



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL POLICY ON REVENUE MANAGEMENT

Version 2
(April 2021)

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1. DEFINITIONS AND ACRONYMS

“AO”/ “HOD”	Means the Head of Department (HOD), according to the Public Finance Management Act (PFMA), 1999, who is also the Accounting Officer (AO).The PFMA clarifies the responsibilities of the HOD as Accounting Officer.
“BAS”	Means Basic Accounting System. This information system is a subset of the South African government’s total information system. BAS is a basic accounting system (also cash based) that was developed in 1992 to cater for government’s basic accounting needs. It is maintained by the National Treasury for National and Provincial Departments. Currently there are four major systems, the Personal and Salary Administration System (PERSAL), the Basic Accounting System (BAS), the Financial Management System (FMS) and the Logistical Information System (LOGIS). The various systems are managed as separate stand-alone “silos” and not as a single integrated systems unit.
“CFO”	Means the Chief Financial Officer.
“Department”/ “DR&PW”	Means the Department of Roads and Public Works, Northern Cape Province.
“DORA”	Means Division of Revenue Act, which is enacted annually.
“MTEF”	Means Medium Term Expenditure Framework.
“PERSAL”	The Personal and Salary System (PERSAL) is the central system used for the administration of the public service payroll. PERSAL is very stable from a payroll perspective. Over the years, PERSAL has expanded by increasing the spectrum of data fields to hold part of the information prescribed by national reporting requirements. In this respect, PERSAL offers personnel administration, holds information in a database of

	approximately 1,1 million employees, and offers standard and <i>ad hoc</i> reporting. PERSAL was developed in an <i>ad hoc</i> fashion, with developments being mainly driven by legislative requirements rather than a Human Resource Strategy. New developments were therefore not informed by a systems life cycle approach. Salary payment and human resources requirements are integrated into one system and therefore the database cannot be separated.
"PFMA"	Means Public Finance Management Act, 1999, as amended.
"PMGA"	Means Paymaster General Account.
"PRF"	Means Provincial Revenue Fund.
"SMS"	Means Senior Management Service.

2. INTRODUCTION

This policy seeks to facilitate the implementation of practices of revenue management at the Department according to the requirements of the Public Finance Management Act (PFMA). For this purpose, the departmental policies on Banking and Cash Management as well as on Debt Management respectively, should also be consulted, because of its relevance to this policy document.

3. POLICY OBJECTIVE

The objective of this departmental Revenue Management Policy is to provide guidelines to ensure sound and best practice for the identification, collection, banking, recording, reconciling and monitoring of revenue collection and the management thereof by the DR&PW.

4. REGULATORY FRAMEWORK

- 4.1 The Constitution of the Republic of South Africa Act, 1996 (Act No.108 of 1996).
- 4.2 The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), as amended .
- 4.3 The Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), as amended.
- 4.4 Treasury Regulations, 2005.
- 4.5 The Annual Division of Revenue Act (DORA).

- 4.6 The National Road Traffic Act, 1996 (Act No. 93 of 1996).
- 4.7 The Government Immovable Asset Management Act (GIAMA), 2007 (Act No. 19 of 2007).
- 7.8 The Northern Cape Land Administration Act, 2002 (Act, No. 6 of 2002).
- 7.9 The Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013).

5. POLICY SCOPE AND APPLICATION

- 5.1 The Accounting Officer of the DR&PW shall manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, safeguarding, recording and reconciliation of information about revenue.

- 5.2 The principles in this policy will apply to all employees of the DR&PW whether appointed on permanent or temporary/contract basis.

- 5.3 Principles guiding this policy:
 - 5.3.1 Own revenue of the DR&PW is managed in accordance with the set prescripts, regulations and standards in terms of applicable legislation.
 - 5.3.2 All revenue to which the DR&PW is entitled is collected.
 - 5.3.3 All revenue is recorded accurately in the financial records.
 - 5.3.4 All revenue is recorded completely and accurately in accordance with the classification on the financial system, called the Basic Accounting System (BAS).
 - 5.3.5 All recorded revenue is appropriately authorized prior to updating the financial system (BAS).
 - 5.3.6 All outstanding revenue is recovered in a timely manner.
 - 5.3.7 All revenue is properly disclosed in accordance with the requirements of PFMA and Treasury Regulations.

6. ROLES AND RESPONSIBILITIES

The function of managing the revenue of the DR&PW is a mutual responsibility, created through appropriate delegations to the following departmental role-players, i.e.:

- a) the Accounting Officer (AO), who is also the Head of Department (HOD);
- b) the Chief Financial Officer (CFO);
- c) the Senior Management Service (SMS); and
- d) any official or external consultant duly appointed by the Accounting Officer.

6.1 Roles and Responsibilities of the Accounting Officer (AO)

The HOD of the DR&PW is the Accounting Officer for the purposes of the PFMA, which stipulates in section 38 (c) (i) that the AO must take effective and appropriate steps to collect all money due to the DR&PW. As AO, she/he must:

6.1.1 Exercise the functions and powers assigned to an accounting officer in terms of the PFMA.

6.1.2 Provide guidance and advice on compliance with the PFMA to:

6.1.2.1 the political structures, political office-bearers and officials of the DR&PW ; and

6.1.2.2 any entity under the sole or shared control of the DR&PW.

6.1.3 The AO must take all reasonable steps to ensure that:

6.1.3.1 the DR&PW has effective revenue collection systems consistent with the PFMA and the Department's Banking and Cash Management, as well as Debt Management policies respectively;

6.1.3.2 revenue due to the DR&PW is calculated on a monthly basis;

6.1.3.3 accounts and charges for departmental services are prepared on a monthly basis, or less often as may be prescribed, where monthly accounts are uneconomical;

6.1.3.4 all money received is promptly deposited in accordance with the PFMA into the DR&PW 's primary and/or other bank accounts;

6.1.3.5 the DR&PW has and maintains a management, accounting and information system which:

a) recognizes revenue when it is earned;

b) accounts for debtors; and

c) accounts for receipts of revenue;

6.1.3.6 the DR&PW has and maintains a system of internal control in respect of debtors and revenue;

6.1.3.7 the DR&PW charges interest on arrears, except where the AO has granted exemptions in accordance with departmental budget related policies and within a prescribed framework; and

6.1.3.8 all revenue received by the DR&PW , including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

6.1.4 The AO must immediately inform Treasury of any payments due by an organ of state to the DR&PW in respect of taxes due or for services rendered, if such payments are regularly in arrears for periods of more than thirty (30) days.

6.2 Roles and Responsibilities of the Chief Financial Officer (CFO)

6.2.1 The CFO of the Department of Roads and Public Works:

6.2.1.1 is administratively in charge of the Financial Management function of the DR&PW, which includes revenue management;

6.2.1.2 must advise the AO on the exercise of powers and duties assigned to the AO in terms of the PFMA, especially in terms of revenue management for the purposes of this policy;

6.2.1.3 must assist the AO in the administration of the Department's bank accounts and in the preparation and implementation of the Department's budget;

6.2.1.4 must advise Senior Managers and other senior officials in the exercise of powers and duties assigned to them as far as financial management is concerned; and



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6.2.1.5 must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the AO.

6.2.2 The CFO shall ensure that the Revenue Management Unit, which is responsible for the day to day operations of managing revenue, is adequately resourced and capacitated.

6.2.3 The CFO shall produce financial statements showing revenue collected for the financial year.

6.2.4 The CFO of the DR&PW is accountable to the AO for the performance of the duties referred to above.

6.3 Roles and Responsibilities of the DR&PW's Senior Management Service (SMS)

6.3.1 The Senior Management of the DR&PW must assist the AO in managing and coordinating the financial administration of the DR&PW, which includes revenue management. This is particularly applicable, but not limited to:

6.3.1.1 all Senior Managers who are responsible for managing the respective programmes of the DR&PW, and to whom powers and duties for this purpose have been delegated by the AO; and

6.3.1.2 any other Senior Officials designated by the AO.

7. PROCEDURES

7.1 General Processes to be followed

7.1.1 All revenue collected shall be collected by the DR&PW's officials in various cash offices on a daily basis.

7.2.1 It is compulsory that all own revenue collected from other sources, which is above R 500, 00 (five hundred rand) should be banked in the departmental PMGA within twenty four (24) hours.

7.3.1 All revenue collected shall be transferred to the PRF on a bi-monthly basis as per the schedule from the Northern Cape Provincial Treasury (NCPT).

7.4.1 All cashiers shall be appointed in writing by the beginning of the financial year.

7.5.1 All revenue collected shall be accounted for on BAS.



7.6.1 The following methods of payments shall be used in the DR&PW :

- 7.6.1.1 Cash;
- 7.6.1.2 Bank guaranteed Cheques;
- 7.6.1.3 Electronic Bank Transfers (EBTs);
- 7.6.1.4 Postal Orders;
- 7.6.1.5 Direct Deposits.
- 7.6.1.6 PERSAL

7.2 Procedures for the Collection and Banking of departmental Revenue

7.2.1 All amounts owing to the DR&PW must be raised by way of a debit in the applicable debtors system.

7.2.2 Except when the CFO has authorized a programme to receive monies paid to the DR&PW, the CFO must receive all payments.

7.2.3 No money may be accepted unless an official receipt can be issued immediately.

7.2.4 All monies received must be deposited daily in the Department's bank account.

7.2.6 Every Programme Manager must without delay, in writing, notify the CFO of any monies due to the DR&PW and the reasons why such monies are owed must be expounded in such notification.

7.3 Procedures for Revenue Owed to the DR&PW

7.3.1 No amount owing to the DR&PW may be written off as irrecoverable without the approval of the AO.

7.3.2 If a person who is or was in the employ of the DR&PW causes or caused the DR&PW loss or damage because he or she:

7.3.2.1 failed to collect money owing to the DR&PW for the collection of which she/he is or was responsible;

7.3.2.2 is or was responsible for an irregular payment of money of the DR&PW;

7.3.2.3 is or was responsible for a payment of money not supported by a proper voucher;



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7.3.2.4 due to an omission to carry out her/his duties is or was responsible for fruitless expenditure of money of the DR&PW;

7.3.2.5 is or was responsible for a deficiency in, or for the destruction of or damage to money of the DR&PW, stamps, face value documents and forms having a potential value, securities, equipment, stores or any other property of the DR&PW; or

7.3.2.6 due to an omission to carry out her/his duties, is or was responsible for a claim against the DR&PW, the AO of the DR&PW must:

- a) determine the amount of such loss or damage;
- b) take disciplinary action where possible; and
- c) in appropriate cases recover the loss or damage.

7.3.3 Any loss suffered by the DR&PW and which the municipal manager, or if the municipal manager is responsible, the council, suspects to be due to any fraudulent or corrupt act or an act of bribery committed by any person, must forthwith be reported to the South African Police Service.

7.3.4 If the council is of the opinion that the DR&PW is unable to determine the amount or circumstances of any loss, it may at its expense appoint a person registered under the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), as amended, to assist the DR&PW to determine the amount of the loss or the circumstances in which it occurred.

8. MONITORING AND EVALUATION

8.1 The monitoring and evaluation for the effective implementation of this policy will be carried out by the DR&PW's Directorate of Strategic Planning Management, in conjunction with the Directorate Finance on an ongoing basis.

8.2 The Revenue Unit shall monitor the implementation of the policy and shall report any deviations to the HOD in writing.

9. POLICY REVIEW

9.1 The assessment to determine the effectiveness and appropriateness of this policy will be done five (5) years after its effective date. The assessment could be performed earlier than five (5) years to accommodate any substantial structural or other organizational changes at the



Department or any change required by law or as required by the champion unit (implementing agent), to ensure that it is aligned to prevailing resolutions, regulations and conditions.

9.2 The policy shall be reviewed to specifically factor in changes in legal frameworks, organisational development, political and economic trends, and envisaged outputs by the MTEF as well as the outcomes of monitoring and evaluation processes.

9.3 Deviations from this policy must be approved by the AO.

10. APPROVAL OF THE POLICY AND DATE OF EFFECT

This Policy is Approved / ~~Not Approved~~


Comments:

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ACCOUNTING OFFICER

20/04/21
DATE



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

INTERNAL MEMO

DATE:	08 APRIL 2021	REF. NO.	
TO:	THE DIRECTOR: STRATEGIC PLANNING MANAGEMENT		
FROM:	THE DEPUTY DIRECTOR: POLICY AND RESEARCH MANAGEMENT SERVICES		
SUBJECT:	SUBMISSION FOR APPROVAL OF REVIEWED DEPARTMENTAL POLICY DOCUMENTS		

Dear Ms. Bekebeke

Please find attached the final drafts of the reviewed departmental policy documents on Banking and Cash Management; Revenue Management; Gifts and Donations; Security Breaches; and Sport and Recreation, for your perusal and consideration. The above mentioned policy documents has been circulated departmentally for consultation and inputs for review, and it is hereby submitted for approval by the Acting Head of Department (HOD).

Regards,

Mr. T. Ferreira
Manager: Policy and Research Management Services



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

**EVIDENCE OF CONSULTATION WITH
DEPARTMENTAL STAKEHOLDERS**

**REVIEWED DEPARTMENTAL POLICIES
ON:**

- 🚧 BANKING AND CASH MANAGEMENT;**
- 🚧 REVENUE MANAGEMENT;**
- 🚧 GIFTS AND DONATIONS;**
- 🚧 SECURITY BREACHES; AND**
- 🚧 SPORT AND RECREATION.**

**SUBMISSION FOR APPROVAL
08 APRIL 2021**

From: DRPW-Info
To: A AMokwadi; A Maina; A van Staden; ABrand; ACLouw; AFembers; AKula...
Date: 2/26/2021 8:34 AM
Subject: REVIEW OF POLICIES: BANKING & CASH MANAGEMENT AND REVENUE MANAGEMENT
Attachments: DR&PW Approved Banking & Cash Man Policy - March 2017.pdf; Approved DR&PW R
venue Management Policy - 20-05-2016.pdf

Good day Colleagues,

Kindly find the attached DR&PW policies on Banking & Cash Management as well as on Revenue Management respectively, which need to be reviewed.

The due date for inputs/feedback from staff on the review of the above policies is Friday, 05 March 2021 and inputs can be e-mailed to tferreira@ncpg.gov.za
Thank you