Branch.
Responsibility Manager	An Official who is responsible for the overall activities of a cost centre.
Revenue	All moneys collected and received by the department which includes taxes and transfers, non tax revenue, revenue from investments and revenue from exchange transactions which include rentals, sales of goods and services, donations, gifts and sponsorship and any other revenue sources.
Revenue office	An established office that manages revenue within the office of the Chief Financial Officer of a department.
Sources of Revenue	Items through which revenue is to be generated.
Sub-Programme Manager	An Official who is responsible for a group of cost centres.
Subsidy payments	Funds paid to organisations/institutions to subsidise their expenditure in pursuance of meeting departmentally approved objectives

Under Collection	Amount collected below the budget or target.
Unserviceable	Damaged asset or an asset which is uneconomical to repair
Virement of funds	Is the transfer of funds from one Programme to another Programme within the same vote.
Vote	One of the main sections into which an Appropriation Act is divided.

8. ACRONYMS

Abbreviation	Description
AO	Accounting Officer
CFO	Chief Financial Officer
Dect	Digital Enhanced cordless Telephone
DoRA	Division of Revenue Act
DPSA	Department of Public Service Administration
GG	Government Garage
EFT	Electronic Fund Transfer
MTEF	Medium Term Expenditure Framework
PMG	Paymaster General
SLA	Service level agreement

SECTION B: BUDGET POLICY

PROVINCIAL BUDGET MANAGEMENT POLICY

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1. PREAMBLE

The objective of this document is to provide a policy framework to ensure that the regulations of the Public Finance Management Act of 1999 (hereinafter referred to as "PFMA") are adhered to.

2. PURPOSE

To regulate the management, administration and control of the departmental budget to ensure effective, economic and efficient management thereof, in the Province.

3. POLICY PRONOUNCEMENTS

3.1. Roles and responsibilities

- a) The department must constitute a Budget Committee
- b) The Budget Committee should consist of at least Programme Managers / Head of Branches, CFO and Head of Budget Office.
- c) Sub-Programme Managers and Responsibility Managers may be invited to Budget Committee meetings.
- d) The Budget Committee is responsible for:
 - i. Ensuring that the budget is aligned to Departmental, Provincial and National priorities
 - ii. The allocation of the budget among programmes
 - iii. Identifying additional sources of funds
 - iv. Issuing any departmental circulars required to facilitate the budget process.
 - v. Ensuring compliance to budget circulars issued by Treasury

- vi. The Budget Committee must meet at least twice a year. Early June for the discussion of the proposed budget bid (before the budget is submitted to Provincial Treasury) and middle November for the budget adjustment (after funds were allocated to the Department by Provincial Treasury).

3.2. Gathering of information for the preparation of the budget

- a) The Budget Office must send the budget circular to the Accounting Officer (AO), Chief Financial Officer (CFO), Programme-, Sub-Programme- and Responsibility Managers, requesting the Medium Term Expenditure inputs.
- b) The Programme Managers must ensure that a detailed activity based costed MTEF budget document is submitted to the Budget Office in terms of the budget circulars issued.
- c) The Programme Manager and the Budget Office must review the budget to ensure that the various Programmes are consistent with the Department's three year medium term expenditure estimates.
- d) The Budget Office must review and consolidate all budget inputs received from Programme managers for consideration by Budget Committee.

3.3 Approval and capturing of the budget

3.3.1. Approval of the budget

- a) The Budget Committee must review the budget to ensure that it is in line with the priorities and objectives of the Department.
- b) The reviewed budget must be submitted to the Provincial Treasury as per the budget circular in the format prescribed by National Treasury.

- c) The Budget Committee must perform the following if funds allocated by Provincial Treasury differ from the funds budgeted for:
 - I. re-prioritise objectives of the Programmes
 - II. reallocate the funds to the various Programmes in accordance with the priorities of the Department.
- d) The Programme Managers must ensure that the budget is revised in accordance with the Budget Committee's adjusted allocations and send the adjusted budgets to the Budget Office.
- e) The Budget Office should review the adjustments to ensure that they are line with the Budget Committee's allocations.
- f) The Executive Authority must approve the final budget allocation in writing.

3.3.2 Capturing of the budget on the financial system

- a) The approved budget must be captured into the financial system before the beginning of the financial year.
- b) The capturing of the budget into the financial system is the responsibility of each Financial Manager however; amendments to the budget must be limited to the Head Office.
- c) The CFO must ensure that the budget has been captured correctly in the system.

3.4. In year monitoring and adjustment of the budget

3.4.1 In year monitoring of the budget

- a) The Budget Office must compare the actual expenditure for the various Programmes to the budget on a monthly basis.
- b) Any deviations identified should be discussed and resolved with the relevant Programme Manager.

- c) The Programme Managers must submit their monthly expenditure projections to the Budget Office by the 7th of every month.
- d) The Programme Manager must on a monthly basis, identify expenditure that is not going to be incurred during the financial year. The report of funds budgeted for such expenditure must be submitted together with the monthly expenditure projections to the Budget Office for reprioritisation or surrender.
- e) The CFO must ensure that a monthly expenditure report as prescribed by the PFMA is prepared and submitted to Treasury.

3.4.2. Budget adjustment

3.4.2.1. Budget adjustment – Funds from Provincial Treasury

- a) The department must follow the same process as outlined under the section ***“Gathering of information for the preparation of the budget”*** for the preparation of adjustment budget.
- b) The budget must only be adjusted if the conditions specified in Section 31(2) of the PFMA are satisfied.
- c) The Budget Committee must review the Departmental priorities and plans if there is any variance between the requested funds and the allocation by Treasury.
- d) The Budget Committee’s recommendation of the fund allocation must be submitted to the CFO for review.
- d) The AO must review the recommendations and approve the budget in writing.
- e) The Budget Office must capture the adjusted budget in the Financial System and print a budget report.

- f) The CFO must ensure that the adjustment budget has been captured correctly in the system.
- g) The adjustment budget must be tabled by the MEC for Provincial Treasury before any appropriations are made to the departments.

3.4.2.2. Budget adjustment – Transfer of functions

- a) Any transfer of functions between votes must be done with prior approval of the Provincial Treasury at the beginning of the financial year.
- b) In the event of any transfer between votes or entities the budget impact has to be properly costed.
- c) If there is no agreement between the affected votes on the funds to be transferred the Provincial Treasury will determine the funds to be transferred.
- d) The transfer of functions to municipalities must be dealt with in terms of the DoRA and the MFMA

3.5. Virement and movements of funds

- a) The AO may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, subject to the requirements of treasury regulation TR6.3.1.
- b) The amount
 - i) that may be utilized in a virement may not exceed 8 per cent of the amount appropriated under a main division of a vote and
 - ii) should not exceed 8 per cent of the amount for the receiving main division.

- c) Prior approval must be obtained from the AO for the virement of funds and where necessary, permission must be obtained from Provincial Treasury.
- d) The Programme Manager may move funds to different expenses within his/her Programme
- e) The Programme Manager must prepare a movement of funds schedule for the CFO.
- f) The Programme Manager must submit the approved movement of funds schedule to the Budget Office to capture in the financial system.
- g) The Programme Manager may not move funds for capital projects, donor funding and salaries without the necessary approval from Provincial Treasury.
- h) The Accounting Officer must report virements/ shifting of funds to the Provincial Treasury within the stipulated time frame in terms of section 31(2)(f) of the PFMA.
- i) Apart from the afore mentioned virements/shifting and in terms of 31(2)(e) of the PFMA, an adjustments budget can provide for much larger shifting of funds between, and within votes and must be approved by the Legislature as an Adjustment Act.
- j) Large adjustments must be accompanied by changes to the approved Annual Performance Plans.
- k) The virement of funds up to 8 per cent after the finalization of the Adjustment Budget appropriation process must be reflected in the annual financial statements which must be tabled in the Legislature for discussion.

3.6. Surrenders

Unspent funds must be surrendered to provincial treasury after the closure of financial year and prior to any request for rollover.

3.7. Rollover of funds

- a) The Budget Office must request a report of unspent funds of the financial year from the various Programme Managers during the month of April.
- b) Programme Managers must submit the unspent funds reports to the CFO detailing the following:
 - i. the purpose for which the funds were appropriated,
 - ii. the reasons why the funds were not spent,
 - iii. proposed changes to the use of the funds, if any, and
 - iv. The disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred.
- c) The Budget Office must review the unspent funds reports to ensure that funds are not rolled over for more than one financial year. The Budget Office must consolidate these reports and submit it to the Budget Committee
- d) The Budget Committee must review the consolidated report to ensure the correctness thereof and submit recommendations to the AO after it has been reviewed by the CFO.
- e) The Accounting Officer must approve the rollover of funds in writing.
- f) The report on rollover of funds must be submitted to Provincial Treasury before the last working day of April in the format determined by National Treasury.
- g) The Budget Office must ensure that the following limitations are adhered to regarding the rollover of funds:
 - i. *Payments for capital assets:* unspent funds on payments for capital assets may only be rolled over to finalise projects or asset acquisitions still in progress,
 - ii. *Transfers and subsidies:* savings on transfers and subsidies may not be rolled over for purposes other than originally voted for, and

- iii. *Current payments*: savings on compensation of employees may not be rolled over. A maximum of five per cent of a department's payments for goods and services may be rolled over.
- h) No rollovers will be considered without any proof of surrender.

3.8. Financial misconduct

Officials commit financial misconduct when:

- a) requested information is not submitted on time to the Budget Office,
- b) officials negligently submit incorrect information/reports, and/or
- c) officials are absent from meetings as stipulated in the policy, without apology.

4. AUTHORITY

This Policy shall remain the only transversal Budget Management Policy in Limpopo Provincial Government.

Provincial departments shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate budget management processes within their respective areas of operation.

5. COPY RIGHTS

No part of this policy may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, in any network, electronic storage or transmission without the prior consent of the Limpopo Provincial Treasury.

6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval.

7. AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

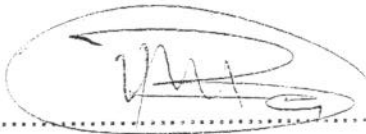
8. TERMINATION

This policy will be terminated upon the inception of a new policy.

9. APPROVAL

The transversal Budget Management Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008-09-28

DATE

Recommended by



MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/01/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

08/29/08

DATE

SECTION C: REVENUE MANAGEMENT POLICY

PROVINCIAL REVENUE MANAGEMENT POLICY

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1. PREAMBLE

The objective of this policy is to provide guidance to the Limpopo Province to address and judiciously deal with revenue management. The revenue covered in this policy includes those revenue from non-exchange transactions, (which include taxes and transfers, non tax revenue, revenue from investments), and revenue from exchange transactions (which include rentals, sales of goods and services, donations, gifts and sponsorships and any other revenue sources.)

2. PURPOSE

The purpose of this policy is to:

- a) maximize the collection of revenue in the Province;
- b) ensure that revenue from all sources is identified, claimed, recorded, collected and reported in a timely and effective manner;
- c) ensure that the departmental revenue budget is compiled, indicating revenue drivers, newly identified sources and submitted to Provincial Treasury;
- d) ensure that proper administrative and control processes are established, including authorisation, review and reconciliation; and
- e) ensure that receipts of money are accurately and completely accounted for and adequately controlled to prevent or detect error, fraud or omission.

3. POLICY PRONOUNCEMENTS

3.1. CASHIERS

- a) The duties of the persons responsible for the collection and receipt of state funds shall be assigned to them in writing by the Chief Financial Officer;

- b) Any person whose responsibility includes the receipt of state funds shall be responsible for the safe custody of all such funds under his/her control;
- c) All cash and cheques must be kept in a safe until such time that it is deposited into the department's bank account;
- d) The office of the person responsible for the receipt of funds shall be locked at all times when the official is not physically present in that office;
- e) If a person entrusted with the collection of state funds is relieved of his/her duties either permanently, or temporarily his/her receipts, cash books, and cash on hand should be checked and balanced and the correctness of the balances and cash on hand certified by the signatures of the person being relieved and the supervisor; and
- f) When a person is relieved the handing over certificate must be completed with the contents of any safe or cash register handed over and shall be certified by the persons mentioned above.

3.2. SUPERVISORS

- a) The supervisors of cashiers must be designated in writing by the Chief Financial Officer.
- b) The supervisor of the cashier should be at a level higher than that of a cashier.

3.3. HANDLING OF RECEIPTS, CASH AND DEPOSIT BOOKS

- a) All manual receipt, deposit and cash books must be registered in a revenue stock register.
- b) A revenue stock register must be kept for all and unused receipt, deposit and cash books.
- c) Revenue stock register at Head Office and District offices must be balanced and checked at least once a month by the relevant supervisor.

- d) The revenue stock register must indicate the quantity, sequence numbers and details of all receipts, deposits and cash books received or issued by the Head Office or District.
- e) All revenue stock (receipt books, cash books and deposit books) must be kept in a safe/strong room.
- f) All state funds received must immediately be recorded by issuing an official receipt except for monies received/deposited directly into the departmental bank account.
- g) On a weekly basis cashiers must batch all returns and submit to district office for capturing.
- h) Alterations shall not be made to the name of the payer, the amount in words, the amount in figures and the date of any official receipt and no erasures of any kind shall be permitted.
- i) If a receipt is cancelled, the word "CANCELLED" shall be endorsed by means of a rubber stamp or in bold across the face of all copies and stapled together in the receipt books and preserved for audit purposes.
- j) A cancelled manual receipt must be recorded in the manual Cash Book.
- k) Under no circumstances shall more than one original receipt be issued for the same payment.
- l) Where the payer does not receive or loses the original receipt and requires evidence a certified copy of the book copy may be given.

- m) All revenue received by the department must be paid daily into the PMG account except for amounts less than R500.00 which must be banked by the last working day of the month.
- n) All monies above R500.00 collected after banking hours must be banked by the next working day.

3.4. METHODS OF PAYMENT

The following methods of payments are recognised:

- I. Cash;
- II. Bank guaranteed cheques;
- III. Postal orders;
- IV. Traveller's cheque;
- V. Electronic Funds Transfer; and
- VI. Credit cards and debit cards (where available).

3.5. CASH SURPLUS AND CASH SHORTAGES

- a) All surplus must be banked and receipt for the surplus must be issued and posted to the correct allocation.
- b) Any shortage discovered must be paid in by the cashier responsible. In cases where the cashier is unable to pay the money, the money shall be recovered in full from the cashier's next month salary.

3.6. IDENTIFICATION OF NEW SOURCES OF REVENUE

The Accounting officer of a department must consider new sources of revenue annually. Any new sources of revenue must be submitted to the Provincial Treasury for approval.

3.7. TARIFFS

- a) The Accounting Officer of a department must annually review all revenue tariffs from non exchange transactions and exchange transactions when finalising the budget.
- b) All departments must submit their revised tariffs to Provincial Treasury for approval by 30th June each year except those tariffs controlled by a national department or by law.

3.8. REFUNDS

- a) All refunds must be made by either cheque or EFT to the payee's bank account.
- b) Refunding amounts relating to previous financial years' revenue must after approval by the relevant supervisor be referred to Provincial Treasury for approval.
- c) A copy of the original receipt being refunded by the department must be attached to the payment advice.

3.9. REPORTING

The Chief Financial Officer shall:

- a) within 15 days of the end of each month submit the following to the Provincial Treasury and the executing authority in terms of section 40(4)(c) of the PFMA:
 - (i) the information in the prescribed format on actual revenue for the preceding month:
 - (ii) a projection of expected revenue collection for the remainder of the current financial year: and
 - (iii) where necessary an explanation of any material variances and a summary of the steps that are taken to ensure that the projected revenue remain within budget
- b) disclose information on the tariff structure in the annual report, including information on exemption, discounts, free services and any other aspect of material influence/ yield.

3.10. OUTSOURCING OF REVENUE COLLECTION

- a) If the Accounting officer intends to appoint an implementing agent for revenue collection he or she must seek approval from Provincial Treasury.
- b) After approval has been granted by Provincial Treasury for the appointment of an implementing agent the accounting officer of a department may appoint the competent implementing agent for revenue collection, and must sign a service level agreement with such agent.

4. AUTHORITY

This Policy shall remain the only transversal Revenue Management Policy in Limpopo Provincial Government.

Provincial departments shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate revenue management processes within their respective areas of operation.

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6. IMPLEMENTATION DATE

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7. AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

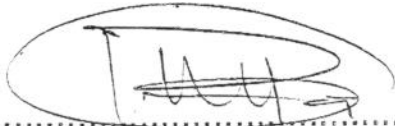
8. TERMINATION

This policy will be terminated upon the inception of a new policy.

9. APPROVAL

The Transversal Revenue Management Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.08.28

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Recommended by

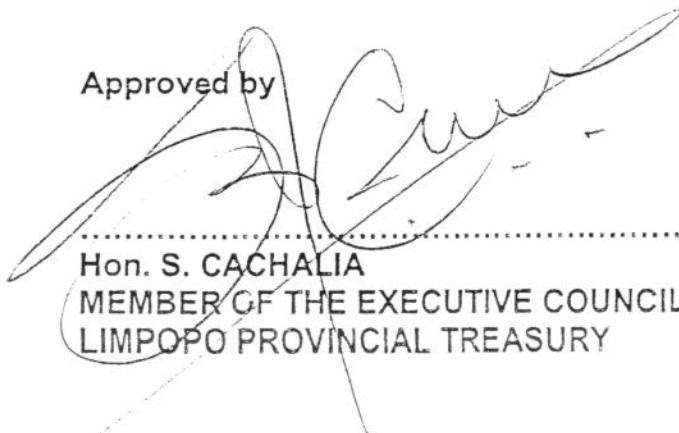


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

08/09/08

DATE

SECTION D: EXPENDITURE MANAGEMENT POLICY

- Subsistence & Travel policy
- Telephone & Cellular phone policy
 - Payments policy
 - Payroll policy

PROVINCIAL SUBSISTENCE & TRAVEL POLICY

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9.	Approval	DA 15

1. PREAMBLE

The objective of this policy is:

- to establish a clearly defined framework for travelling and subsistence arrangements and expenditure;
- to provide for compensation of an official who, in the interest of the state, is on official duty away from his/her headquarters within the framework of the provisions as set out in this policy for accommodation and expenditure incurred by the official during the period of absence; and
- to provide for proper management of travelling arrangements, both foreign and local.

2. PURPOSE

The purpose of this policy is to-

- a) provide guidelines for the application of subsistence and traveling allowance;
- b) regulate the management of local and foreign travelling; and
- c) set out the parameters within which the Accounting Officer may approve advance for subsistence and travelling.

3. POLICY PRONOUNCEMENTS

3.1. BUSINESS TRIP APPLICATION/APPROVAL

- a) All International trips should be approved in terms of the Provincial International Relations Policy
- b) Accounting Officer must approve all Domestic trips.

- c) Programme Managers in the Department must complete official requisition forms and adhere to the authorization limits set out in the Procurement Delegations after the approval has been granted.
- d) All Departmental Units should budget for all expenditure relating to travel and subsistence.
- e) Generally, bookings must be made at the earliest possible date to ensure maximum savings.

3.2 TRANSPORTATION

3.2.1 Air travel classes for Domestic and International trips

- a) The Accounting Officer and Executive Managers may travel Business Class.
- b) All other officials and non-officials regardless of their rank and/or destination must travel economy class unless the Accounting Officer has provided specific prior approval.

3.2.2 Penalty fees on changes and cancellation of flight ticket, hotel accommodation and car rental

- a) In the event of any travelling arrangements being cancelled once they have been confirmed, the official concerned should compile a motivation report on the changes and seek approval for the payment of cancellation fees, if any.
- b) Should the cancellation occur on the request of the department, it will be held accountable for the cancellation fees.
- c) Should the cancellation be due to the negligence or request of the official, the official shall be held accountable for the cancellation fee.

3.2.3 Companion/Spouse Travelling With Invitation

On approval of the Accounting Officer, an official's companion or spouse may travel on invitation of the department. In the case of the Accounting Officer's companion, the Executing Authority approval must be obtained.

The Department will be responsible for expenditure as approved by Accounting Office, as if the companion or spouse is an officer of the Department. It should, however, be stated that all policy requirements would be applicable to such persons during the travelling periods.

3.2.4 Travelling of Family and/or Dependants of Officers on sessional Duties

If duties require an employee to be separated from his/her family the employer may pay the minimum travel cost for the employee and, in exceptional cases, for his/her spouse and/or dependants to reunite as a household. If applicable, one trip every four months per official may be considered.

3.2.5 Car hire and other Ground Transportation

- a) A rental vehicle may only be utilized by officials where other transport is not available or impractical and is normally utilized in conjunction with air travel away from an official's office.
- b) In all other cases, a GG vehicle must be utilized if it is available. (Z606 form to be completed).
- c) In the event where there is no GG vehicle, the selected travel agent will hire the vehicle, (all hired vehicles will be administered by the travel agent).
- d) When using a GG vehicle no claims may be submitted with regards to mileage travelled and/or toll gate fees paid.
- e) Only the Accounting Officer and Executive Management may make use of the executive parking at the Airports. All other officials must use the public undercover parking facilities. The actual parking costs may be claimed from the department.
- f) Any extra charges for special requests (special models, colours, personal indemnity insurance, chauffeurs, etc) are the sole responsibility of the travelling officer and the department will not be held responsible for such charges.
- g) Prior to any trip being undertaken, it shall remain the official's responsibility to check and inspect the vehicle (hired or GG) and indicate damages on the receipt forms. The department will not be held responsible and accountable for the damages to the vehicle if the official (prior to departure) did not check the vehicle. In these cases the official will be held liable for any damages.

The following persons may not use GG vehicles and government VIP vehicles without the prior approval of the accounting officer;

- i. Officials with subsidized vehicles

ii. Officials on the MMS or SMS vehicle schemes.

h) Officials are only allowed the use of the following groups of hired vehicles, with a maximum of 4 persons per vehicle.

Accounting Officers and Executive Management	Any vehicle excluding special engines	Mid:Size : Group 3
Other Officials	1600cc	Luxury : Group Q

3.2.6 Refueling of hired vehicles

When a vehicle is received from the agency, the agency will ensure that all vehicle fuel tanks are filled. If it is necessary to refuel the vehicle, the official is responsible for the refueling expenses, which will be reimbursed by the department on submitting proof of expenditure, or if a petrol was approved such claim will be offset against the advance granted.

3.2.7 Insurance of hired cars

The department will bear its own damage and accident risks. The following insurance cover should, however, be accepted:

- a) Collision Damage Waiver (CDW)
- b) Theft/loss Waiver (TW).

In both these instances, the department will investigate who is liable for the excess payment arising from the claim against the Department.

3.2.7 Indemnity

Section 40 of the Public Service Act, 1994, Idemnifies the department or any official of the department against claims from unofficial passengers, their spouses, parents or children or any other dependants, with regard to

any loss, injuries or damage which may result from the use of Government owned motor transport.

3.3 ACCOMMODATION

3.3.1 Hotel grading

Hotel grading will be as follows:

- a) The HOD and the Executive Managers may make use of hotels with a tourism grading of greater than 3 stars.
- b) All officials not included in clause “a” above may not stay in a hotel with a rating exceeding three stars, unless authorized by the Accounting Officer.
- c) Accommodation arrangements should be made through the procurement official dealing with travel matters.

3.3.2. International Trips

- a) It is preferred that accommodation arrangements with regard to travelling abroad be done through the Department of Foreign Affairs or a travel agency.
- b) The travel agency may also be requested for traveler cheques and visas.
- c) When expenditure on accommodation is wholly met from public funds an employee is compensated on the following basis:

In the case of official visits to the countries listed in the Financial Manual (DPSA)

- i. The reasonable actual expense in respect of accommodation, dry cleaning and laundering.

- ii. A special daily allowance to compensate for the employee's three meals (breakfast, lunch and dinner) and incidental expenses.

In the case of official visits to the countries *not listed in the Financial Manual (DPSA)*

- i. The reasonable actual expense in respect of accommodation, dry cleaning and laundering
 - ii. The reasonable actual costs of three meals including breakfast, lunch and dinner.
 - iii. A special daily allowance equal to the special daily allowance for local official visit when actual expenses are claimed, to defray incidental expenses (reading matter, private telephone calls, soft drinks) which do not form part of meals.
- d) When accommodation and related expenses are wholly or partially sponsored by a donor or sponsor or where the employer pays part of the meals (e.g. breakfast included in hotel accommodation expenses), the payment of a reduced special daily allowance, as amended per the DPSA financial manual must be considered.

The following reduction of the special daily allowance of the following meals are as follows:

- Incidental expenses (15%). In order to cover all extras such as private phone calls, gratuity, room service, newspapers, alcohol etc. Officials should

settle expenses with regard to extras on departure from hotel;

- Breakfast (20%);
- Lunch (20%);and
- Dinner (45%).

NB: Where meals are included in hotel arrangements the allowance should be reduced by 25% per meal per day.

(ii) All donor funds must be registered as donations to an official and/or the Department as per the requirements the relevant legislation (Treasury Regulations and the Public Finance Management Act) and the Departmental policy on gifts, donations and sponsorship.

(iii) In foreign cities, public transport must be used instead of expensive hired cars with drivers, who have to be kept on standby, especially in cities where there is serious traffic or parking problems.

3.4. FREQUENT GUEST BENEFITS

All employees of the Provincial Administration may be registered as frequent guests. Each employee may utilize the benefits relating to this registration for personal use. Every traveler in possession of a hotel frequent guest card should present their card to the hotel, as Provincial Departments may be charged a lower rate, which may result in a saving for the Provincial Administration.

3.5 PERIOD OF ABSENCE

The local period of absence commences at the time the employee leaves his/her headquarters or residence, depending on where he/she actually

departs for the trip, and ends at the time on return to his/her headquarters or residence, whichever is the earliest;

The foreign period of absence, commences from the time when the flight leaves for the specific country and ends when the flight arrives back in South Africa. If more than one country is visited the allowance applicable to the specific country will be paid from the time of departure from the previous destination until departure from that destination or arrival in South Africa.

Dates and times of departure and arrival in the respective countries must be clearly indicated by the employee embarking on the journey.

The period of absence may not exceed six (6) calendar months, unless the Accounting Officer's approval is granted for the extended period.

3.6 ADVANCES

All advances relating to international subsistence and travel allowance must be approved by the Accounting Officer.

3.7 OFFSETTING OF CLAIMS AGAINST ADVANCES

- a) Advances must be offset against the relevant claims and in the event of a deficit or surplus between the claim and the advance; the party concerned shall, within 30 days, repay the difference.
- b) Where advances are outstanding for a period longer than 30 days, the outstanding amount plus interest at the prescribed rate must be deducted from the official's salary in the first month after the debt becomes due. The official shall agree to this clause on the application form for the advance.

- c) Interest, at the rate as prescribed by National Treasury, will be calculated on the outstanding balance from the 31st day on which the official's trip ended until the date the money is finally deducted from his/her salary.
- d) If for some reason or another, a planned trip is cancelled the full amount must be paid back to the Department within 5 working days of such cancellation. If an official neglects to do so the amount will be deducted from his/her salary.
- e) No further advance will be awarded to an official until such time as the previous advance has been paid or fully accounted for.

3.8 ALLOWANCE AND/OR COMPENSATION FOR EXPENSES INSIDE THE REPUBLIC OF SOUTH AFRICA

3.8.1 Compensation during periods of leave

If an official is required to perform official duty of any nature while on leave or outside working hours away from his/her headquarters the subsistence and travel expenses necessarily incurred by him/her during such period on official duty may be compensated to the official by the department.

3.8.2 Compensation for actual expenses

If an employee makes an official journey outside the headquarters reasonable actual expenses may be paid, on the submission of original invoices and /or receipts.

To qualify for the reimbursement of reasonable actual expenses the following conditions must be met:-

- a) for breakfast an employee must be outside of the headquarters before 06:00 and have breakfast before 10:00;
- b) for lunch the employee must be outside of the headquarters between 11:00 and 14:30;
- c) if the employee is still outside of the headquarters by 20:00 claims for dinner will be reimbursed ;
- d) for beverages, excluding alcoholic drinks, the employee must be out of the headquarters between 10:00 and 20:00; and
- e) for parking expenses, the actual expenses incurred.

When attending an official meeting/function and beverages; and/or lunches; and/or dinner; are provided by the host then no S & T claim may be submitted for the refreshments and/or meals so provided.

3.8.3 Compensation for periods between 16:30 AND 6:00 the following day

If an employee makes an official journey outside the headquarters and is outside the headquarters between 16:30 of that day and 6:00 the following day, the official may claim either of the allowances under a) or b) below for each day, at the rates prescribed by the Department of Public Service and Administration:

- a) a special daily allowance (where accommodation and meals are reserved and paid for by government) for incidental expenses; or
- b) a fixed daily allowance (where private accommodation and meals are arranged and used and not paid for by government).

If parking fees are not charged to the hotel account payable by the travel agent, the official may claim actual parking fees incurred provided a valid document is presented for payment.

4. AUTHORITY

This Policy shall remain the only transversal Subsistence & Travel Policy in Limpopo Provincial Government.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate subsistence & travel processes within their respective areas of operation.

5. COPY RIGHTS

No part of this policy may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, in any network, electronic storage or transmission without the prior consent of the Limpopo Provincial Treasury.

6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval.

7. AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

8. TERMINATION

This policy will be terminated upon the inception of a new policy

9. APPROVAL

The transversal Subsistence and Travel Claim Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.08.28

DATE

Recommended by

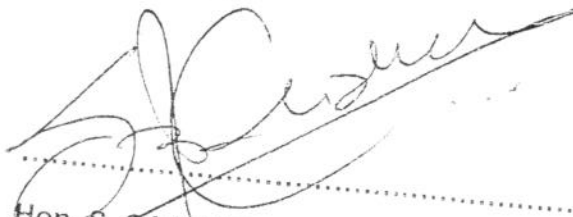


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

03/09/08

DATE

**PROVINCIAL TELEPHONE &
CELLULAR PHONE
POLICY**

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1. PREAMBLE

Telecommunication services play a critical role in providing efficient and effective service delivery in the provincial departments. Without telecommunications infrastructure (telephones & digital enhanced cordless telephones [Dect phones], cellular phones, and 3G cards), service delivery will be compromised.

Employees in the Provincial departments, whose work requires the use of official telecommunications services, are provided with these tools.

2. PURPOSE

The objectives of this policy is to:

- provide guidelines for the acquisition, usage of telephones and Dect phones, cellular phones, and 3G cards to be used for official purposes.
- provide a regulatory framework to manage the utilization of the identified telecommunication instruments.
- outline application procedures to be followed by all applicants who qualify to be allocated official telecommunication facilities.

3. POLICY PRONOUNCEMENTS

3.1. QUALIFICATION FOR ALLOCATION OF COMMUNICATION INSTRUMENT

- Qualification for allocation of a communication instrument is not dependant on an employee's rank or status but will be based on the nature of their work and responsibilities.

- There are four types of communication instruments that will be available for allocation to employees and office bearers in the Provincial departments, namely, telephones dect phones, cellular phones, and 3G Cards.

3.2. CELLULAR PHONES

3.2.1. Qualification for allocation of a cellular phone

Employees who due to the nature of their work qualify for the allocation of a cellular phone on a permanent basis, will be provided with such instrument.

The approval for the use of a cellular phone as a work facility shall be granted by the Accounting Officer.

The department will acquire cellular phone contracts for the following employees and office bearers :-

- Executing Authority;
- Accounting Officers;
- All SMS members;
- Approved employees lower than SMS; and
- Chauffeurs.

Employees who are not listed above but will qualify for official cellular phones will be allocated cellular phones upon approval of their applications by the Accounting Officer and be subject to the prescribed limits set.

Consultants, temporary employees and part time workers must provide their own cellular phones.

3.2.2. Conditions

Upon leaving the office before the expiry of the cellular phone contract, the user will surrender the cellular phone to the Facilities Management Unit or negotiate with the Accounting officer to take over the contract and retain the cellular phone.

Upon expiry of the contract the user may retain the cellular phone
The department will be responsible to renew the cell phone contract after the expiry of the initial contract.

The department will instruct the service provider to soft lock a cellular Phone once the set limit is reached .Such soft lock may only be released by the service provider with the prior approval by the Accounting Officer.

The department will replace or upgrade each cellular phone after the period agreed to with the service provider. In the cases such as replacement or upgrade the official may retain the previous cellular phone.

3.2.3. Application Procedures

Employees applying for cellular phones must follow the under mentioned procedure:

- The application form for a cellular phone (Annexure A) must be completed by the official concerned and submitted to the relevant senior manager or responsible manager for a recommendation.
- The completed application form must thereafter be forwarded to the head of the sub-branch for further consideration and recommendation by the branch head.
- The application will be approved by the Accounting.
- The employee will be informed in writing of the outcome of the application.
- A contract shall then be arranged with a service provider to supply the instrument and services.

3.2.4. Contract maintenance and bills

- The department will pay the cost for subscription fees, itemized billing, insurance and air time costs as per limits approved for each user.
- In the case where the user exceeds the prescribed financial limit, the user shall pay for the excess, unless a written approval authorizing the excess is submitted; such approval shall be granted on application by the Accounting Officer.

- Excess expenditure must be settled by the user within thirty (30) days from the date on which the account was issued, failing which the amount will be recovered from the employees' salary without further notice.
- Each cellular phone is regarded as a work facility and is made available to the user for official business calls. Private calls should therefore, be limited to the minimum and paid for by the user within 30 days. Employees will not be required to identify private calls made within the package limits, as set by the service provider, as no cost can be identified in such cases and the subscription is deemed to be a business expense.

3.2.5. Cellular phone monthly limits for official calls

- The monthly limits for all categories of employees using official cellular phones are as tabulated in **Annexure B**. The limits will be amended as and when required.
- No international roaming is permissible without prior approval of the Accounting Officer.

3.2.6. Miscellaneous

- The Accounting Officer may at her/his discretion; withdraw the approval for a cellular phone if he / she is of the opinion that the duties of the employee do not need the use of a cell phone as a tool or work facility any longer.
- Employees who qualify to be issued with government cell phones will be expected to ensure the safe keeping of the cellular phone at all

times. in the event where a cellular phone is lost or stolen, the following procedure should be followed:

- a) The matter should be reported to the nearest police station within 48 hours.
- b) A detailed report with a police case number should be submitted to Facilities Management Unit to communicate with the service provider to replace of the lost cellular phone.
- c) If it were to be established that the cell phone was lost, stolen or damaged due to the negligence of the employee, the excess amount and other related costs will be the recovered from such a user.

3.3. LANDLINES AND DECT PHONES

3.3.1. Landlines limits

Employees will be allocated the following monthly limits on landline telephones;

Rank	Amount
Executing Authority	No limit
Accounting officer	No limit
Senior General Managers	R1300.00
General Managers	R1200.00
Senior Managers	R1000.00
Managers and Deputy Managers	R500.00
Personal Assistants	R500.00
Lower Level Employees	R300.00

The adjustment of the above limit due to the nature of the employee's work is subject to the approval of the Accounting Officer.

3.3.2. Event package

An event package amounting to R2000-00 is granted to units organizing functions. A detailed motivation including reasons for the event and what is intended to be achieved must be submitted, before approval is granted. The units will be loaded onto the Senior Manager's extension that will be responsible for ensuring that they are used for intended objective.

3.3.3. Dect Phones

For employees who use dect phones, their monthly limits will be divided into two to make provision for the dect phone and the table handset because they have different extensions.

3.3.4. Private calls

A person in the employ of the provincial departments may, within reasonable limits, be allowed to use an official telephone for essential private calls, provided the privilege is not abused. Private calls to the amount of R50-00 will be regarded as "within reasonable limits".

3.4. THE USE OF 3G TECHNOLOGY OR MOBILE BROADBAND TO ACCESS INTERNET AND EMAIL SERVICES FOR MOBILE USERS

3.4.1. Purpose for mobile broadband

To allow mobile staff members of the Provincial departments to access email and internet services through wireless communication media outside the premises of the office.

3.4.2. Qualification for allocation of mobile broadband

The following will qualify for the facility:-

- The Executing Authority
- Accounting officer;
- SMS members;
- Non SMS members who require the services outside the premises of the office.

3.4.3. The procedure to be followed in acquiring access to mobile broadband

- An employee who qualifies for access to a mobile broadband must present a submission that must be authorized by her/his supervisor.
- The submission must indicate the nature of work done by the employee outside the department together with the frequency at which the employee will require access to email from the office and / internet.
- The request must then be submitted to the Senior Manager who will acquire the approval from the Accounting Officer and notify the applicant.
- The department will receive monthly statements from the service provider and determine if any employee used the limits beyond the allocated units. The employee who exceeds the allocation will refund such areas.

The allocation of the access to mobile broadband cards will be done according to Annexure C of the policy.

The department will be responsible to renew the mobile broadband

Contract after the expiry of the initial contract.

4. AUTHORITY

This Policy shall remain the only Transversal Telephone and Cellular phone policy in Limpopo Provincial Government.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate telephone and cellular phone processes within their respective areas of operation.

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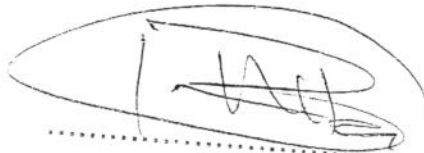
8. TERMINATION

This policy will be terminated upon the inception of a new policy

9. APPROVAL

The Transversal Telephone and Cellular Phone Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.08.28

DATE

Recommended by

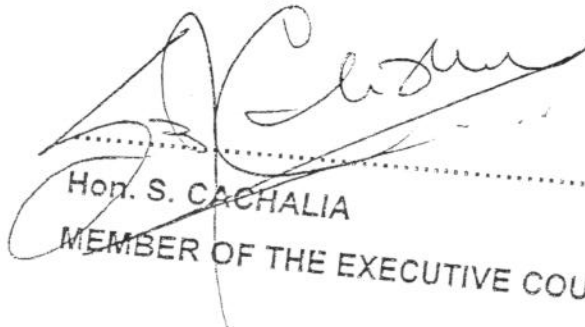


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL

03/09/08

DATE

APPLICATION FOR CELLUAR PHONE

Surname : _____

Name in full : _____

Designation _____ Persal No. _____

Office : _____

Preferred Service Provider : _____

(a) Reason for need for allocation of a cellular phone

(b) The necessity that the user be available and continually be in contact with the office, supervisor and stakeholders.

(c) Why the cellular phone is considered the most economic instrument.

Signature of Applicant-----

Date:-----

I certify that it is absolutely essential and in the interest of the State that the following persons must have a cellular phone, in the strict adherence to the policy.

Name: _____

Rank : _____ Persal Number _____

I have considered the application and :-

Recommend/does not recommend the application

Comments : _____

Signature: Responsible Manager-----

Date:-----

Application :

Approved/not approved

ACCOUNTING OFFICER

DATE : _____

ANNEXURE “B”

LIMITS ON CONTRACTUAL AMOUNTS

Designation	Monthly limit
Executing Authority	No limit
Accounting officer	No limit
Senior General Manager	Talk 1000 + R1 000.00
General Manager	Talk 1000 + R800.00
Senior Manager	Talk 1000 + R700.00
Parliamentary Officer	Talk 500 + R500.00
Appointment Secretary	Talk 500 + R500.00
Assistant Administrative Secretary	Talk 500 + R200.00
Accounting officer's PA	Talk 500
Other Employees lower than SMS	Talk 500 + R200.00
Chauffeurs	Talk 500

ANNEXURE C

Designation	Data Transfer Units pm	Monthly Limit
Executing Authority	5GB	R1 050.00
Accounting officer	5GB	R1 050.00
Senior General Manager	3GB	R650.00
General Manager	2GB	R450.00
Senior Manager	1GB	R350.00
Employees other than SMS, including CDW's	500MB	250.00

APPLICATION FOR ACCESS TO MOBILE BROADBAND

Surname : _____

Name in full : _____

Designation _____ Persal No. _____

Office : _____

Preferred Service Provider : _____

(a) Reason for need for allocation of access to mobile broadband

(b) The necessity that the user be available and continually be in contact with the office for email and internet facilities.

(c) Why the use of mobile broadband is considered the most economic instrument.

Signature of Applicant-----

Date:-----

I certify that it is absolutely essential and in the interest of the State that the following persons must have access to mobile broadband 3G data card, in the strict adherence to the policy.

Name: _____

Rank : _____ Persal Number _____

I have considered the application and :-

Recommend/does not recommend the application

Comments : _____

Signature: Responsible Manager-----

Date:-----

Application :

Approved/not approved

ACCOUNTING OFFICER

DATE : _____

POLICY DOCUMENT

PAYMENTS POLICY

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1. PREAMBLE

The objective of this policy is to establish an efficient system in the management of payments in the Provincial Government.

2. PURPOSE

To regulate and set the framework for making payments

3. POLICY PRONOUNCEMENTS

3.1 Requirements in respect of payments

- a) Payments from voted moneys shall be made only in respect of –
 - i, any authorised transfer payment;
 - ii, services rendered to the Department or goods received by the Department;
 - iii, amounts payable in terms of any law;
 - iv, performance of a contractual obligation;
 - v, execution of a judgement of a court of law;
 - vi, authorised advance;
 - vii, expenditure that can be met within the available funds; and
 - viii, expenditure which strictly conforms to the purpose voted for.
- b) No payment is made before it is due unless specifically provided for in a particular contract or approved by the Accounting Officer.
- c) A progress or part payment in respect of stores, goods delivered and services rendered or work done must not be made unless it is supported by a statement (notice of receipt) that the amount of the payment is fully covered by the value of stores or goods already delivered, the services already rendered or work done or according to a contract.

3.2 Payments and payments vouchers

- a) Unless an authority specifies some other date, or from the nature of the authority it appears otherwise, the date of such authority shall be the date on which expenditure may commence or be incurred. Unless explicitly stated therein, authorities for expenditure shall not have retrospective effect.
- b) Authorities for specific payments i.e. approvals granted by the Departmental Bid Committee, unless renewed, automatically lapse on the last day of a financial year to which they refer.

- c) Authorities for recurrent services or payments due in terms of a law, regulation or contract shall be regarded as renewed by the general authority of an appropriation act.
- d) In all cases where special authority for payment is granted the relevant voucher shall contain reference to such authority.
- e) Only written approval granted in terms of the financial and procurement delegations to incur a financial liability shall be accepted.

3.3 Method of dealing with payments and vouchers

- a) All officials shall make suitable arrangements to ensure that all claims payable by their offices are received within a reasonable period in order to preclude claims being submitted long after services have been rendered.
- b) All officials certifying claims must ensure that such claims have not previously been certified.
- c) All claims accepted shall be dealt with immediately and the relevant documents passed for payment without delay. All concerned officials must take care that payments for services rendered and supplies delivered under contract are in accordance with the conditions of the contract.
- d) Monthly accounts and statements of outstanding balances shall immediately be checked with the records of the Department and if there is a discrepancy in the outstanding amounts the matter shall immediately be taken up in writing with the concerned supplier.
- e) Prior to a payment being made the person checking the voucher for payment shall certify it accordingly and ensure that the following requirements have been complied with, viz. That the claim is –
 - i) a proper charge against State moneys and has not already been paid;
 - ii) in accordance with a law, regulation, tariff or agreement or that it is fair and reasonable;
 - iii) covered by necessary authority;
 - iv) correct in regard to the period covered by the claim;
 - v) correct in regard to computations;
 - vi) supported, where applicable, by the necessary documents; and
 - vii) The person being referred to in the above-mentioned instruction is the authorised official to whom this task has been entrusted by delegation to check and

authorise the voucher before it is sent through for payment. Thus, it is the responsibility within each line function where expenditure is incurred and payment in terms of delegation being authorised, to ensure that the mentioned requirements are adhered to before the account can be certified as "payable".

- f) Certificates in support of vouchers shall be given only by officials who have actual knowledge of the services or goods supplied.
- g) Cases where certificates result in irregular, unauthorised, fruitless or wasteful expenditure will be dealt with in terms of Treasury prescripts.
- h) The following shall be certified in respect of the various services and claims:

	Service/Supplies	Requirement
(a)	Goods supplied	<ul style="list-style-type: none"> (i) that the supplies were required for official purposes and for an approved service, (ii) that supplies were on receipt correct and in good condition; (iii) that the receipt of the supplies had been entered in the records; (iv) that the rates are in accordance with a contract or that they are otherwise fair and reasonable; and (v) that the supplier is entitled to payment.
(b)	Services rendered -	<ul style="list-style-type: none"> i. that the services rendered were necessary for official purposes and were satisfactorily carried out; and ii. that the charges are according to the relative tariff, contract or agreement, or otherwise are fair and reasonable; and iii. that the supplier is entitled to payment.
(c)	Subsistence and other allowances	as provided on the prescribed form and in line with the S & T policy.

- i) An initial or progress payment in terms of a contract shall not be considered an advance but shall be brought into account as a direct charge and a voucher for such payment shall –

- i) show the total amount payable in terms of the contract;
 - ii) show the total amount of all previous payments under the contract;
 - iii) show the total payments to date, including the payment being made by the voucher;
 - iv) show the balance due; and
 - v) be supported by a certificate from a duly authorised official that the supplier is entitled to the payment in terms of the contract.
- j) Payments for supplies or services or work done under contract shall be supported by certificates authorised by officials to the effect that such payments are in accordance with the terms of the contract and, where applicable, that work to the value of the amount to be paid has been properly performed.
- k) Where the services of professional consultants are used to supervise work given out on contract, a certificate that a progress payment has become due under the contract may be accepted from such consultants for the purpose of payment.
- l) Any final payment upon the completion of a contract shall, in addition to the certificate be supported by a certificate by a duly authorised official in the Department that the terms of the contract have been properly complied with.
- m) All claims shall be examined and, if in order, paid as soon as possible and no payment shall be delayed with the object of avoiding an excess on a main division. If an excess is unavoidable a timeous request for virement must be submitted to the Accounting Officer. Lack of a virement approval will result in unauthorised expenditure.
- n) Payments may only be made to claimants to whom they are due or to their duly authorised representatives. Paying officials shall satisfy themselves that the representatives concerned are duly authorised by power of attorney or other proper authority to receive such payments.
- o) If an error or overcharge is made on an invoice or claim or if such invoice or claim contains an item which is not acceptable as a charge against voted money, or if a payment voucher differs from the account submitted, the correct amount due shall be paid and the supplier or claimant notified accordingly.

- p) Where requisitions, invoices or statements comprise supporting documents to a payment voucher, sufficient detail shall be given on the voucher to ensure that the expenditure can be identified should the requisitions, invoices or statements become detached or removed.
- q) After payment, the documents concerned shall be marked/stamped as "PAID" or similar.
- r) Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from date the invoice or claim was received. In the case of civil claims, from the date of settlement or court judgement.

3.4. Official order form

- a) A delegated official must appoint officials in writing to sign official order forms issued for the procurement of goods and services. Officials so appointed shall satisfy themselves that the order is according to contract or that exemption has been obtained from the Departmental Bid Committee, Treasury approval, where applicable or any other approval has been obtained and that the details are endorsed on the order form.
- b) Orders for the purchase of provisions, stores and requirements, and requisitions for the supply of services shall be placed only on the prescribed forms and such forms shall constitute an essential part of any vouchers submitted in support of payment.
- c) Where a service is rendered regularly in terms of a standing contract or where a continuing service such as the supply of water and electricity is provided by a local authority, order forms are not required. In such cases suitable departmental records shall be kept to avoid double payments.
- d) When supplies or services are urgently required and are ordered by fax, telephone etc. the order number shall be given to the supplier. The official order form shall then be forwarded to the supplier as soon as possible after the order has been placed.
- e) Where the issue of an official order for the supply of goods or services has been overlooked and the omission is only discovered later, the order form shall nevertheless be completed to avoid double payments.
- f) The accounts (payment) copy of the order shall be retained in the issuing office until the supplies or services ordered are received or rendered when the necessary certificates of receipt shall be completed and the voucher submitted for acceptance and payment.

3.5. Warrant vouchers, cheques and electronic payments

- a) Accounting officers of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.
- b) Two authorised officials must sign hand-drawn vouchers or cheques in terms of the delegated authorities.
- c) All payments in excess of R2 000 must be effected electronically unless otherwise approved by the provincial treasury. Payments may not be split to circumvent this requirement and any non-compliance with this regulation constitutes financial misconduct.
- d) All warrant vouchers and cheques must be crossed "NOT NEGOTIABLE" and should also preferably be crossed "NOT TRANSFERABLE" between parallel lines. The cancellation of crossings is not permitted.
- e) Electronic fund transfers shall be authorised as prescribed by the relevant financial institution and Provincial Treasury.

3.6. Requirements for the issue of replacement warrant vouchers/cheques

3.6.1 In the case of a warrant voucher or cheque not received by the payee:

- a) A written declaration must be obtained from the payee to the effect that the warrant voucher or cheque was not received and that, should it be received at a later date, it will be returned to the Department; and
- b) It must be confirmed with the relevant bank as outstanding.
- c) An instruction to stop payment must be issued to the responsible bank within 24 hours. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new warrant voucher or cheque issued and accounted for.

3.6.2 In the case of LOSS or DAMAGE of a warrant voucher/cheque

- a) The loss or damage of a warrant voucher or cheque must be reported in writing to the Chief Financial Officer within 24 hours.
- b) When a warrant voucher or cheque is lost or stolen before encashment, an instruction to stop payment must be issued immediately to the relevant bank. The related transaction must be reversed and a new warrant voucher or cheque issued.

- c) If a warrant voucher is fraudulently encashed, it may not be replaced before an indemnity has been obtained, the South African Police Service has finalised its investigation and/or the Loss Control Officer recommends the replacement.

3.7. Uncashed warrant vouchers/Cheques.

- a) The monetary value of an uncashed warrant voucher or cheque must be reversed against its original allocation after 6 months of date of issue (Stale warrant voucher).
- b) If the amount is subsequently claimed, payment must be verified (cross-referenced to the original payment) and made as prescribed.
- c) If the 6 month period stretches into the new financial year then the warrant voucher or cheque must be surrendered as revenue. In this case, if the amount is subsequently claimed, payment must be made from revenue, after it has been verified (cross-referenced to the original payment).

3.8. Date of payment

- a) The date of payment is the date of charge, and shall be strictly observed.
- b) All payments made, shall be accounted for by the department in the financial year in which the payments were made.

4. AUTHORITY

This Policy shall remain the only transversal Payments Policy in Limpopo Provincial Government.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate payment processes within their respective areas of operation.

5. COPY RIGHTS

No part of this policy may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, in any network, electronic storage or transmission without the prior consent of the Limpopo Provincial Treasury.

6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval

7 AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

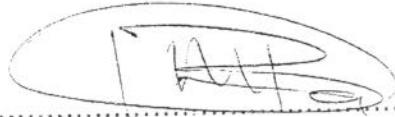
8. TERMINATION

This policy will be terminated upon the inception of a new policy

9. APPROVAL

The transversal payments policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008-08-28

DATE

Recommended by

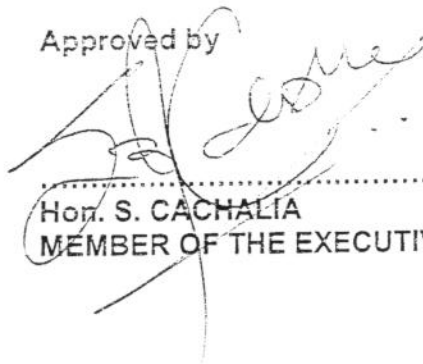


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL

03/09/08
DATE

PAYROLL DEDUCTIONS POLICY

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1. PREAMBLE

The objective of the management and control of payrolls is to ensure that salary payments are made to legitimate officials for work actually performed. This is imperative in view of the following:

- the value of payroll transactions constitutes a significant portion of the departmental budget;
- payroll control is critical in the prevention and detection of fraud and error; and
- payroll control minimises the risk of losses through irrecoverable overpaid salaries and/or supplementary payments.

2. PURPOSE

The purpose of this document is to provide a policy framework for the management administration and control of payroll deductions to ensure effective, economic and efficient management thereof, in the Province.

3. POLICY PRONOUNCEMENTS

3.1. Responsibility for the management of payrolls

- a) For all employees, the person in charge at the respective pay-points must certify that all persons listed on the payroll report are entitled to payment. People paid by cheque must sign the payroll report when collecting their cheques.
- b) Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

- c) All employees shall sign alongside their names on the monthly payroll, irrespective of whether their salaries are paid by cheque or deposited into their bank accounts.
- d) The employee's signature serves as confirmation of receipt of payslip and/or salary cheque, as well as certifying the physical presence of that official, on the relevant pay date.
- e) All duly completed payroll reports shall be returned to the Senior Manager: Financial Administration at Head Office.

3.2. Appointment of paymasters

- a) The Accounting Officer should, in terms of departmental financial delegations delegate the responsibility for approving expenditure and controlling personnel costs to the Programme/Responsibility Managers.
- b) Senior Manager: Human Resource Management shall in consultation with the Programme /Responsibility Manager appoint, in writing Paymasters in writing .
- c) Programme/Responsibility Managers shall ensure that Paymasters familiarise themselves with the relevant statutory requirements and departmental responsibilities attached thereto.

3.3. Specimen Signatures

- a) Paymasters shall furthermore provide their specimen signatures to the Human Resource Manager as acknowledgement of responsibilities assigned and confirmation of future accountability.
- b) The Head Office: Financial Administration Component shall keep all specimen signatures of all departmental paymasters.

3.4. Payroll Timeframes

- a) The monthly payment must be circulated to all paymasters at least 7 days prior to the pay day.
- b) Paymasters shall certify monthly payrolls on or before the relevant pay-date.
- c) Supplementary payrolls must be certified immediately after the beneficiary has signed alongside his/her name on the payroll.
- d) The paymaster concerned shall ensure that the duly certified payrolls are received by the payroll control component, within five working days of the relevant paydate, as indicated in the table below.

Institution Submitting	Payroll submitted to:
Head Office	Head Office Financial Administration
District Office	District Financial Administration
Circuit Office	District Financial Administration
Other Institutions	District Financial Administration

3.5. General Payment Guidelines

3.5.1. PAYMENT OF SALARIES

Unless otherwise determined by the National Treasury, personnel are divided into the following groups for the payment of salaries:

- a) Group A: Persons who must be paid on the 15th day of the each month or, if it is not a working day, on the last working day preceding the 15th.
These include –
 - (i) persons appointed permanently on the fixed establishment and employed in terms of the Public Service Act, 1994; and
 - (ii) persons appointed on contract.
- b) Group B: This group represents personnel paid on the last working day of the month and includes temporary and part-time staff, and persons appointed on probation.”

- c) Educators paid on the 22nd day of each month or if it not a working day, on the last working day preceding the 22nd .
- d) Notwithstanding the above 3 categories, there may be employees within the Department who are paid on dates other than those mentioned above. Paymasters should however be aware of any such deviations and should act in terms of this policy.

3.5.2. PAYMENT METHODS

The following methods of payment may be used.

- a) Employees' monthly salaries may be paid either by cheque or through electronic transfer.
- b) Supplementary payments may either be paid by cheque or through electronic transfer depending on the method of payment, as indicated on PERSAL, at the time of processing the supplementary payment.
- c) Employees should be encouraged to receive their salaries through electronic bank transfer into their bank accounts in order to combat cheque fraud and avoid possible postal delays.

3.6. Management Reporting

A monthly certificate confirming that Treasury Regulations 8.3.4 and 8.3.5 have been complied with, shall be issued by the Senior Manager: Financial Administration at Head Office, to the Chief Financial Officer together with, any management information concerning the status of all outstanding payrolls of the Department.

4. AUTHORITY

This Policy shall remain the only Transversal Payroll Policy in Limpopo Provincial Government.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate payroll debt management processes within their respective areas of operation.

5. COPY RIGHTS

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6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval.

7. AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

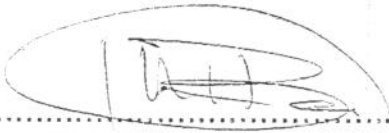
8. TERMINATION

This policy will be terminated upon the inception of a new policy.

9. APPROVAL

The Transversal Payroll Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.09.28

DATE

Recommended by

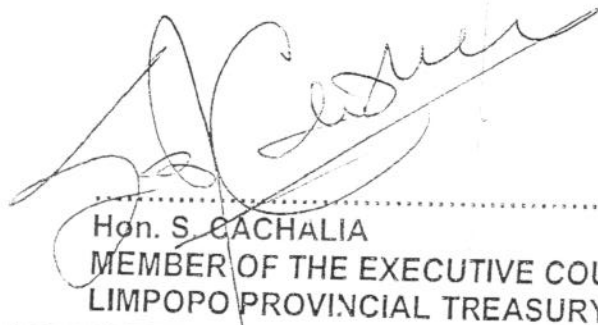


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/08

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

03/09/08

DATE

SECTION E: ASSET MANAGEMENT POLICY

PROVINCIAL ASSET MANAGEMENT POLICY

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1. PREAMBLE/INTRODUCTION

- 1.1. Section 38 (1) (d) of the Public Finance Management Act, 1999 (Act no.1 of 1999) places the responsibility on the accounting officer for financial and risk management of the departments as well as the effective and efficient use of the resources thereof. The section further tasks the accounting officer specifically, with the responsibility for the management, including the safeguarding and maintenance, of assets, and the management of liabilities.
- 1.2. In order to give effect to this section of the act, a policy is hereby developed to ensure a transparent, effective, efficient and economic Asset Management within Limpopo Provincial Government.
- 1.3. In the pursuit towards the attainment of service delivery objectives, resources e.g. tangible and intangible assets are acquired.
- 1.4. Assets Management is established as the decision making process to guide the acquisition, usage, safeguarding and disposal of assets to make the most of their service delivery potential and manage the related risks and costs over their entire life.
- 1.5. Historically, the public sector did not place much emphasis on the principle of Asset Management, largely due to the system for recording income and expenditure, which accounted only for the movement of cash, which in turn lead to the misconception that use of assets once paid for was “free” or without cost.
- 1.6. Public sector accounting is geared to encompass greater transparency and

accountability towards the public at large in the utilization of public funds, thus placing responsibility for the management of the financial affairs of the state under the spotlight and raising questions regarding the effectiveness and appropriateness of systems and procedures used to manage state assets. In the private sector stringent rules apply for the accounting of funds and the disclosure of financial information in the annual financial statements.

- 1.7. Limpopo Provincial Treasury places a strong emphasis on the physical and financial management of departmental assets across the Head Offices and Regional Administration as well as Government entities within the Province.
- 1.8. Great emphasis is being placed on better accounting practices and procedures to ensure that state assets are managed and utilized in the most effective way to achieve the required results as defined for each entity within the public sector.

2. PURPOSE

- 2.1. The purpose of this document is to provide a Provincial Policy Framework for the effective and efficient management of non-current assets within Limpopo Provincial Government; and to serve as a reference and an aid in the management of non-current assets.
- 2.2. The Policy prescribes to provincial departments and entities focal areas to be taken into consideration in the formulation of their respective Procedures Manuals for the regulation of an efficient, effective and economic Asset Management.
- 2.3. The Policy prescribes the basis for the accounting treatment for property, plant and equipment so that users of financial statements can discern information about the province's investment in Non-Current Assets.
- 2.4. Policy does not replace any acts, regulations or prescripts by National Treasury, which are still in force in respect of Asset Management.

3. Business Areas Impacted

Name Business Unit / Area	Context and Relevance
All Employees	Provincial Asset Management Policy impacts on every employee of Limpopo Provincial Government who uses any type of a non-current asset belonging to Government and its entities.
All Business Areas	Provincial Asset Management Policy impacts on every Department, Entity, Business Unit, Cost Centre, Responsibility Area, Institution, etc of the Limpopo Provincial Government entrusted with the use of any type of a non-current asset belonging to Government and its entities.

4. POLICY PRONOUNCEMENTS

4.1. LEGISLATIVE FRAMEWORK AND ACCOUNTING STANDARDS

4.1.1. **Section 216** of the Constitution of the Republic of South Africa (**Act 108 of 1996**), provide for the establishment of a National Treasury which must prescribe measures to ensure that there is both transparency and expenditure control in each sphere of government through the introduction of Generally Recognized Accounting Practice (GRAP), uniform expenditure classification and uniform Treasury Norms and Standards.

4.1.2. **PFMA Act 1 of 1996** (as amended by the Act 29 Of 1999) **section 17** provides for the establishment of Provincial Treasury which shall have the following functions and powers:

- (a) **Section 18 (1) (c)**: Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities;
- (b) **Section 18 (2) (b)**: Enforce the Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in

provincial departments;

- (c) **Section 18 (2) (e):** Assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- (d) **Section 18 (2) (f):** Investigate any system of financial management and internal control applied by a provincial department or a provincial public entity.
- (e) **Section 18 (2) (i):** Do anything further that is necessary to fulfill its responsibilities effectively.

4.1.2.1. **Section 36 of the PFMA Act 1 of 1996** (as amended by the Act 29 of 1999)

provides for the appointment of an Accounting Officer who shall have the following responsibilities:

- (a) **Section 38 (1) (b):** The effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;
- (b) **Section 38 (1) (d):** Manage, including the safeguarding and maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;
- (c) **Section 38 (1) (h) (i):** Take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who contravenes or fails to comply with the provision of this Act.
- (d) **Section 40 (1) (a):** Keep full and proper records of the financial affairs of the department, trading entity or constitutional institution in accordance with any prescribed norms and standards.
- (e) **Section 40 (1) (b):** Prepare financial statements in accordance with any prescribed norms and standards.
- (f) **Section 41:** Submit to the relevant treasury or Auditor-General, such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or Auditor-general may require.
- (g) **Section 42 (1) and (2):** In a case of transfer of assets and liabilities; draw up and sign an inventory thereof; and provide the accounting officer of the

receiving department or other institution with substantiating records; and file a copy of the signed inventory with the relevant treasury and the Auditor-General **within 14 days** of the transfer.

4.1.2.2. **Section 45 of the PFMA Act 1 of 1996** (as amended by the Act 29 Of 1999)

places responsibilities on every official of government department, constitutional institution or trading entity to:

- (a) carry out within his or her area of responsibility the system of financial management and internal control established for the department, constitutional institution or trading entity,
- (b) shoulder responsibility for the effective, efficient, economical and transparent use of financial and other resources within his or her area of responsibility;
- (c) manage, including the safeguarding, of the assets and the management of the liabilities within his or her area of responsibility.

4.1.2.3. **Treasury Regulation Section 10** gives effect to:

- (a) **PFMA Section 38 (1) (d)** that the accounting officer of an institution must:
 - (i) take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse; and that stock levels are at an optimum and economic level;
 - (ii) ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets;
- (b) **PFMA Section 76 (2) (i)** provides for the relevant treasury to exercise all powers, authority and prerogatives to fulfill any obligation on behalf of the state.

4.1.2.4. **Provincial Treasury Instructions on Supply Chain Management** provides in:

- (a) **Section 3** for the establishment of a Supply Chain Management Unit in each department, which must perform some of the following functions:
 - (i) demand, Acquisition, Logistics and Disposal management of goods and services for and on behalf of the department/institution;
 - (ii) any other functions the accounting officer may delegate to or instruct an official in order to ensure the effective and efficient utilization of provincial assets.
- (b) **Section 6** for the Disposal Management to:
 - (i) Do obsolescence planning for assets
 - (ii) Keep a database of redundant and obsolete assets
 - (iii) Inspect assets for potential re-use
 - (iv) Determine Asset Disposal Strategy
 - (v) Carry out the physical disposal of obsolete assets.

4.1.2.5. **Accounting Standards**

4.1.2.5.1. The Accounting Standards Board has approved the application of Statements of Generally Acceptable Accounting Practice (GAAP) as codified by the South African Institute of Chartered Accountants to be the Generally Recognized Accounting Practice (GRAP) for national and provincial departments, public entities, constitutional institutions, municipalities, parliament and provincial legislatures. Full effect of the provisions of GAAP AC 123 is given by GRAP and Generally Accepted Municipal Accounting Practice (GAMAP) as prescribed by this Policy.

4.1.2.5.2. South African Generally Recognized Accounting Practice Statement 17 (**GRAP 17**) provides that:

- (a) **P.11:** An item of property, plant and equipment shall be recognized as an asset when it is probable that its associated future economic benefits or service potential will flow to the entity; and that the cost or fair value of the asset to the entity can be reliably measured.

- (b) **P.76:** The carrying amount of an asset shall be derecognized on disposal or when no future economic benefits or service potential are expected from its use or disposal.
- (c) **P.05:** The GRAP standard shall be applied to property that is being constructed or developed for future use.
- (d) **P.23:** An asset acquired at no cost, or for a nominal cost shall be valued at fair price as at the date of acquisition.
- (e) **P.38:** After passing the recognition criteria, an asset shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.
- (f) **P.39:** Asset revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
- (g) **P.49:** An increase on the asset value as a result of revaluation, shall be credited directly to Revaluation Surplus to the extent of any debit balance existing in the revaluation surplus in respect of the same asset.
- (h) **P.50:** A decrease on the asset value as a result of revaluation, shall be debited directly to Revaluation Surplus to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.
- (i) **P.71:** The depreciation method applied to assets shall be reviewed at least at each reporting date, and where changes are effected as a result of significant change in the expected pattern of economic benefits or service potential from the asset, the change shall be accounted for as a change in accounting estimate.
- (j) **P.74:** Compensation from third parties for assets that were impaired, lost or given up shall be included in the surplus or deficit when the compensation becomes receivable.
- (k) **P.80:** The Gain or Loss arising from the derecognition of an asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

4.1.2.5.3. South African Generally Accepted Municipal Accounting Practice Statement 1 (**GAMAP 1**) provides that:

(a) **P.68:** An asset is classified as non-current when it does not satisfy the characteristics of a current asset, that is, it is NOT

- i. expected to be realized, held for sale or consumption in, the entity's normal operating cycle;
- ii. held primarily for purpose of being traded;
- iii. expected to be realized within twelve months after the reporting date
- iv. Cash or a cash equivalent asset.

(b) **P.17:** Assets should be further classified in order to develop a benchmark accounting treatment to assist in the measurement of assets and the understanding of the nature of the assets included as property, plant and equipment.

4.2. ASSET MANAGEMENT PROCESS

4.2.1. Asset Management is the process of guiding all the key asset management activities undertaken to make the most of asset service delivery potential and the management of the related risks and costs over the entire asset life cycle.

4.2.2. It embraces the following inter-related processes or phases:

- Planning and Budgeting;
- Acquisition;
- Asset Identification;
- Transfers;
- Accountability;
- Operation and Maintenance;
- Disposal and
- Accounting

4.2.3. Each department or entity shall annually draw a plan for each of the Asset Management process or phases stated in 4.2.2. above.

4.3. ASSET PLANNING

- 4.3.1. Asset Planning shall be informed by the principle that a public institution shall not hold assets unless it is reasonably necessary for the economical, effective and efficient delivery of services.
- 4.3.2. Asset Planning shall be the process through which the asset requirements of a department or entity are matched to its service delivery requirements.
- 4.3.3. The Asset Planning Framework model to be undertaken and adopted by departments and entities for an integrated Asset Management Strategy shall be the following process:
- (a) determination of Asset Needs
 - (b) evaluation of Existing assets
 - (c) development of the Asset Management Strategy; and
 - (d) capital Funding and Budgeting.
- 4.3.4. The department, entity or institution must prepare the Annual Asset Plan incorporating inputs from the end-users and the Asset Management Officials.
- 4.3.5. Department or entity's asset management plans; decisions and activities must be fully integrated with the Governments planning processes, including the department's business plans.
- 4.3.6. It is the responsibility of the cost centre managers to communicate the Asset Planning Strategy to Asset Management within a provincial department via its Chief Financial Officer.
- 4.3.7. Departments must continue to verify service needs throughout the planning process.
- 4.3.8. When estimating the useful life of asset, planned maintenance of the asset should also be considered during the planning stage.
- 4.3.9. Asset Planning must be conducted to include the asset life cycle stages, i.e. Acquisition, Operation, Maintenance and Disposal, and shall include aspects such as Risk Assessment, Cost-Benefit-Analysis, Role of Assets in programme delivery, Life-cycle costing, Accountability and Responsibility and Alternatives.
- 4.3.10. The output of Asset Management Planning shall be the Asset Planning Strategy.

- 4.3.11. Department's or entity's Asset Planning Strategy shall result in the following Asset activity plans:
- (a) acquisition Plan
 - (b) operation and Maintenance Plan
 - (c) transfer Plan
 - (d) revaluation Plan
 - (e) disposal Plan.
- 4.3.12. All asset activity plans must be communicated to the Asset Management Unit whose responsibility shall be to ensure that targets are set and carried out and that the Asset Register is properly updated as and when the need arises.

4.4. BUDGETING

- 4.4.1. Asset Budgeting shall be the process through which the Asset Planning Strategy is financially quantified and shall entail allocating financial resources to the Asset Planning Strategy.
- 4.4.2. Asset Budgeting must be conducted to include the asset life cycle stages, i.e. Acquisition, Operation, Transfers, Maintenance and Disposal.
- 4.4.3. It is the responsibility of the cost centre managers to communicate the Asset Budgeting Strategy to the Asset Management Unit within a provincial department or entity.

4.5. ACQUISITION

- 4.5.1. The decision to acquire asset shall be informed by both the Asset Planning Strategy and Asset Budgeting Strategy.
- 4.5.2. Alternatives to Asset Acquisition:
- (a) The three methods that should be considered by government to acquire assets are Buying, Building or Construction.

- (b) Unless approved by Provincial Treasury, no assets shall be acquired using

Financial Lease.

- (c) Assets introduced through Operating Leases MUST NOT be included on the Provincial Asset Register as ownership and total control thereof vests in the supplier.

4.5.3. Considerations in search for capital asset solutions must include:

- (a) Contracting-out the function to a service provider to provide the asset.
- (b) Redesign the service to reduce the demand of the asset.
- (c) Reduce demand for the service itself.
- (d) Increase the utilization of existing assets.

4.5.4. The decision to acquire an asset shall be made after consideration of the alternatives to asset ownership and shall be based on the comparison of the life-cycle costs, risks and benefit of each alternative.

4.5.5. Asset Acquisitions shall be documented in an Acquisition Plan.

4.5.6. Acquisition of Land.

- (a) Land for the purpose of Asset Management, shall encompass both improved and unimproved land and shall include all improvements of a permanent nature constructed on it, e.g. leveling a piece of land.
- (b) The provision of the Restitution Lands Act 1994 must be taken into consideration when acquiring land.
- (c) A department or entity may acquire land by agreement through negotiation and entering in a common law contract of sale, or shall be by compulsory agreement empowered under legislation.

4.5.7. Acquisition of other assets

The acquisition of assets other than land and those that are constructed shall be treated in terms of the PFMA and by the relevant policies and guidelines such as the Provincial Treasury Instruction on Supply Chain Management.

4.5.8. Asset construction/Building:

- a) The method used to acquire assets should enable:
 - (i) Appropriation allocation of risks and obligations to relevant parties.
 - (ii) Definition of the respective roles of the various parties involved.
 - (iii) Definition of the required outcomes of the acquisition process.
- b) The choice of capital project acquisition must be subject to a Capital Project Appraisal which analyses costs, financial and non-financial benefits, funding options, risks, delivery times, and the period for which the asset is needed using Capital Investment Appraisal concepts, namely, Payback Period/ Discounted Payback Period (DPP), Accounting Rate of Return (ARR), Discounted Cash Flow (DCF), Net Present Value (NPV) and the Internal Rate of Return (IRR).
- c) The various methods that must be considered are Lump sum contracts, Design and Construct contracts and Build-Own-Operate-Transfer (BOOT) which should be in compliance with the relevant policies and guidelines such as the Provincial Treasury Instruction on Supply Chain Management.
- d) Construction/Building of an asset shall constitute a project, i.e. collection of tasks undertaken by a department to achieve a specified goal
- e) Projects are related to assets and for the purpose of capitalization on an Asset Register, must be carried out in one of the following forms:
 - (i) Construction of new assets
 - (ii) Improvement, extension, rehabilitation or enhancement of existing assets.
- f) Asset construction/building costs shall be accumulated on a project cost basket or Work-Break Down structure to build up an asset and be settled to a final asset on completion.
- g) Repair or maintenance of existing assets must not be capitalized on an Asset

Register.

- h) Periodic reporting for assets shall include capital projects work-in-progress (WIP) as well as the completed capital assets.

4.5.9. Hire versus Buy - The Limpopo Provincial Treasury does not encourage the acquisition of assets through Hiring/Renting/Operating Lease.

4.5.10. Recognition of asset

4.5.10.1. An asset shall be recognized for capitalization on the Asset Register to an extent that it is a resource controlled by an entity as a result of past events, and from which future economic benefits or service potential is expected to flow to the department or entity, and which will be utilized over more than one financial period.

4.5.10.2. An asset to be recognized in terms of 4.5.10.1 above shall possess the following characteristics before it is considered for capitalization on the asset Register:

- (a) It is a tangible or intangible item of value.
- (b) It possesses service potential or future economic benefit that will flow to the entity.
- (c) Its service potential or future economic benefit is controlled by an entity.
- (d) The service potential or future economic benefit arose from past transactions or events (i.e. 'future' assets cannot be recognized in the financial statements).
- (e) It is probable that the service potential will be used.
- (f) The asset has a cost that can be reliably measured.

4.5.11. Categorization and Classification of assets in the Asset Register

- (a) The general categorization of assets shall be Property, Plant and Equipment (PPE) and shall include all non-current assets which are:
 - (i) Fixed or Immovable

- (ii) Tangible or Corporeal
 - (iii) Intangible or Incorporeal
 - (iv) Non-fixed or Movable
 - (v) Primary and Secondary
- (b) Current assets must not be capitalized on Asset Register as they have an expected short life due either to an inherent feature (e.g. perishable goods) or because they will be converted into cash or another asset or consumed within the entity within a short timeframe (e.g. deposits, investments, raw materials or inventory, cash and cash equivalents, and debtors).
 - (c) Non-Current Assets shall be those that have an extended useful life greater than one year, e.g. motor vehicles, computer equipment, etc.
 - (d) Non-Current Assets shall be capitalized on Asset Register to an extent that they pass the recognition test.
 - (e) Although some assets consist of complementary primary and secondary components, e.g. personal computer's central processing unit (CPU), monitor and printer, each component must be considered in the Asset Register as a unique asset in its own right.
 - (f) Assets must be recorded according to a particular classification or logical groupings in the Asset Register in terms of Asset Classification Standards as set by the International Accounting Standard Committee (IASC), local Accounting Standard Board (ASB) or Classification standards by the National Treasury.
 - (g) The asset's useful life or lifespan shall be determined by or be built into the Asset Classes.
 - (h) Each asset class shall be an element of the PPE Asset Categories.
 - (i) Asset Classification for the Limpopo Provincial Government shall be done to minimally comply with the Depreciation Table of National Treasury's Asset Management Learner's Guide as adopted and summarized for the Limpopo Provincial Government on "Annexure B" of this Policy.

- (k) Each asset item must be recorded individually in the Asset Register in order for an efficient management of its life cycle from the day Government takes control over it.
- (l) On approval from Provincial Treasury, a department or entity may bulk a group of assets as Toolbox Assets on one asset in the Asset Registers due to their nature e.g. Workshop equipments, toolbox for technicians and mechanics, etc.
- (m) The replacement of worn out, damaged or lost Toolbox Asset items shall be strictly done through the Current Expenditure.
- (n) The supervisor/ cost centre owner of the person to whom Toolbox Assets are issued shall keep an Inventory Control List of all the Toolbox Asset items issued for control purposes.

4.5.12. When an asset is included in the Asset Register, the following information must be captured:

- (a) supplier;
- (b) reference;
- (c) model;
- (d) manufacturer;
- (e) barcode / asset number;
- (f) programme;
- (g) restrictions;
- (h) heritage, cultural and historical asset "identifier";
- (i) capacity;
- (j) residual / useful life or lifespan;
- (k) warranties or guarantees;
- (l) measures;
- (m) condition;
- (n) residual value; and
- (o) replacement value

4.6. OPERATIONS AND MAINTENANCE

- 4.6.1. The objective of Operations and Maintenance shall be to ensure that assets remain appropriate to programme requirements, are efficiently utilized and are maintained in the necessary condition to support programme delivery at the lowest possible long-term cost.
- 4.6.2. The Accounting Officer of a department or entity shall be responsible for the cost of using assets in the programme delivery and for the performance of those assets in achieving programme objectives.
- 4.6.3. Departments and entities shall establish and maintain management processes to regularly monitor and assess the assets under their control.
- 4.6.4. For control purposes an asset item MUST be assigned to a location and asset holder/user and MUST be acknowledged in writing by the employee to whom it is assigned.
- 4.6.5. Employees to whom assets are assigned remain fully responsible and accountable for the efficient usage, safeguarding and verification for all assets under their custody until such assets are officially transferred or disposed through the Asset Management processes.
- 4.6.6. Upon transfer or termination of services of an employee, his/her supervisor or cost centre owner shall immediately call such employee to account for all assets under his/her custody.
- 4.6.7. The supervisor or cost centre owner of an employee whose services are being or have been severed immediately assumes responsibility and accountability for all assets which or have been under the custody of such an employee until such time that the assets are officially transferred, disposed or assigned to another employee.
- 4.6.8. Departments and entities shall be responsible for establishing mechanisms to ensure that the movement of assets between locations and asset holders/users is strictly monitored, and that the Asset management Unit is formally notified to update the Asset Register where such movements become permanent.
- 4.6.9. Departments and entities shall be responsible to ensure that assets' physical existence and conditions thereof are verifiable against the Asset Register.

- 4.6.10. A department or entity shall annually formulate an Operations and Maintenance Plan defining the following aspects concerning performance optimization and asset life:
- (a) An assessment of the conditions of existing assets.
 - (b) Operations and Maintenance standards for the level of use, condition, maintenance and performance of assets.
 - (c) The means to ensure that assets are efficiently and effectively utilized in supporting programme delivery.
 - (d) Responsibility for ownership and control for use, security, condition and performance.
 - (e) Accountability for all Operations and Maintenance activities.
 - (f) Resources required for operating and maintaining assets.
 - (g) Operating policies.
 - (h) Estimates of operating costs.
 - (i) Training staff in use of the asset.
 - (j) Arrangements for performance data collection, monitoring and reporting.
 - (k) Maintenance schedule.
- 4.6.11. Programme/cost centre managers shall be responsible for ensuring that the annual or revised Operations and Maintenance Plan for the department or entity, and any activity that affects the condition of an asset is communicated to the Asset Management Unit in the department or entity.
- 4.6.12. Programme/ cost centre managers shall be responsible for ensuring that assets are utilized for the purpose for which they are intended, and in compliance with the relevant health and safety standards.
- 4.6.13. Programme/ cost centre managers shall continually apply mechanisms to improve the asset's utilization, re-deploy it or consider alternative uses for the asset in order to maximize the asset's service delivery output during its useful life.

- 4.6.14. Programme/ cost centre managers shall periodically evaluate the financial performance of an asset to determine its current economical services viability and project economic return of the asset or portfolio over its remaining useful life.
- 4.6.15. Accounting for Operations and Maintenance.
- 4.6.15.1. In terms of GAAP AC423 Statement on Property, Plant and Equipment, subsequent expenditure on assets such as repairs or maintenance that restores or maintains the future economic benefits that an enterprise can expect from the originally assessed standard of performance of the asset, should be recognized as an expense (current expenditure) in the period in which it is incurred.
- 4.6.15.2. The Asset Register shall only be adjusted in respect of a capital expenditure if the expense thereof results in the extension to the asset's useful life, an increase in capacity of an asset, an upgrade in the asset's output of quality thereof and substantial decrease in the assessed future operating cost.
- 4.6.16. Programme managers/cost centre owners shall continually bring to the attention of the Asset Management Unit in the department or entity information regarding any damaged, unserviceable, obsolete or redundant assets which are to be ring-fenced for disposal.

4.7. ASSET TRANSFERS

- 4.7.1. Asset Transfer shall be the process through which an asset is moved between cost centres, locations, users/holders and departments within the Limpopo Provincial Government Asset Register.
- 4.7.2. An asset movement shall only be treated as a transfer only if its transfer destination remains within the Limpopo Provincial Government Asset Register, otherwise it shall be treated as a disposal with or without realization value.

- 4.7.3. The provincial government departments or entities shall be allowed to transfer asset between themselves, or donate them to other institution(s) as prescribed by the PFMA (Act 1 of 1999).
- 4.7.4. When transferring assets, departments or entities shall draw an Asset Register Inventory of the assets to be transferred stating the asset number, description, registration reference numbers, current asset holder and location, cost value and the carrying amount at the date of transfer.
- 4.7.5. The inventory list shall be covered by a formal Handing and Taking-Over Certificate [(Z 584) VA 32] (Annexure C) which shall be signed by both the receiving and the transferring department or entity officials in compliance with the applicable Delegation of Authority within the department or entity. There shall also be a Memorandum of Agreement where necessary, to avoid challenges that might arise after the transfer.
- 4.7.6. Upon the conclusion of a transfer agreement between the transferring and the receiving departments or entities, the transferring department or entity shall lodge the signed Handing and Taking-Over Certificate together with the accompanying inventory list(s) with Provincial Treasury and the office of the Auditor General within **14 (fourteen) days** from the day of the transfer.
- 4.7.7. The Asset Register shall be updated to transfer both the financial and non-financial history of the asset.
- 4.7.8. The cost of the asset to the receiving department/entity shall be the carrying Net Book Value per the Asset Register on the day of the transfer.
- 4.7.9. An Asset Transfer shall only be concluded when the Asset Registers in the transferring and receiving departments or entities have been updated by the relevant Asset Management Units with regard to such a transfer.

- 4.7.10. It is a punishable offence that befits criminal charges to transfer assets in and out without proper authorization, notifying the Asset Management Unit of the department or entity or updating the Asset Register.
- 4.7.11. Asset Transfers involving property and plant shall be strictly authorized by the Accounting Officer/ Head of Department/Entity.
- 4.7.12. Movement of assets between locations, workstations and users:
- (a) The person requesting that assets be moved between locations, workstations, users, etc for use or repairs must lodge a "Request to Move Assets Form" with the relevant Asset Controller.
 - (b) Both the Transferring and Receiving Asset Controllers must recommend and obtain approval from the respective heads of divisions.
 - (c) The approved "Request to Move Assets Form" must be signed by both the transferor and transferee, and copies thereof must be submitted by both Asset Controllers to their respective Asset Administration Officers on the same day the assets are moved.

4.8. ASSET VERIFICATION

- 4.8.1. The Asset Verification shall be the process through which the physical existence of assets and their conditions are verified against assertions in the Asset Register.
- 4.8.2. The Limpopo Provincial departments and entities shall conduct a mandatory Main Asset Verification to verify all assets acquired by the departments or entities whether contained in the Asset Register or not, on the 31st December each year.
- 4.8.3. The Chief financial Officer shall designate, in writing, a competent independent Asset Verification Team to perform Asset Verification and report their findings for the whole department or entity.

- 4.8.4. The Main Asset Verification shall be concluded and made available to support Annual Financial Statements as determined by Provincial Treasury.
- 4.8.5. The Main Asset Verification shall have as its main objectives to determine whether or not each asset registered in the Asset Register of the department or entity:
- (a) Does exist physically.
 - (b) Is physically linked to the appropriate department, entity, location and user.
 - (c) Is in a good condition to provide service delivery.
 - (d) Is under the control of a government department or entity.
- 4.8.6. Where a negative finding or a deviation to the Asset Verification objectives is observed, the Main Asset Verification Report shall indicate management interventions and timelines put in place to resolve the matter.
- 4.8.7. In conducting the Main Asset Verification, the designated Verification Official shall:
- (a) Trace each asset on the Inventory List to a Location and or an Asset Holder/User, and or trace each asset in a particular Location or Asset Holder/User to the Inventory List, manually or using a bar-code scanner.
 - (b) Verify the asset number and other unique reference numbers of the asset against the Inventory List for the particular location or Asset Holder/User,
 - (c) Note the condition of the asset,
 - (d) Manually note the discrepancies or feed the scanned data into the electronic Asset Register for the production of an Asset Verification Exception Report,
 - (e) Obtain Asset Holder/User's signature to certify the Asset Verification process and findings thereof in his/her location,
 - (f) Obtain Programme/cost centre manager's signature to certify the Asset Verification process, findings thereof and his/her plan to resolve the exceptions.
 - (g) Identify and note particulars of redundant, obsolete or unserviceable State assets.
 - (h) Assess the possibility that any deficiencies, redundancies, obsolescence or damages with regard to State assets may have been caused by the default, negligence or misuse by any person.
 - (i) Assess the suitability of assets for official use or functional purposes, as regards

both quality and quantity.

(j) Assess any other matters relating to Assent Verification that require attention.

4.8.8. The physical existence of fixed assets and intangible assets shall be verified against their respective documents of title and ownership.

4.8.9. The Main Asset Verification shall be carried out to comply with Treasury directives and any other standards and conditions prevailing for the particular class of assets or environment.

4.8.10. The Inventory Lists together with the Asset Verification Exception Form shall accompany the Asset Verification Team's submission to the Accounting Officer of the department or entity.

4.8.11. The final Asset Verification Exception Form of the department, duly-authorized shall be lodged with the Asset Management Unit of the department or entity for the update of the Asset Register.

4.8.12. The Main Verification Output Report of the department or entity, duly-authorized by the Accounting Officer, shall be lodged with the Provincial Asset Management Unit in Provincial Treasury by the **second week of April each year**.

4.8.13. Asset Verifications shall also be conducted to verify the physical asset against its records, on Transfer, Disposal and Revaluation.

4.8.14. The frequency at which the Main Asset Verification shall be conducted is:

- (a) Biological assets including game : Biannually
- (b) Furniture and movable equipments : Biannually
- (c) Fixed Plant and Machinery : Biennially
- (d) All Intangible/ incorporeal assets : Annually
- (e) All immoveable assets : Triennially

4.9. DISPOSAL OF ASSETS

- 4.9.1. Asset Disposal shall be the process through which assets are removed from the control of the provincial department or entity by way of sale, donation, scrapping, cannibalism, decommissioning, destruction, devolution, surrender, cessation or trade-in, excluding transfers.
- 4.9.2. The provincial government departments or entities shall have an Annual Disposal Plan for assets which regulates the minimization of the issue of having redundant assets belonging to government all over the province.
- 4.9.3. The Disposal Plan shall establish the rationale for the anticipated time and method of disposal, and the expected proceeds.
- 4.9.4. The department or entity shall file a copy of the Disposal Plan with the Provincial Asset Management Directorate in Provincial Treasury at the beginning of a financial year.
- 4.9.5. Asset disposal decisions shall be made within an integrated service and financial planning framework.
- 4.9.6. The Asset Register shall be the starting point for the disposal analysis.
- 4.9.7. No asset shall be sold at a market value which is below its carrying Net Book Value in the Asset Register without the approval of Provincial Treasury.
- 4.9.8. The appropriate means of disposal shall be Public Auction or Public Tender.
- 4.9.9. There shall be, in each department or entity, an elected Asset Disposal Committee (ADC) whose responsibility shall be to assess assets ring-fenced for disposal, obtain approval from the Accounting Officer and execute the disposal function.
- 4.9.10. Once approval for disposal has been granted, the department or entity shall

invite the Provincial Asset Management in Treasury at least **one week** before disposal, to conduct a Pre-Disposal Audit.

4.9.11. All assets ring-fenced for disposal must have been registered in the Asset Register before disposal.

4.9.12. The Provincial Asset Management in Treasury reserves the right to demand compliance with the Act, Policies, Procedures and applicable standards before assets disposal can be executed.

4.9.13. The Asset Management Unit of the department or entity shall update the Asset Register with regard to disposed assets, strictly in the month in which the assets disposal took place.

4.9.14. The department or entity shall, upon disposal of assets, lodge a Disposal Report on all assets disposed and details of proceeds thereof, with Provincial Asset Management.

4.9.15. Unless otherwise expressly provided for in any other law, a decision to dispose of immovable property shall vests in the Department of Public Works.

4.9.16. All proceeds received from sale of assets by a department or entity must be paid daily into the Provincial Revenue Account (PRA).

4.10. ASSET VALUATION

4.10.1. The carrying value of an asset in the Asset Register at any given time shall be recognized as the total original purchase price after accounting for depreciation, impairment and revaluations.

4.10.2. The total original purchase price shall be determined using the historical cost, replacement cost, realizable value or present value.

- 4.10.3. Where no acquisition documents are available to support cost, historical assets shall be valued through the services of professionally qualified evaluator or sworn appraiser.
- 4.10.4. All historical assets must be appropriately marked as such in the Asset Register and be separately reported on in order to enhance financial reporting on assets.
- 4.10.5. An historical asset shall assume its useful life from the day in which it is recorded in the Asset Register.
- 4.10.6. The use of existing matrix and or model for the valuation of infrastructure assets should be utilized and adapted where necessary to assist in the process of establishing value.
- 4.10.7. Each asset in the Asset Register shall be amortized during its useful life using straight line method, unless Provincial Asset Management Treasury approves otherwise.
- 4.10.8. An asset acquired at a value less than R5000 shall be fully depreciated in the month of acquisition and be carried on the Asset Register at a zero Net Book Value.
- 4.10.9. The depreciation rates adopted by the Province shall be the minimum rate for each asset class in terms of National Treasury Asset Management Learner's Guide as indicated in "Annexure B" hereof.
- 4.10.10. The depreciation rates shall be programmed in the electronic Asset Register module per Asset Class to amortize the assets accordingly.
- 4.10.11. No asset valuation shall be done outside the Provincial Asset Register.
- 4.10.12. A department or entity shall formulate an annual Asset Revaluation Plan which shall be used to regulate the revaluation of assets.

4.10.13. The three valuation methods which shall be applied are the Open Market Value, Market-based Value and the Depreciated Replacement Cost.

4.10.14. Asset revaluation shall amount to a write-up or write-down of the value of the remaining useful life of an asset.

4.10.15. Asset Revaluation shall be approved by the Accounting Officer of the department or entity and a copy of the Revaluation Report shall be lodged with the Provincial Asset Management.

4.11. ASSET MANAGEMENT UNIT STRUCTURE

4.11.1. The Asset Management Unit in a department or entity shall fall and be managed under the Chief Financial Officer component.

4.11.2. The Asset Management Unit shall operate distinctively as a sub-directorate.

4.11.3. The Unit shall be headed by a suitably qualified and experienced official at a level not below that of a Manager who shall automatically be a member of the Provincial Asset Management Forum (AMF).

4.11.4. The Unit shall have the powers to carry out all Asset Management activities, demand support and report violation of any Act and of the Asset Management Policies and Procedures within the department, entity or institution.

4.11.5. The Chief Financial Officer or his/her delegate must in writing designate at least a responsible employee to act as an Asset Manager for the purposes of general administration and control, which includes, *inter alia* the:

- (a) Establishment, supervision and maintenance of an Asset Register.
- (b) Supervision of the accounting of all assets in the Asset Register.
- (c) Movement of assets.

- (d) Evaluation of obsolete, unserviceable or redundant assets.
- (e) Disposal of assets.
- (f) Maintenance and calculation of asset depreciation.
- (g) Classification of assets.
- (h) Supervision of the Asset Verification function.
- (i) Reporting any non-compliance to this Policy to the Chief Financial Officer, his/her delegate or to Provincial Asset Management.
- (j) Reconciliation of the Asset Register *inter se* and against the Capital Expenditure on monthly basis.
- (k) Compilation and lodgment of Asset Management Movement Report to Provincial Asset Management on monthly basis.
- (l) Support of programmes by Provincial Asset Management, National Treasury and the office of departmental Chief Financial Officer; or any other initiative intended for the sound Asset Management in the Province.
- (m) Allocation of assets to users and location.
- (n) Maintaining and keeping the Asset Register up-to-date with regard to acquisitions, transfers, disposals, revaluations, depreciations, etc.

4.11.6. The Chief Financial Officer or his/her delegate must in writing designate at least a responsible employee to act as an Asset Administration Officer whose function shall be to assist and support the Asset Manager in pursuance of an effective, efficient, transparent and economic management of non-current assets goal.

4.11.7. The Chief Financial Officer or his/her delegate, in concurrence with heads of divisions or institutions, must in writing designate at least a responsible employee to act as an Asset Controller within each division or institution whose function shall be to assist and support the Asset Manager in pursuance of an effective, efficient, transparent and economic management of non-current assets goal.

5. AUTHORITY

This Policy shall remain the only transversal Provincial Asset Management Policy in Limpopo Provincial Government on the subject of Asset Management.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate asset management processes within their respective areas of operation.

6. COPY RIGHTS

No part of this Policy may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, in any network, electronic storage or transmission without the prior consent of the Limpopo Provincial Treasury: Provincial Asset Management.

7. IMPLEMENTATION DATE

This Policy is effective from date of approval.

8. AMENDMENT DATE

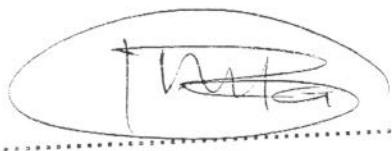
This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

9. TERMINATION

This policy will be terminated upon the inception of a new policy.

10. APPROVAL

Reviewed by




2008.08.28

OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

DATE

Recommended by

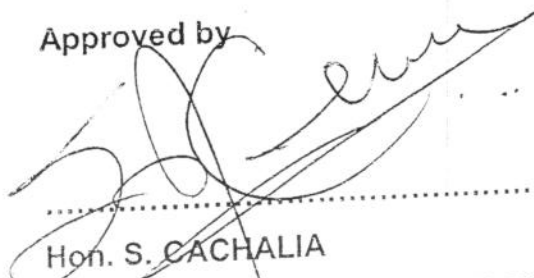


MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

2008/09/03

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL

03/09/2008

DATE

22. ANNEXTURE A

22. ANNEXTURE A

ASSET CLASSIFICATION AND LIFESPAN TABLES

A. PROPERTIES ()

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
A1. PROPERTIES	A1.1.Developed	N/A	2465	PROPERTY	LANDEVEL	LANDEVEL
	A1.2. Undeveloped	N/A	2467	PROPERTY	LANUNDEV	LANUNDEV
	A1.3. For Sale	N/A	2466	PROPERTY	LANSALES	LANSALES
A2. BUILDINGS	A2.1. Residential					
	Hostels	300	2222	BUILDING	RESBUILD	RESFACIL
	Places of safety	300	2227	BUILDING	RESBUILD	RESFACIL
	Prisons and rehab facilities	300	2228	BUILDING	RESBUILD	RESFACIL
	Residence(incl garages & parking)	300	2217	BUILDING	RESBUILD	RESFACIL
	Secure centres	300	2218	BUILDING	RESBUILD	RESFACIL
	Children's homes	300	2220	BUILDING	RESBUILD	RESHOMES
	Foreign mission dwellings	300	2221	BUILDING	RESBUILD	RESHOMES
	Homes for the aged	300	2225	BUILDING	RESBUILD	RESHOMES
	Military personnel dwellings	300	2223	BUILDING	RESBUILD	RESHOMES
	Presidential, Embassies, etc	300	2216	BUILDING	RESBUILD	RESHOMES
	Caravans	120	2219	BUILDING	RESBUILD	RESMOBIL
	Mobile Homes	120	2224	BUILDING	RESBUILD	RESMOBIL

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
A2. BUILDINGS	A2.2. Non-Residential					
	Airport Buildings	300	2230	BUILDING	NONRESBL	NRECOMCL
	Border and custom control	300	2240	BUILDING	NONRESBL	NRECOMCL
	Bus Terminals	300	2241	BUILDING	NONRESBL	NRECOMCL
	Bus Shelters	120	2242	BUILDING	NONRESBL	NRECOMCL
	Civic Theaters	300	2243	BUILDING	NONRESBL	NRECOMCL
	Driver/Vehicle testing centres	300	2246	BUILDING	NONRESBL	NRECOMCL
	Fire stations	300	2248	BUILDING	NONRESBL	NRECOMCL
	Foreign mission offices	300	2247	BUILDING	NONRESBL	NRECOMCL
	Laboratories	300	2251	BUILDING	NONRESBL	NRECOMCL
	Office buildings(incl Air conditioners)	300	2231	BUILDING	NONRESBL	NRECOMCL
	Public parking	300	2232	BUILDING	NONRESBL	NRECOMCL
	Railway & assoc buildings	300	2234	BUILDING	NONRESBL	NRECOMCL
	Research facilities	300	2235	BUILDING	NONRESBL	NRECOMCL
	Warehouses (storage incl data)	300	2531	BUILDING	NONRESBL	NRECOMCL
	Libraries	300	2252	BUILDING	NONRESBL	NREDUCAT
	Museums & Art galleries	300	2230	BUILDING	NONRESBL	NREDUCAT
	Universities, colleges, schools, etc	300	3243	BUILDING	NONRESBL	NREDUCAT
	Clinics & community health centre	300	2244	BUILDING	NONRESBL	NREHEALT
	Hospitals & ambulance stations	300	2249	BUILDING	NONRESBL	NREHEALT
	Mortuaries	300	2229	BUILDING	NONRESBL	NREHEALT
	Community centres	300	2245	BUILDING	NONRESBL	NRERECRE
	Public entertainment buildings	300	2245	BUILDING	NONRESBL	NRERECRE
	Stadiums	300	2236	BUILDING	NONRESBL	NRERECRE
	Police stations & assoc buildings	300	2233	BUILDING	NONRESBL	NRESECUR
	Industrial buildings	300	2250	BUILDING	NONRESBL	NRESINDL
	Taxi ranks	120	2237	BUILDING	NONRESBL	NRETAXIS
A3. INVESTMENT PROPERTIES	A3.1 Investment properties	N/A	2532	PROPERTY	INVESTME	INVPROPS

B. INFRASTRUCTURAL ASSETS (2058)

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
INFRASTRUC TURAL ASSETS	B1. Electricity (2059)					
	Mains	180	2261	INFASSET	ELETRIC	ELEMETRS
	Meters	180	2262	INFASSET	ELETRIC	ELEMETRS
	Switchgear Equipment	180	2255	INFASSET	ELETRIC	ELEMETRS
	Supply/ Reticulation	180	2254	INFASSET	ELETRIC	ELERETIC
	Cooling Towers	300	2259	INFASSET	ELETRIC	ELESTATN
	Power Station- Coal	300	2533	INFASSET	ELETRIC	ELESTATN
	Power Station- Gas	300	2533	INFASSET	ELETRIC	ELESTATN
	Power Station- Hydro	300	2533	INFASSET	ELETRIC	ELESTATN
	Power Station- Nuclear	300	2533	INFASSET	ELETRIC	ELESTATN
	Transformers	300	2256	INFASSET	ELETRIC	ELETRFMR
	B2. Roads (2060)					
	Bridges- Pedestrian	300	2264	INFASSET	ROADSIH	ROADBRIDG
	Bridges- Railway	300	2265	INFASSET	ROADSIH	ROADBRIDG
	Bridges- Vehicle	300	2263	INFASSET	ROADSIH	ROADBRIDG
	Culverts	300	2266	INFASSET	ROADSIH	ROADBRIDG
	Subways	300	2281	INFASSET	ROADSIH	ROADBRIDG
	Municipal Roads- Concrete	180	2278	INFASSET	ROADSIH	ROACONCR
	National Roads- Concrete	180	2270	INFASSET	ROADSIH	ROACONCR
	Provincial Roads- Concrete	180	2274	INFASSET	ROADSIH	ROACONCR
	Overload Control Centres	180	2539	INFASSET	ROADSIH	ROACONTRL
	Traffic Islands	180	2285	INFASSET	ROADSIH	ROACONTRL
	Traffic Lights	180	2286	INFASSET	ROADSIH	ROACONTRL

INFRASTRUCTURAL ASSETS	DESCRIPTION	LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
	National Roads- Gravel	60	2271	INFASSET	ROADSIH	RDAGRAVL
	Provincial Roads- Gravel	60	2275	INFASSET	ROADSIH	RDAGRAVL
	Street Lighting	300	2283	INFASSET	ROADSIH	RDALIGHT
	Kerbing & Pavements	180	2267	INFASSET	ROADSIH	RDADOTHER
	Pedestrian Footpaths	180	2280	INFASSET	ROADSIH	RDADOTHER
	Storm water drains	180	2282	INFASSET	ROADSIH	RDADOTHER
	Municipal Roads- Tar	120	2277	INFASSET	ROADSIH	RDATARRD
	National Roads- Tar	120	2269	INFASSET	ROADSIH	RDATARRD
	Provincial Roads- Tar	120	2273	INFASSET	ROADSIH	RDATARRD
	Toll Road Plazas	240	2284	INFASSET	ROADSIH	RDATOLLG
B3. Airports (2061)						
	Airports & Radio Beacons	180	2287	INFASSET	AIRPSTRU	AIRPSTRU
	Aprons	180	2288	INFASSET	AIRPSTRU	AIRPSTRU
	Runways	180	2289	INFASSET	AIRPSTRU	AIRPSTRU
	Taxiways	180	2290	INFASSET	AIRPSTRU	AIRPSTRU
B4. Water (2062)						
	Dams	240	2292	INFASSET	WATERIH	WATDAMSS
	Reservoirs	240	2296	INFASSET	WATERIH	WATDAMSS
	Water Purification Works	240	2295	INFASSET	WATERIH	WATDAMSS
	Underground chambers- Others	120	2291	INFASSET	WATERIH	WADOTHER

INFRASTRUCTURAL ASSETS	DESCRIPTION	LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
	Meters	180	2293	INFASSET	WATERIII	WATSUPPL
	Pump Stations	180	2294	INFASSET	WATERIII	WATSUPPL
	Supply/Reticulation	180	2297	INFASSET	WATERIII	WATSUPPL
	Underground chambers- Meters	180	2299	INFASSET	WATERIII	WATUNDER
	Underground chambers- Transition	180	2300	INFASSET	WATERIII	WATUNDER
	Underground chambers- Valves	180	2298	INFASSET	WATERIII	WATUNDER
	B5. Sewerages (2063)					
	Sewerage Pump Stations	180	2304	INFASSET	SEWERAGE	SEWPURIF
	Waste Purification Works	180	2303	INFASSET	SEWERAGE	SEWPURIF
	Outfall Sewers	240	2302	INFASSET	SEWERAGE	SEWRETIC
	Sewers/Reticulation	240	2305	INFASSET	SEWERAGE	SEWRETIC
	B6. Railway (2064)					
	Power Supply Units	300	2306	INFASSET	RAILWAYS	RAILSTRUC
	Railway Sidings	300	2309	INFASSET	RAILWAYS	RAILSTRUC
	Shunting Yards	300	2307	INFASSET	RAILWAYS	RAILSTRUC
	Railway Tracks	180	2310	INFASSET	RAILWAYS	RAILSYSTEM
	Signaling Systems	180	2308	INFASSET	RAILWAYS	RAILSYSTEM
	B7. Gas Supply Systems (2065)					
	Mains/Pipelines	180	2312	INFASSET	GASYSTEM	GASUPPLY
	Meters	180	2313	INFASSET	GASYSTEM	GASUPPLY
	Storage facilities	180	2314	INFASSET	GASYSTEM	GASUPPLY
	Supply/Reticulation	180	2311	INFASSET	GASYSTEM	GASUPPLY

INFRASTRUCTURAL ASSETS	DESCRIPTION	LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
	B8. Cemeteries	300	2066	INFASSET	CEMETRIES	CEMETRIES
	B9. Harbours	(2067)				
	Cranes and Crane Shovels	180	2318	INFASSET	HARBOURS	HARHOIST
	Freight Elevators	180	2319	INFASSET	HARBOURS	HARHOIST
	Container Terminals	240	2317	INFASSET	HARBOURS	HARSHIPS
	Shipping & Storage Containers	240	2320	INFASSET	HARBOURS	HARSHIPS
	Car Parks	300	2315	INFASSET	HARBOURS	HARVEHIC
	Car Terminals	300	2316	INFASSET	HARBOURS	HARVEHIC
B10. Capital/Infrastructure Work-In-Progress	(2055)					
	Buildings	N/A	2055	INFASSET	CAPITWIP	WIPBUILD
	Infrastructure	N/A	2055	INFASSET	CAPITWIP	WIPINFRA
	Construction Costs	N/A	2055	INFASSET	CAPITWIP	WIPCOSTS

C .MACHINERY AND EQUIPMENT (998)

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
OTHER MACHINERY AND EQUIPMENT	CI. OTHER MACHINERY AND EQUIPMENT (2068)					
	Gardening Equipment	24	2390	MACH&EQP	OTHM&EQP	OMEGARDN
	Farm/ Agricultural Equipment	60	2389	MACH&EQP	OTHM&EQP	OMEAGREQ
	Irrigation Equipment	120	2392	MACH&EQP	OTHM&EQP	OMEAGREQ
	Building Air conditioner Systems	120	5502	MACH&EQP	OTHM&EQP	OMEAGREQ
	Elevator Systems	180	5503	MACH&EQP	OTHM&EQP	OMEBLDEQ
	Cellular phones	24	2408	MACH&EQP	OTHM&EQP	OMECELLP
	Cellular Routers	36	2409	MACH&EQP	OTHM&EQP	OMECOMMU
	Telecommunications Equipment	36	2380	MACH&EQP	OTHM&EQP	OMECOMMU
	Domestic Equipment(Non Kitchen)	36	2385	MACH&EQP	OTHM&EQP	OMEDOMEQ
	Kitchen Appliances	60	2393	MACH&EQP	OTHM&EQP	OMEKITCH
	Laundry Equipment	120	2394	MACH&EQP	OTHM&EQP	OMELAUND
	Learning, Training & Laboratory Equipment	60	2396	MACH&EQP	OTHM&EQP	OMELEARN
	Ship and Marine Equipment	60	2543	MACH&EQP	OTHM&EQP	OMEMAREQ
	Medical and Allied Equipment	60	2401	MACH&EQP	OTHM&EQP	OMEMEDIC
	Music Instruments	120	2402	MACH&EQP	OTHM&EQP	OMEMUSIC
	Audiovisual Equipments	60	2407	MACH&EQP	OTHM&EQP	OMEDFEQP
	Photographic Equipment	60	5173	MACH&EQP	OTHM&EQP	OMEDFEQP
	Machines for Metallurgy	60	2398	MACH&EQP	OTHM&EQP	OMEPRODT
	Machines for mining and quarrying	60	2399	MACH&EQP	OTHM&EQP	OMEPRODT
	Pumps, Plumbing, Purification & Sanitation Equip	60	2542	MACH&EQP	OTHM&EQP	OMEPRODT
	Industrial Sewing Machines	120		MACH&EQP	OTHM&EQP	OMEPRODT
	Textile Production Machines	120	2400	MACH&EQP	OTHM&EQP	OMEPRODT
	Road Construction & Maintenance Equipment	120	2375	MACH&EQP	OTHM&EQP	OMEPRODT

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
OTHER MACHINERY AND EQUIPMENT	Radio Equipment	60	2374	MACH&EQP	OTHM&EQP	OMERADIO
	Saddles and Other Tack	60	2376	MACH&EQP	OTHM&EQP	OMESADDL
	Fire Fighting Equipment	36	2388	MACH&EQP	OTHM&EQP	OMESECUR
	Security Equip/Systems/Materials-Fixed	36	2416	MACH&EQP	OTHM&EQP	OMESECUR
	Security Equip/Systems/Materials-Moveable	36	2417	MACH&EQP	OTHM&EQP	OMESECUR
	Emergency/Rescue Equipment	60	2387	MACH&EQP	OTHM&EQP	OMERGENC
	Sport & Recreation Equipment	60	2378	MACH&EQP	OTHM&EQP	OMESPORT
	Laboratory Equipment-Agricultural	60	2415	MACH&EQP	OTHM&EQP	OMET&RES
	Laboratory Equipment-Medical Testing	60	2414	MACH&EQP	OTHM&EQP	OMET&RES
	Laboratory Equipment-Roads & Transport	60	2413	MACH&EQP	OTHM&EQP	OMET&RES
	Survey Equipment	60	2379	MACH&EQP	OTHM&EQP	OMET&RES
	Tents, Flags and Accessories	60	2381	MACH&EQP	OTHM&EQP	OMETENTS
	Workshop Equipment & loose tools-Moveable	60	2545	MACH&EQP	OTHM&EQP	OMEWKSHP
	Workshop Equipment & loose tools-Fixed	60	2545	MACH&EQP	OTHM&EQP	OMEWKSHP
	Electric Wire & Power Distribution Equipment- Compressors, Generators & Allied Equipment	60	2541	MACH&EQP	OTHM&EQP	OMEWORKM
	Working Machinery & Equipment	60	2544	MACH&EQP	OTHM&EQP	OMEWORKM

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
FURNITURE AND OFFICE EQUIPMENT	C2. FURNITURE AND OFFICE EQUIPMENT ()					
	Advertising Boards	60	2405	MACH&EQP	FURNOEQP	FOEADVER
	Domestic & Hostel Furniture	120	2385	MACH&EQP	FURNOEQP	FOEDOMHO
	Office Furniture	60	2404	MACH&EQP	FURNOEQP	FORFURNT
	Paintings, Sculptures, Ornaments, etc	60	2372	MACH&EQP	FURNOEQP	FORFURNT
	Air conditioner (Stand-alone)	60	2412	MACH&EQP	FURNOEQP	FOEQUIPM
	Office Equipments	60	2403	MACH&EQP	FURNOEQP	FOEQUIPM
COMPUTER EQUIPMENT AND HARDWARE SYSTEMS	C3. COMPUTER HARDWARE AND SYSTEMS ()					
	CPU	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	Monitors	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	Printer and Plotters	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	CD Writers	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	Laptop	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	Palmtop	36	2411	MACH&EQP	COMPEQPT	COMPEQPT
	Till Drawer	36	2411	MACH&EQP	COMPEQPT	COMPEQPT

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
TRANSPORT ASSETS	C4. TRANSPORT ASSETS (2088)					
	Aircraft Engines	60	2321	MACH&EQP	TRAASSET	TRAENGN
	Buses	120	2323	MACH&EQP	TRAASSET	TRABUSES
	Emergency Vehicles	60	2324	MACH&EQP	TRAASSET	TRAEMERG
	Airport Transport Equipment	120	2322	MACH&EQP	TRAASSET	TRAIRPOR
	Mobile Clinics	120	2325	MACH&EQP	TRAASSET	TRAMOBIL
	Aircrafts	120	2371	MACH&EQP	TRAASSET	TRAPLANE
	Railway rolling stock	120	2327	MACH&EQP	TRAASSET	TRARAILW
	Ship Engines	60	2330	MACH&EQP	TRAASSET	TRASENGN
	Ships	180	2329	MACH&EQP	TRAASSET	TRASHIPS
	Trailers & Accessories	60	2328	MACH&EQP	TRAASSET	TRATRUCK
	Trucks	60	2331	MACH&EQP	TRAASSET	TRATRUCK
	Cycles	48	2540	MACH&EQP	TRAASSET	TRACYCLE
	Motor Vehicles	48	2326	MACH&EQP	TRAASSET	TRAVEHICL

D. SPECIALIZED MILITARY ASSETS

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
SPECIALIZED MILITARY ASSETS	D1. SPACE VESSELS & EQUIPMENT (2383)					
	Aircraft fighter planes	120	2427	MILITARY	SPAVESSL	SPACOMBT
	Helicopters	120	2431	MILITARY	SPAVESSL	SPACOMBT
	Space vehicles	120	2421	MILITARY	SPAVESSL	SPACOMBT
	Aircraft(troop and cargo/freight)	180	2429	MILITARY	SPAVESSL	SPAVESSL
	Aircraft launch land and ground handling eqp	60	2425	MILITARY	SPAVESSL	SPAWEAPN
	Airfield trucks and trailers	60	2428	MILITARY	SPAVESSL	SPAWEAPN
	D2. GROUND VESSELS, EQUIPMENTS & AMUNITIONS (2383)					
	Transport vessels, passenger and troop	120	2547	MILITARY	GRDVESSL	GRDCOMBT
	Cargo and tanker vessels	180	2429	MILITARY	GRDVESSL	GRDVESSL
	Specialized ammunition & explosives equip	60	2422	MILITARY	GRDVESSL	GRDWEAPN
	Weapons	60	2424	MILITARY	GRDVESSL	GRDWEAPN
	D3. SEA VESSELS & EQUIPMENT (2383)					
	Combat ships and landing vessels	120	2430	MILITARY	SEAVESSL	SEACOMBT
	Ships, small craft, pontoons and floating docks	120	2420	MILITARY	SEAVESSL	SEACOMBT
	Specialized shipping & storage containers	120	2423	MILITARY	SEAVESSL	SEACOMBT
	Missiles systems	120	2546	MILITARY	SEAVESSL	SEAWRAPN

E. HERITAGE ASSETS

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
HERITAGE ASSETS	E1. IMMOVABLE HERITAGE ASSETS (2384)					
	Cultural significant buildings	N/A	2434	HERITAGE	HERIMMOV	HAIBUILD
	National Monuments	N/A	2435	HERITAGE	HERIMMOV	HAIBUILD
	National Parks	N/A	2436	HERITAGE	HERIMMOV	HAIBUILD
	Areas of land of historic/specific significance	N/A	2433	HERITAGE	HERIMMOV	HAILANDS
	E2. MOVABLE HERITAGE ASSETS (2384)					
	Archives	N/A	2432	HERITAGE	HERMOVAB	HARMARCH
	Sculptures	N/A	2439	HERITAGE	HERMOVAB	HAMWDART
	Paintings	N/A	2438	HERITAGE	HERMOVAB	HAMWDART
	State jewellery	N/A	2440	HERITAGE	HERMOVAB	HAMWDART
	Works of Art	N/A	2441	HERITAGE	HERMOVAB	HAMWDART
	Other antiques and collections	N/A	2437	HERITAGE	HERMOVAB	HAMWDART

F. BIOLOGICAL / CULTIVATED ASSETS

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
BIOLOGICAL / CULTIVATED ASSETS	F1. BIOLOGICAL ASSETS (999)					
	Game animals	N/A	2449	BIOCULT	BIOLOGIC	BIOGAMES
	Dairy cattle	N/A	2445	BIOCULT	BIOLOGIC	BIOPRODT
	Feathered animals	N/A	2446	BIOCULT	BIOLOGIC	BIOPRODT
	Animals for reproduction(cattle, goats, sheep, pig)	N/A	2450	BIOCULT	BIOLOGIC	BIOPRODT
	Animals for wool or milk(goats and sheep)	N/A	2451	BIOCULT	BIOLOGIC	BIOPRODT
	Other animals	N/A	2443	BIOCULT	BIOLOGIC	BIOOTHERS
	Dogs(law enforcement and working)	N/A	2452	BIOCULT	BIOLOGIC	BIDWORKS
	F2. CULTIVATED ASSETS (999)					
	Forest and plantations	N/A	2447	BIOCULT	CULTIVAT	CULFORES
	Fruit trees	N/A	2448	BIOCULT	CULTIVAT	CULPRODT
	Plants(for production of seeds)	N/A	2454	BIOCULT	CULTIVAT	CULPRODT
	Vines	N/A	2455	BIOCULT	CULTIVAT	CULPRODT

G. MINERAL NON-REGENERATIVE RESOURCES

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
MINERAL NON-REGENERATIVE RESOURCES	Ore bodies	N/A	2457	MNRRESOU	MNROREBO	MNROREBO
	Natural resources (non-regenerative)	N/A	2456	MNRRESOU	MNRRESOU	MNRRESOU

H. INTANGIBLE ASSETS

DESCRIPTION		LIFESPAN (Months)	SCOA	CAT	SUBCAT	ASSET CLASS
INTANGIBLE ASSETS	H1. REASEARCH AND DEVELOPMENT COSTS (1000)					
	Capitalized Research & Development costs	N/A	2458	INTANGIB	INTRAR&DC	INTRAR&DC
	H2.INTELLECTUAL PROPERTY (1000)					
	Computer software	N/A	2459	INTANGIB	INTELLEC	INTIPSFW
	Patents, Licenses, Copyrights, Brands, Trademarks .etc	N/A	2462	INTANGIB	INTELLEC	INTIPAPL
	Recipes, formulae, Prototypes, designs & models	N/A	2463	INTANGIB	INTELLEC	INTIPARF
	H3. INTELLECTUAL SERVITUDES (1000)					
	Other intangibles	N/A	2461	INTANGIB	SERVITUD	INTISOTH
	Service and operating rights	N/A	2464	INTANGIB	SERVITUD	INTISRGH
	Mastheads and publishing titles	N/A	2460	INTANGIB	SERVITUD	INTISTIT

SECTION F: DEBT MANAGEMENT POLICY

PROVINCIAL DEBT MANAGEMENT POLICY

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1. PREAMBLE

The objective of this policy is to provide guidance to address and deal with debt management. This policy also covers all provincial debts emanating from the provincial revenue sources, staff debts and any other debts.

2. PURPOSE

The purpose of this policy is to:

- a) provide the framework for managing departmental debtors and debt write offs;
- b) govern the collection of all outstanding debts due to departments by instituting effective and appropriate steps timeously to collect money due to the department in compliance with prescripts;and
- c) Recognize debt promptly and vigorously pursue collection;

3. POLICY PRONOUNCEMENTS

3.1. Creation of a debt

The Chief Financial Officer must immediately, on becoming aware of any amount owing to the department confirm, reconcile and create a debtor in the Financial System.

3.2. Types of debt

The following debt types may be cited:

- i. employee related debts such as overpayments of salaries or allowances of employees in service and private cell phone costs;
- ii. losses and damages suffered by the state through the act of an official or any other person;
- iii. unauthorised, irregular, fruitless and wasteful expenditure;
- iv. breach of contract by an individual or other entity;
- v. erroneous payments or overpayments to service providers;
- vi. debt adoption;
- vii. travel and subsistence advances not redeemed;
- viii. state guarantees;
- ix. debt in respect of shortfalls on deductions payable to other institutions.
- x. interdepartmental debts; and
- xi. any other third party debts.

Debtors must be notified to pay their debt within 30 days. Failure to pay the debt may lead to interest being charged, deductions from salaries, and/or legal steps being taken where applicable.

3.3. Debt Recovery Process

3.3.1 The Chief Financial Officer must as soon as s/he has created a debtor account:

- a) Inform a debtor in writing of any amounts owing by him / her to the Department; and
- b) Request the a debtor to pay the identified debt within 30 days.

3.3.2. If the debtor cannot settle the debt in 30 days, the Chief Financial Officer request the debtor to provide a reasonable settlement offer.

3.3.3. The Chief Financial Officer may approve the recovery of amounts owing to the Department in instalments at the written request of a debtor, provided:

- a) the conditions of payment are not determined by law, contract or agreement;
- b) the debtor presents an income and expenditure statement; and
- c) after reviewing the income and expenditure statement, the Chief financial Officer is satisfied that the recovery of amounts owing to the Department cannot be recovered in 30 days.

3.3.4. The debt must be recovered as soon as possible, at a maximum of 25% of net monthly salary, where net salary is defined as gross salary less statutory deductions.

3.3.5. Where the debtor is unable to pay back the debt in full the amount owed may be recovered in instalments at the discretion of the accounting officer.

3.3.6. Interdepartmental debts should be confirmed on a quarterly basis.

3.4. Neglect or refusal by the debtor to acknowledge amounts owing

3.4.1. The Chief Financial Officer may, after s/he has become aware of any negligence or refusal to acknowledge amounts owing to the Department, and where it is economical and in the best interest of the Department, instruct the shared Legal Services unit to recover amounts owing to the Department through a legal process, provided that:

- a) the debtor received all possible assistance in terms of the official policy to arrange for payment;

- b) all possible means were used to get in touch with the person and persuade him/her to pay; and
- c) acknowledgement of the amount owing to the Department was not or could not be obtained from the debtor.

3.5. Debt monitoring

All debts must be monitored on a monthly basis. Defaulting debtors must be issued with letters of demand and/or handed over.

3.5.1. Tracing Agents

Where it is apparent that the debtor has left his or her last known address, the Accounting Officer, if it is economically viable to do so, may appoint tracing agents to locate the whereabouts of the debtor and

In deciding whether it is economically viable to appoint tracing agents, the Accounting Officer must take into account the following:

- a) the amount of debt;
- b) the estimated costs of the tracing agents; and
- c) whether the debtor, once located, would be able to settle the debt.

3.6. Identification and recovery of amounts owing to the department by employees leaving the department

The Human Resource Manager must ensure that:

- a) All employees leaving the department complete an exit clearance certificate which includes an acknowledgement of any debts or assets in their possession that must be settled or returned.
- b) The employee's supervisor or manager, and the responsible employees of the relevant support services should verify the certificate.

3.7. Recovery of amounts owing to the department by a employees leaving the department

3.7.1. The Chief Financial Officer must within 3 working days of becoming aware and confirming any amount owing to the Department by a resigning employee:

- a) create a debtor account for the relevant employee;
- b) inform the employee in writing of any amount owing to the Department;
- c) request such a debtor to pay the debt within 30 days; or
- d) alternatively, inform the employee that amounts owing to the Department will be recovered from his/her pension fund payouts.

3.7.2. The Accounting Officer may where an employee's pension payout is not sufficient, or where pension payouts are not applicable, approve the recovery of outstanding amounts owing to the Department in instalments upon request of a debtor, provided that:

- a) the debtor is requested to submit an income and expenditure statement; and
- b) after reviewing the income and expenditure statement, the Accounting Officer is satisfied that the recovery of amounts owing to the Department cannot be recovered in 30 days.

3.8. Reporting of amounts owing to the department excluding resigning employees

3.8.1. Any employee must, as soon as she/he becomes aware of any amount owing to the office, inform the Chief Financial Officer of such amount.

3.8.2. The following details must be included in the report submitted to the Chief Financial Officer;

- a) full name of debtor;
- b) identity and registration number;
- c) physical and postal address;
- d) telephone or cellular number;
- e) type of debt;
- f) debt description;
- g) debt amount; and
- h) where applicable, the approval of the Chief Financial Officer.

3.9. Determination of interest rates for debts owing to the state

3.9.1. The Chief Financial Officer must ensure that the interest rates prescribed by Treasury are applied to all amounts owing to the Department.

3.9.2. Interest will not be charged on debts owed unless:

- a) the monetary advantage resulted from an employee's own fraudulent action;
- b) the resulting loss and /or damage was caused deliberately; and
- c) there was breach of contract or a delictual claim relating to the contractual relationship.

3.10. Interest calculations

Interest is calculated on the decreasing balance of the debt and may not be capitalised, nor may it exceed the original capital amount.

3.11. Payments made by debtors

The following payment methods may be utilized by debtors:

- a) Cash;
- b) bank Guaranteed Cheques;
- c) postal order or money order;
- d) electronic funds transfer;
- e) credit/Debit card facilities where available; and

- f) PERSAL deductions for government employees.

3.12. Allocating payments received

- a) Payments received from debtors, irrespective of the method, must be allocated to the relevant debtors' account timeously.
- b) A debt suspense matching report should be requested monthly to ascertain whether all receipts have been allocated correctly.

3.13. Refund of credit balances

- 3.13.1. The Chief Financial Officer may refund a credit balance on a debtor's account, or offset it against other amounts owing to the Department.
- 3.13.2. Money received in excess, and not claimed by the debtor must be surrendered to the Provincial Revenue Fund, provided the excess payment is unclaimed for a period of twelve (12) months.

3.14. Application for debts to be written off, and determining irrecoverable debts or uneconomical debt recovery

- 3.14.1 The Accounting Officer may approve the writing off of a debt provided all reasonable steps have been taken to recover the debt, including referral to the office of the State Attorney and any one or more of the following are applicable:
 - a) recovery of the debt would be uneconomical;
 - b) the debt is irrecoverable;
 - c) a visible effort has been executed in recovering the debt;
 - d) recovery would cause undue hardship to the debtor or his or her dependants (The debtor or his/her dependants would be deprived of their minimum essential means of livelihood);

- e) it would be to the advantage of the state to effect a settlement of its claim or to waive the claim;
- f) the Department cannot legally prove the claim;
- g) it is not possible to collect any substantial amount;
- h) statutory requirements prevent debt from being claimed or recovered;
- i) the debtor has neither assets nor income;
- j) all reasonable efforts to trace the debtor have failed;
- k) the State's claim against an insolvent estate or an estate that is being administered as insolvent, had been properly proved and the dividend of the creditors was insufficient to meet the debt;
- l) on account of the weak financial position of an estate, the danger exists that if the debt is proved, a contribution will have to be paid to the estate;
- m) there is no possibility now or in the foreseeable future of collection;
- n) the debtor is no longer a resident in South Africa, there are no apparent means of collecting the debt, and there is no evidence that the debtor has family or business concerns in South Africa that could lead to the debtor returning to South Africa;
- o) the debtor is deceased and there is no known estate;
- p) the assets of the debtor or of the estate of the debtor are indispensable to the debtor's dependants or are of relatively little value;
- q) the State Attorney or Head: Legal Services has made a recommendation to that effect and the Department is in agreement therewith; or
- r) the amount outstanding represents the outstanding balance on the account after payment for the initial service was made, and of which further recovery is deemed to be uneconomical.

3.14.2. The Chief Financial Officer must, before a debt is considered to be irrecoverable due to financial circumstances of the debtor, take the following steps:

- a) determine the value of debtor's non-essential assets with the intention to sell such assets at an auction;
- b) accept an amount smaller than the current instalment until such time as the debtor's financial position may improve;
- c) ascertain whether the stated income and expenditure are correct by contacting the sources; and
- d) ascertain whether the recovery would cause undue hardship to the debtor or his or her dependants.

3.14.3. The Chief Financial Officer must, before a debt is considered to be uneconomical, perform the following actions:

- a) A cost analysis must be made on a monthly basis to determine the expenditure incurred, compared to the amount involved. The cost of telephone calls, cellular phone calls, the cost of the time spent, cost of collection agencies, etc. must be considered; and
- b) The office of the State Attorney must be consulted for a legal opinion in cases where it is regarded as advantageous to the state to effect a settlement of its claim, or to waive the claim.

3.15. Irrecoverable debt as a result of unauthorised, irregular, fruitless and wasteful expenditure

The Accounting Officer may, after a thorough investigation, write off amounts owing to the Department due to unauthorised, irregular, fruitless and wasteful expenditure.

3.16. Determination of amount disclosed as irrecoverable debt in the financial statements

- a) The Accounting Officer must ensure that all debts written off must be disclosed in the annual financial statements.
- b) The amount disclosed as irrecoverable debt in the annual financial statements should be as per the annual financial statements guidelines issued by National Treasury.

3.17. Provision for Bad Debts

Provincial Treasury must issue circulars to departments on how and when provision for bad debts must be provided for.

4. AUTHORITY

This Policy shall remain the only transversal Debt Management Policy in Limpopo Provincial Government.

Provincial departments shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate debt management processes within their respective areas of operation.

5. COPY RIGHTS

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6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval.

7. AMENDMENT

This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

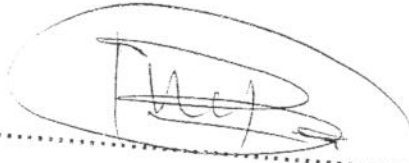
8. TERMINATION

This policy will be terminated upon the inception of a new policy

9. APPROVAL

The Transversal Debt Management Policy is hereby

Reviewed by



OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.08.28

DATE

Recommended by



MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008
DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

02/09/08
DATE

SECTION G: BANKING & CASH

BANK & CASH MANAGEMENT POLICY

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1. PREAMBLE

The objective of this policy is to establish a clearly defined policy for bank and cash management.

2. PURPOSE

The purpose of this document is to provide a policy framework for the management, administration and control of departmental banking and cash to ensure effective, economic and efficient management thereof in the province.

3. POLICY PRONOUNCEMENTS

3.1. BANKING ARRANGEMENTS

3.1.1. Background

- a) Each provincial revenue fund must have a bank account configuration that consists of at least an Exchequer bank account and a Paymaster General bank account, opened with a commercial bank.
- b) If accounting necessitates a separate bank account, the relevant treasury may approve one sub-account within the Paymaster General account of the relevant revenue fund. Such sub-accounts remain an integral part of the bank account configuration of the relevant revenue fund.

3.1.2. Appointment of the provincial banker

- a) It is the responsibility of the Provincial Treasury to ensure that the provincial banker is appointed, [subject to EXCO's approval], and that the banking contract and Service level agreement are timely signed.
- b) Only Provincial Treasury may enter into any banking contract .

3.1.3. Opening of provincial bank accounts

- a) For assigning accountability each department must have its own bank account to manage its own budget and cash. Upon signing of the banking contract treasury must open a bank account for each department.
- b) Any provincial department that may need to have a sub-account must apply in writing to the provincial treasury indicating the following:-
 - the purpose of the account;
 - sources of funds for the account; as well as
 - the estimated lifespan of the account or the project for which the account is needed,
- c) When treasury has approved any such sub account and it is operational, the accounting officer of the department must ensure that there is regular reporting and auditing on the account.
- d) No department is allowed to have any bank account which is not known and approved by the Provincial Treasury.

3.1.4. Maintenance of the bank accounts

- a) The accounting officer must appoint in writing, a person to deal with banking issues and the bank must be informed of such a person.
- b) The accounting officer must ensure that at least 3 officials are appointed to sign on every bank account of the department and the number of the signatories cannot exceed 4 per department. At least two of such authorized signatories must authorise any transaction including cheques, credit transfers and electronic banking transactions.
- c) The accounting officer must regularly maintain the signing profile of the department where a signatory must be timely withdrawn and replaced when necessary.

- d) The Provincial Treasury must review the signing profiles of all departments once quarterly.
- e) Any departmental correspondence to the bank must be signed by at least two signatories of the department and countersigned by the authorized Treasury signatory.
- f) The Provincial Treasury is responsible for budgeting and paying all bank charges for all provincial departments for services provided by the bank. The Provincial Treasury cannot budget for penalties resulting from inefficient transactions and such may be borne by the relevant department.
- g) The Provincial Treasury must prepare bank charges reconciliations per department on monthly basis. The Provincial Treasury must prepare a report of bank penalties per department and may recover such penalties from each department monthly.

3.1.5. Closure of bank accounts

- a) The PMG bank account of the department can only be closed when the banking contract, entered into by the Provincial Treasury lapses and no department can propose closure of its PMG account.
- b) Departments must conduct the annual review of the sub-bank account to determine if the account is still necessary and the report must be submitted to the Provincial Treasury before they start of each financial year.
- c) The Provincial Treasury must inform any department in writing that has a dormant bank account for more than 6 months that such dormant accounts

will be closed, and any available funds in the account will be transferred to the provincial revenue fund, unless the relevant affected department can provide acceptable written reasons for the Treasury not to do so.

3.2. CASH MANAGEMENT

3.2.1. Forecasting

3.2.1.1. Annual Forecasting

- a) The chief financial officer must submit the annual cash flow projections for the next financial year to the Provincial Treasury by end of February every year. The Provincial Treasury must ensure that a prescribed submission format is developed and the department is able to complete it. The chief financial officer must consider all possible variables when forecasting to ensure that the projections are realistic.
- b) The Provincial Treasury must consolidate the annual cash flow projections and submit to the National Treasury by the 15th working day of March every year. The Provincial Treasury must interact with the provincial department throughout the consultation process with National Treasury on the projections and give the final approval of annual projections.
- c) The Provincial Treasury must ensure that an investment policy is in place as a framework to guide the temporary investment of surplus funds.

3.2.1.2. Monthly funds requisitions and rolling forecasts

- a) Each programme manager must submit the funds requisitions and the rolling forecasts for the remainder of the year in the prescribed format to the Chief Financial Officer at least 5 working days prior start of every month.

- b) The Chief Financial Officer must interrogate, consolidate and submit the monthly requisition to the Provincial Treasury at least 2 working days prior start of every month.
- c) The provincial treasury must analyze the funds requisitions and give the approval to the department 1 working day prior start of every month, providing explanations for any major variances from the month's original projection.
- d) The department cannot withdraw more than the approved funds, in terms of the original projections, without treasury approval.

3.2.1.3. Cash balance determination and management

- a) The chief financial officer must ensure that the bank account has sufficient balance for payments that may go through every day.
- b) It is the responsibility of the chief financial officer in consultation with the Provincial Treasury to ensure that the department has access to the provincial banker's electronic banking system at required intervals.
- c) Bank reconciliation statements must be done at least on a monthly basis.
- d) The department's bank account may not be overdrawn at any given point.

3.2.2. Disbursement of funds

3.2.2.1. Transferring of own revenue collected by the department to the Provincial Revenue Fund

- a) The Chief Financial Officer must regularly reconcile all the own revenue collected by the department in the format provided by the Provincial Treasury every month and submit such report to Provincial Treasury.

- b) The own revenue reported in terms of the preceding clause must be deposited into the Provincial Revenue Fund by the end of the month in which it was collected.
- c) The Exchequer Account can only receive own revenue from the PMG of the department implying that no cashier or a department can make a direct deposit of cash collected into the Exchequer Account.
- d) **No person or department can claim refund of revenue, neither error deposit nor over-payment, from the Provincial Revenue Fund/Exchequer Account. (contradict Revenue policy)**

3.2.2.2. Surrendering of unspent funds

- a) The department must deposit all unspent funds into the Provincial Revenue Fund annually, **one working day** after the year-end closure. **(agree to budget's surrenders)**
- b) A detailed report indicating the surrendered amounts per fund must be submitted to the Provincial Treasury on the same day the funds are surrendered.
- c) The funds can only be surrendered from the PMG account of the department and not from any other account, e.g Public Entity or other Agencies account.
- d) No department should surrender surplus funds if its bank account was overdrawn as at 31 March of the relevant financial year.

3.2.2.3. Payment of suppliers and/or creditors

- a) Departments can only make payments if it has cash flow available in the PMG account.
- b) All invoices must be paid within 30 days from the date of receipt of the invoice. The department should always avoid paying invoices earlier than the prescribed 30 day period in order to optimize interest returns.
- c) Departments should not make any prepayments except when bound by a contractual agreement, nature of the service required or credit terms of the approved supplier.

4. AUTHORITY

This Policy shall remain the only transversal banking & cash management policy in Limpopo Provincial Government on the subject.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate debt management processes within their respective areas of operation.

5. COPY RIGHTS

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6. IMPLEMENTATION DATE

This policy comes into operation with effect from date of approval.

7. AMENDMENT

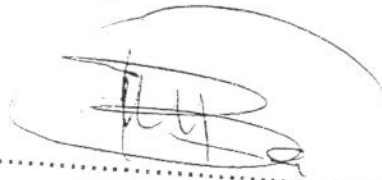
This policy may be amended, in writing, by Treasury in consultation with departments as and when necessary.

8. TERMINATION

This policy will be terminated upon the inception of a new policy.

9. APPROVAL

Reviewed by

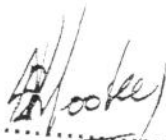


OFFICE OF THE ACCOUNTANT GENERAL
LIMPOPO PROVINCIAL TREASURY

2008.08.28

DATE

Recommended by



MR. R. W. N. TOOLEY
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

01/09/2008

DATE

Approved by



Hon. S. CACHALIA
MEMBER OF THE EXECUTIVE COUNCIL
LIMPOPO PROVINCIAL TREASURY

03/09/08

DATE

SECTION H: GIFTS, DONATIONS AND SPONSORSHIPS

CONTROL OF GIFTS, ATIONS & SPONSORSHIP POLICY

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1. PREAMBLE

This policy seeks to ensure guidance and proper control and accounting treatment of gifts, donations and sponsorships by and to government.

2. PURPOSE

The purpose of this document is to provide a policy framework within which gifts, donations and sponsorships are managed and accounted for in provincial departments to ensure they occur in a well-controlled environment for the ultimate benefit of the Department.

3. POLICY PRONONCEMENTS

3.1. Granting of gifts, donations and sponsorships by departments

- a) The Accounting Officer may approve gifts, donations and sponsorships of departmental money and other movable property in the interest of the department.
- b) When such cash amounts exceed R100 000 per case, the approval of the relevant legislature shall be sought.

3.2. Acceptance of gifts, donations and sponsorships by departments

- a) The Accounting Officer may approve the acceptance of any gift, donation or sponsorship to the department, whether such gifts, donations or sponsorships are in cash or kind;
 - b) All cash, gifts, donations or sponsorship must be paid into the relevant revenue fund except for those excluded by Treasury Regulation 21.2.5;
 - c) The Member of the Executive Council (MEC) may decide how a gift, donation or sponsorship must be utilized where it is not apparent for what purpose it should be applied;
 - d) When a donor or sponsor requests to remain anonymous, the Accounting Officer must submit to the Provincial Treasury a certificate
-

from both the Public Protector and the Auditor-General, which states that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection;

3.3. Gifts or donations of immovable property

- a) The Provincial Treasury's approval shall be obtained before a Department offers or accepts any gifts or donations of immovable property.
- b) The Department shall submit to the Provincial Treasury the reasons for and the conditions under which the gift or donation of immovable property is offered or accepted.
- c) The Department shall record all such approved gifts or donations of immovable property received or given in the asset register for reporting purposes.
- d) The immovable property received should be valued at fair value before accounting for it in the asset register if the value thereof is not known.

3.4. Gifts, donations and sponsorships in cash

3.4.1. Cash amounts less than R100 000

The following conditions shall apply to the granting of cash amounts by the Department in respect of gifts, donations and sponsorships which are less than R100 000

- a) Submissions shall be forwarded to the Accounting Officer via the Chief Financial Officer for approval and shall include the following:
 - i. Motivation - why it is in the interest of the Department to grant a gift, donation or sponsorship;
 - ii. details of the recipient of the gift, donation or sponsorship;
 - iii. the cost of the gift, donation or sponsorship;
 - iv. the benefit to the Department, if any;
- V. the availability of funds under the applicable main and sub-division of the vote and the item to which such expenditure shall be debited; and

VI. Any other relevant information that would enable the Accounting Officer to decide whether or not such gift, donation or sponsorship should be granted.

- b) Once approval has been granted by the Accounting Officer payment of the relevant gift, donation or sponsorship shall be effected against the appropriate budgetary allocation.
- c) Proper record of all payments shall be maintained for reporting purposes.

3.4.2. Cash amounts exceeding R100 000

The following conditions shall apply to the granting of cash amounts by the Department in respect of gifts, donations and sponsorships which are in excess of R100 000

- a) Submissions shall be forwarded to the Accounting Officer via the Chief Financial Officer to the Provincial Legislature for approval and shall include the following:
 - I. motivation - why it is in the interest of the Department to grant a gift, donation or sponsorship;
 - II. details of the recipient of the gift, donation or sponsorship;
 - III. the cost of the gift, donation or sponsorship;
 - IV. the benefit to the Department, if any;
 - V. the availability of funds under the applicable main and sub-division of the vote and the item to which such expenditure shall be debited; and
 - VI. any other relevant information that would enable the Provincial Legislature to decide whether or not such gift, donation or sponsorship should be granted.
- b. Once approval has been granted by the Provincial Legislature payment of the relevant gift, donation or sponsorship shall be effected against the appropriate budgetary allocation.
- c. Should there be a need to grant a gift, donation or sponsorship after the finalization of the estimate of expenditure, the amount shall be included in the Adjustments Budget for that particular financial year.

- d) Proper record of all payments shall be maintained for reporting purposes.

3.5. Gifts, Donations and sponsorships received by departmental officials

Departmental officials shall adhere to Public Service Regulations, the confines of all other relevant prescripts, and cultural values when accepting any gift, donation or sponsorship.

3.6. Management Reporting

3.6.1. Annual Reporting

All gifts, donations or sponsorships received and made in cash or otherwise during the course of a financial year shall be disclosed as a note to the Annual Financial Statements of the Department.

3.6.2. Quarterly Reporting

The Chief Financial Officer shall submit a quarterly written report to the Accounting Officer of all gifts, donations and sponsorships made and received in cash or otherwise.

4. AUTHORITY

This Policy shall remain the only transversal Gifts, Donations and Sponsorships policy in Limpopo Provincial Government.

Provincial departments and entities shall formulate **Procedure Manuals** to give effect to the provisions of this Policy in order to regulate gifts, donations and sponsorships processes within their respective areas of operation.

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storage or transmission without the prior consent of the Limpopo Provincial Treasury.

6. IMPLEMENTATION DATE

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7. AMENDMENT

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8. TERMINATION

This policy will be terminated upon the inception of a new policy.