

DELEGATIONS OF FINANCIAL AUTHORITY BY THE ACCOUNTING OFFICER

Notwithstanding the review date as shown, this policy shall remain effective until approved otherwise by Council and may be reviewed on an earlier date as deemed necessary.

2026/2027 FINANCIAL YEAR

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DELEGATIONS OF FINANCIAL AUTHORITY BY THE ACCOUNTING OFFICER OF POLOKWANE MUNICIPALITY

1. GENERAL

The Municipal Manager in his/her capacity as the Accounting Officer of Polokwane Municipality, herein delegate, in terms of section 79 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) hereinafter referred to as the MFMA, certain of my powers with effect from 01 February 2018 subject to the following legislative requirements as well as Treasury guidelines issued from time to time by the Minister and Council's policies:

Section 79 of the MFMA provides as follows:

(1) The Accounting Officer of Municipality

- a) Must, for the proper application of this Act in the Municipality's administration, develop an appropriate system of delegation that will both maximize administrative and operational efficiency and provide adequate checks and balances in the Municipality's financial administration;
- b) May, in accordance with that system, delegate to the member of the municipality's top management referred to in section 77 or any other official of the Municipality
 - i) Any of the powers or duties assigned to an accounting officer in terms of this Act; and
 - ii) Any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and
- c) Must regularly review delegations issued in terms of paragraph (b) and if necessary, amend or withdraw any of those delegations.

(2) The accounting officer may not delegate to any political office-bearer of the municipality any of the powers or duties assigned to accounting officer in terms of this Act.

(3) A delegation in terms of subsection (1)

- a) Must be in writing
- b) Is subject to such limitations and conditions as the accounting officer may impose in a specific case;
- c) May either be to a specific individual or the holder of a specific post in the municipality;

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- d) May, in the case of delegation to a member of the municipality's top management in terms of subsections (1)(b), authorised that member to sub delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility, and
 - e) Does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty;
 - (4) The accounting officer may confirm, vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this section but as such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

2. OBJECTIVES

Delegations of financial authority within the Polokwane Municipality are intended to achieve three objectives:

- a) To ensure the efficiency, effectiveness and reliability of the municipality's administrative processes;
- b) To ensure that the appropriate officials have been provided with the level of financial authority necessary to execute their responsibilities effectively, and
- c) To ensure internal controls are effective.

3. GENERAL PRINCIPLES FOR APPLICATION

All expenditure incurred by the Municipality must be for the municipality's purpose and must comply with policies as determined by the Council from time to time. Council must approve, either directly or through delegation, all expenditure incurred by the municipality. Delegated officials have authority to commit funds of the municipality within the budget approved by Council.

Notwithstanding the provision of section 77 of the MFMA, these delegations are applicable to a position on the official Organogram or committee established according to regulations to Council. The incumbent in the position at any one point in time shall be the delegated official.

The policy details minimum delegations for financial related functions and activities within the municipality. Financial responsibilities, either of Council or delegated authority, apply to all funds received by the municipality.

An official to whom the authority has been delegated must:

- a) Act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs.
- b) Disclose to the accounting officer all material facts which are available or reasonably obtainable, and which in any way might influence the decisions or actions of the municipality.

- c) Seek within the sphere of influence of the delegated official, to prevent any prejudice to the interest of the municipality.

A delegated official may not exercise a delegation that will result, either directly or indirectly, in any tangible benefits to the official or related party. If any conflict of interest occurs, this must be declared.

Delegated powers can also be exercised by the official acting in the place of the delegated official whilst he/she is temporarily absent from his/her office, on leave or indisposed, on condition that such an officer is appointed in writing.

NOTES:

It is the responsibility of each officer exercising delegated authority to ensure that he/she is fully conversant with the provisions of the relevant Acts, Regulations and any current policy documents governing the performance of the function. Any negligent use of the authority by any officer will lead to disciplinary action or withdrawal of such authority.

4. REVIEW OF DELEGATIONS

This system of delegation will be reviewed annually

5. SCHEDULED OF FINANCIAL DELEGATIONS

The following table lists the type of delegations of post which the delegations apply:

| a) SUPPLY CHAIN MANAGEMENT | | |
|-----------------------------------|---|--|
| No | Description | Position to which authority is delegated |
| 1. | <p><u>Requisitions:</u></p> <p>Approval of Requisitions (system and Manual) a) R nil – R300 000 b) R300 000 and above</p> | <p>a) Executive Directors of the vote b) Deputy CFO/CFO c) Competitive Bidding</p> |
| 2. | <p><u>Quotations</u></p> <p>Approval to Obtain Quotation Sourcing of Quotation a) R nil to R 2 000 – petty cash b) R2 001 - R30 000</p> | <p>a) Executive Director of the Vote b) Assistant Manager Acquisition</p> |

| a) SUPPLY CHAIN MANAGEMENT | | |
|-----------------------------------|---|---|
| No | Description | Position to which authority is delegated |
| | c) R30 001 – R300 000 d) <u>R300 000 and above</u> | c) Manager SCM d) Competitive Bidding |
| 3. | <u>Approval of quotations after they have been sourced</u> a) R nil – R2 000 b) R2 001 – R30 000 c) R30 001 – R300 000 d) R300 001 and above | a) Manager Expenditure b) Assitant Manager Acquisition c) Manager SCM d) Competitive Bidding |
| 4. | <u>Signing of Purchase orders</u> a) R nil – R 300 000 b) And above R300 000 c) Certify Prices according to Contract/Tender/Quotation | a) Assistant Manager Acquisition b) Manager SCM c) Directors d) DCFO |
| 5. | <u>Approval of specification</u> a) R nil – R2 000 b) R2 001 – R30 000 c) R 30 001 and above i. Approval of provisional specification ii. Approval of Final specification | a) Manager SBU b) Director of the Vote c) Bid Specification Committee |
| 6. | <u>Competitive Bidding Process</u> Make final award | Accounting Officer |
| 7. | Certification of goods received | a) Manager of vote b) Assistant Manager Logistics |
| 8 | <u>Emergencies</u> Approval of emergency transactions as defined in the SCM Policy | a) Accounting Officer |
| 9. | Tender box Management | b) Manager SCM |

| b) EXPENDITURE | | |
|-----------------------|----------------------------------|---|
| No | Description | Position to which authority is delegated |
| 1 | Approval of invoices for payment | a) Director of the vote Senior Manager of department |

| b) EXPENDITURE | | |
|-----------------------|---|--|
| No | Description | Position to which authority is delegated |
| | | b) For invoices above R1 million the Accounting Officer to review before processing |
| 2 | <p>Approval of Payment Vouchers</p> <p>c) R nil – R2 000 d) R2 001 – R30 000 e) R30 001 – R300 000 f) R300 001 – R1000 000 g) R1 000 001 - Above</p> | <p>a) Assistant Manager Expenditure b) Manager Expenditure c) Deputy CFO d) CFO d) Accounting Officer</p> |
| 3 | <p>Signing of payment list</p> <p>Two signatories are required on all payment list</p> | <p>a) Deputy CFO b) Manager Expenditure c) Assistant Manager Expenditure e) Chief Accountant</p> |
| 4 | <p>Approval of payroll (Approval of manual payroll before loading to EFT)</p> <p>Two signatories are required on all payment list</p> | <p>a) Deputy CFO b) Manager expenditure c) Assistant Manager Payroll d) Senior Accountant</p> |
| 5 | Approval of manual journal entries | <p>e) Deputy CFO f) Manager Expenditure f) Manager Revenue g) Manager Assets h) Manager Budget i) Manager Business and Financial Planning</p> |
| 6 | <p>Approval of payment in the banking system (Final release)</p> <p>Two signatories are required on authorize electronic transfer of funds</p> | <p>a) CFO b) Deputy CFO c) Manager Revenue d) Manager Expenditure e) Manager Budget f) Accounting Officer</p> |
| 7 | Annual Assets verification | <p>c) Deputy CFO d) Manager Assets</p> |