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DEPARTMENT OF ENVIRONMENT AND NATURE CONSERVATION

REVENUE MANAGEMENT POLICY

SUSTAINABLE NATURAL RESOURCE MANAGEMENT FOR A BETTER LIFE

NORTHERN CAPE

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REVENUE MANAGEMENT POLICY

Administration, Management and Control of Revenue

CONTENTS:

1. DECLARATION OF INTENT
2. OBJECTIVE
3. TERMINOLOGY
4. SCOPE OF APPLICATION
5. GOVERNING PRESCRIPTS
6. GUIDING PRINCIPLES
7. PROCEDURES
8. COLLECTION OF REVENUE
9. REVENUE BUDGET
10. MANAGEMENT REPORTING

TERMINOLOGY

For the purposes of this policy, the following definitions apply:

"Revenue"	:	money collected by the Department and paid into the Provincial Revenue Fund.
"Budget"	:	the appropriated funds for the Department in terms of the Appropriation Act.
"MTEF"	:	the Medium Term Expenditure Framework consisting of a three year rolling budget, reflecting the policy priorities of the Department.
"MEC"	:	Member of the Executive Council.
"AO"	:	Accounting Officer (Head of Department).
"CFO"	:	Chief Financial Officer.
"Programme Manager"	:	an employee responsible for the administration of human, financial, physical and other resources of a programme who shall, at senior management level, control, co-ordinate, evaluate and account to the Accounting Officer for the objectives and activities within a particular programme.
"Responsibility Manager"	:	an employee responsible for the administration of human, financial, physical and other resources on which they are approving expenditure in order to achieve results and benefits which are in accordance with and contribute to the objectives of the programmes of the Department.

1. DECLARATION OF INTENT

Section 45(b) and (c) of the Public Finance Management Act places the onus on each employee within the Department to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that employee's area of responsibility. In particular, the employee must take effective and appropriate steps to prevent, within that employee's area of responsibility, any unauthorised, irregular, fruitless and wasteful expenditure and any under-collection of revenue due.

2. OBJECTIVE

To articulate the departmental policy on the appointment of cashiers, the collection of revenue due and associated responsibilities, the annual revenue budget requirements and the prescribed reporting responsibilities.

3. SCOPE OF APPLICATION

This policy applies to all departmental employees and duly appointed programme and responsibility managers, in particular.

4. GOVERNING PRESCRIPTS

Legislation

Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999)
Annual Division of Revenue Act
Annual Estimates of Revenue and Estimates of Expenditure
Treasury Regulations (15 March 2005)

Departmental

Delegations of Authority: Financial Management.

5. GUIDING PRINCIPLES

The responsibility for revenue management is assigned, in terms of Section 22 of the Public Finance Management Act, to the Accounting Officer of the Department. The Accounting Officer has, in terms of departmental financial delegations 16 and 17, delegated the responsibility for managing and controlling revenue attached to Treasury Regulations 7.2 and 7.3 to the Director: Financial Accounting and the Chief Financial Officer, respectively.

The Accounting Officer has, in terms of departmental financial delegation 52, delegated the responsibility for establishing systems, procedures, processes, training and awareness programmes to ensure efficient and effective banking and cash management in terms of Treasury Regulation 15.10 to the Chief Financial Officer.

The Chief Financial Officer shall review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The Department shall obtain approval from the Provincial Treasury for the proposed tariff structure.

6. PROCEDURES

Appointment of Cashiers

The responsibility managers shall appoint in writing, the employees entrusted with the administration and control of money collected and/or received as cashiers, where applicable. These responsibility managers shall ensure that the cashiers are familiar with the relevant prescripts. The responsibility managers shall provide the Director: Financial Accounting with a copy of these appointment letters.

The duties of the person(s) responsible for the collection and receipt of money shall be assigned to them in writing by the head of the office.

If the person(s) whose duties include the receipt, payment or collection of money is relieved of her/his duties, either temporary or permanently, her/his receipts and payments and cash books shall be checked and balanced and the correctness of the balances and cash on hand certified by the signatures of the person being relieved, the person taking over, and the supervisor. If the person being relieved is for any reason not able to so verify, a third person shall, where possible, be called upon to certify the correctness of the balance by appending her/his signature.

When a person is relieved, a list shall be certified by the person being relieved, the person taking over, and the supervisor.

The role of a sub-cashier

The sub-cashier will also be appointed in writing and will be on duty whenever the Cashier is not available. The duties of the sub-cashier will be the same as for the cashier. Petty Cash will be split between the Cashier and the Sub-cashier and a "handing-over certificate" must be completed and signed by the head of the office. Each person must have his/her own "money box".

Issue of receipts

All hand written receipts must be completed with an indelible pen. Copies must at all times be distinct and legible. Entries with an erasable pen are not permissible.

If a receipt is cancelled, the word "CANCELLED" shall be endorsed by means of a rubber stamp or in bold writing in ink across the face of the original form, the copies must be preserved for inspection.

Alterations shall not be made to the name of the payer, the amount in words and the amount in figures on any official receipt, and no erasures of any kind shall be permitted. Any receipt, which has been incorrectly filled in, shall be cancelled as indicated above.

Person issuing official receipts shall indicate thereon:

The purpose for which the payment was made

Whether the remittance was received by cheque or cash

If a cheque ID presented for payment by a person other than the drawer thereof – also the name of the drawer of the cheque.

All cheques must be bank guaranteed

In no circumstances may more than one original receipt be issued for the same payment.

Where the payer of any money does not receive or loses the original receipt issued to her/him and she/he required evidence of such payment, the following procedure shall be followed:

In the case of manual systems, a certified copy of the original receipt shall be issued, provided the head of office is satisfied that a bona fide request for such a copy has been received, and on condition that she/he personally certifies the copy of the original receipt.

If the receipt was issued in respect of revenue, a "certificate of revenue received" shall be issued, subject to such conditions as may be set out in the instructions issued by the principal receiver of revenue concerned, against payment of the prescribed fee.

The number of the Paymaster-General's Account (Bank Account number) together with the name of the office of the deposit shall be clearly indicated by means of a rubber stamp impression of the reverse side of all cheques deposited at the bank.

The receipts must be checked on a weekly basis and the receipt book signed and dated as proof of checking.

Always ensure that the copies of receipts issued are legible, and replace carbon paper on a regular basis.

When not in use, all receipt books must be in safekeeping

Used receipts books must be kept for 5 years

7. DEPOSITING THE MONEY

All revenue received by the department must be paid daily into the Paymaster General account or, for amounts less than R500 as soon as practicable but at least by the last working day of the month.

Deposits made at the bank for credit of a Paymaster General's Account shall be made on the approved credit transfer/deposit slip for the relevant account.

Only bank guaranteed cheques should be accepted by the department.

The amount of each cheque included in a deposit shall be listed on the credit transfer/deposit slip, or a schedule attached thereto. In addition the number and total amount of each denomination must be listed, the totals of which should agree with the total number of cheques, and cash.

Unless the written authority of the accounting officer has been obtained to deviate from instructions, all amounts received shall, where possible, be banked on the date of receipt, and any receipts, which cannot be banked, shall be banked on the next official working day.

Before depositing the money, the bank must be checked for correctness by a responsible official who must check that all cheques received are included in the deposit.

Safeguard the bank deposit slips for 5 years

8. VERIFY THE DEPOSIT

The assistant director: payments are responsible to ensure that all money received from the previous day is accurately recorded on the bank deposit slip before banking.

Post dated cheques

Under no circumstances will post dated cheques are to be accepted.

Dishonoured cheques

When a dishonored cheque is received, immediate steps must be taken to recover the amount.

The recovery of the dishonored cheque must be in cash and a receipt in the name of the head of the office in his/her official capacity must be issued when the cheque has been rectified and received back.

Deposit the amount on a separate deposit slip, clearly marked "REDEPOSIT".

Keys

All Keys must be kept safely at all times. Whenever the keys must be given to any other person a "Handing-over certificate" must be completed and kept on file.

9. COLLECTION OF REVENUE

In terms of Section 21(2) of the Public Finance Management Act, money is paid into a revenue fund by depositing it into a bank account in accordance with the configuration requirements as prescribed in Treasury Regulation 15.2.

Money deposited into the Paymaster-General account must immediately be available to the Provincial Treasury for funding expenditure or investment according to its central cash management responsibilities.

All revenue received by the Department must be paid daily into the provincial Paymaster-General account or, for amounts less than R500, as soon as practicable, but at least by the last working day of the month.

Money collected by the Department, which is not classified as revenue, must be paid into the provincial Paymaster-General account and accounted for in the Department's ledger. This includes money received for agency services provided to another department.

Refunds from the Provincial Revenue Fund shall only be supported when reference can be made to transactions previously receipted thereto and prior approval has been obtained from Provincial Treasury. Provincial Treasury have delegated this responsibility to the Provincial departments head office per delegation number 26(a) and have limited the amount to R15,000.00 per case. The Accounting Officer has, in terms of departmental financial delegation 26, delegated the responsibility to the Chief Financial Officer.

The Director: Financial Accounting shall:

Keep a central database of all fees, rates, scales or tariffs that relate to revenue accruing to the Provincial Fund for reviewing, budgetary and reporting purposes;

distinguish between revenue prescribed by law or ordinance and revenue not prescribed by law or ordinance;

arrange with the Provincial Treasury for the creation of appropriate SCOA revenue items, where necessary, within the SCOA revenue item structure of the Basic Accounting System (BAS), to facilitate the identification of revenue and ensure efficient and effective management reporting thereon; and

ensure that monies collected by the department is allocated to the correct revenue items.

10. REVENUE BUDGET

The Department's annual revenue budget shall be in accordance with a format as may be prescribed, and shall at least contain:

estimates of all revenue expected to be raised during the financial year to which the budget relates;

estimates of interest and debt servicing charges, and any repayments on loans; and

any other information as may be prescribed, including any multi-year budget information.

The annual departmental revenue budget is compiled and controlled at Head Office.

11. MANAGEMENT REPORTING

Monthly

The Director: Financial Accounting shall, within 10 days of the end of each month, submit the following to the Chief Financial Officer:

the information, in the prescribed format, on actual revenue for the preceding month;

a projection of expected revenue for the remainder of the current financial year; and

an explanation of any material variances and a summary of the steps that are taken to ensure that the projected revenue meets the budget.

The Chief Financial Officer shall:

Each month, submit information, in the prescribed format, on actual revenue and for the preceding month and the amounts anticipated for that month to the Provincial Treasury;

within 15 days of the end of each month, submit the following to the Provincial Treasury and the **MEC**:

the information, in the prescribed format, on actual revenue for the preceding month;

a projection of expected revenue collection for the remainder of the current financial year; and

when 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.

The Principle Receiver of Revenue shall:

submit the following to the Provincial Treasury

the information, in the prescribed format, on the refund of money incorrectly paid into, or which is not due to, the Provincial Revenue Fund for the preceding month;

the information, in the prescribed format, on the authorization of debt transactions against the Provincial Revenue Fund for the preceding month;

Annually

The Chief Financial Officer shall:

each year before the beginning of a financial year, provide the Provincial Treasury, in the prescribed format, with a breakdown per month of the anticipated revenue for that financial year;

keep full and proper records of the financial affairs of the Department in accordance with any prescribed norms and standards;

prepare financial statements for each financial year in accordance with generally recognised accounting practice;

submit the financial statements within two months after the end of the financial year to:

the Auditor-General for auditing

the Provincial Treasury; submit within five months of the end of a financial year, to the Provincial Treasury and to the MEC:

an annual report on the activities of the Department during that financial year;

the financial statements for that financial year after the statements have been audited; and

the Auditor-General's report on these statements.

The annual report and audited financial statements referred to in (e) shall fairly present the state of affairs of the Department, the financial results, the performance against predetermined objectives and the financial position as at the end of the financial year concerned; and include particulars of:

material losses through criminal conduct, and any unauthorised irregular, fruitless and wasteful expenditure that occurred during the financial year;

criminal or disciplinary steps taken as a result of such losses, unauthorised irregular, fruitless and wasteful expenditure;

material losses recovered or written off; and

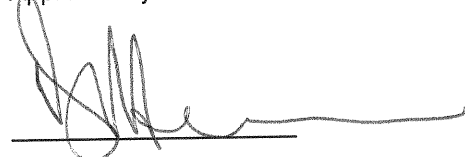
other matters that may be prescribed.

IMPLEMENTATION

This policy is effective from 1 March 2012

Responsibility for the implementation of this policy rests with the Chief Financial Officer.

Approved by



Accounting Officer

Date_____