

**NGQUSHWA LOCAL
MUNICIPALITY
FINAL EXPENDITURE MANAGEMENT
POLICY
2024/2025**

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2. SCOPE

The Expenditure policy is applicable to all transactions and events relating to the incurrence of operational and capital expenditure.

3. EXPENDITURE MANAGEMENT

3.1 Creditors payment

- 3.1.1** All money owed by the Municipality must be paid within thirty (30) days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
- 3.1.2** The municipality has adopted two payment cycles in a month. Payments are made on the 15th and last day of each month.
- 3.1.3** The invoices for conditional grants will be paid every Fridays or fortnightly.
- 3.1.4** Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality.
- 3.1.5** All requests for payment, properly certified and accompanied by the relevant invoices and supporting documentation must reach the Creditors' Department at least 5 days (120 hours) before payments are due.
- 3.1.6** Senior Managers shall advise the CFO of the names of officials empowered to sign requisitions and / orders together with their specimen signatures.
- 3.1.7** Invoices or statements submitted for payment to the Manager of Expenditure by any department shall be in such form as may be required by the CFO and must state the reference to the relevant vote to meet such payment.
- 3.1.8** When a department authorises the payment of accounts the signatory certifies and authorises that:-
 - a. All processes in terms of the Supply Chain Management Policy of the Municipality had been followed;

3.2 Banking Details

Any changes to creditors' banking details will only be allowed when the following procedures have been met:

- a) The Creditor must inform the Municipality of its' banking details on an original letterhead from the specific company and approved by the relevant banking institution with their official stamp and signatures.
- b) In the case where official letterheads and documentation is not available a letter from the banking institution duly signed by both parties and official stamp will be required.
- c) Only original documentation information as set out above will be accepted for any changes to banking details.
- d) Refunds in respect of other deposit accounts, excluding consumer deposits, will only be refunded to the bank account originally certified by the beneficiary at the time of payment.

3.3 Withdrawals from the Bank Account

- 3.3.1 Any withdrawal from a bank account in the name of the Ngqushwa Local Municipality, may only occur in terms of section 11 of the MFMA;
- 3.3.2 All withdrawals must comply with the Cash & Investment Policy of the Ngqushwa Local Municipality and shall be signed or authorised by not fewer than two people as authorised by the Accounting Officer.
- 3.3.3 The delegated authority to sign cheques or authorise electronic payments shall be in writing and kept on record, and be reviewed regularly by the Accounting Officer. Copies of such letters of authority will be kept by the expenditure department.

3.7.2 A pre-approval letter for R2000 refunds must be signed by the Chief Financial Officer or Accounting Officer.

4. ROLES AND RESPONSIBILITIES

Role	Authority
Expenditure Manager	<ol style="list-style-type: none"> 1. Approves EFT payment on banking website or banking payment file after he/she reviewed the supporting documentation and payment summary report/payment journal(s) 2. Reviews and approves creditors and bank reconciliation 3. Reviews the status report of long outstanding invoices 4. Reports monthly to the municipal management and seniors in directorates
Revenue Manager	<ol style="list-style-type: none"> 1. Approves EFT payment on banking website or banking payment file after he/she reviewed the supporting documentation
Manager Assets and AFS	<ol style="list-style-type: none"> 1. Approves EFT payment on banking website or banking payment file after he/she reviewed the supporting documentation and payment summary report/payment journal(s) 2. Reviews and monitors monthly departmental spending.

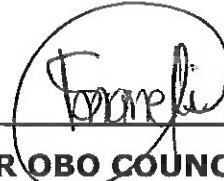
8.MONITORING, EVALUATION AND REVIEW

A report detailing the progress with the implementation of this Expenditure Management Policy with specific reference to the achievement and implementation of this policy has to be compiled every year by the person with the responsibility for implementation and monitoring. The policy must be made available to all consulting parties for perusal and comment and must be circulated to all staff members by means of circulars, notices and notice boards.

APPROVED BY COUNCIL ON 31 MAY 2024



MUNICIPAL MANAGER



MAYOR OBO COUNCIL