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Department:
Public Works and Roads
North West Provincial Government
Republic of South Africa

REVENUE MANAGEMENT POLICY

AND

PROCEDURE MANUAL

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1. DEPARTMENTAL REVENUE

a. DEFINITION

Departmental Revenue is defined as the inflow of cash arising in the course of the ordinary activities of the Department, normally from the Sale of Goods and Services, the rendering of services and the earning of interest. It includes Transactions in Financial Assets and Liabilities and also Transfers Received

Departmental Revenue is collected by the Department of Public Works and Roads and is subsequently paid over to the Provincial Revenue Fund

The main categories of the Departmental Revenue for Department are as follows:

- Sale of Goods and Services other than Capital Assets
- Interest, and Rent on Land.
- Sale of Capital Assets
- Financial Transactions in Assets and Liabilities

b. ACCOUNTING POLICY

All Departmental revenue is recognised in the statement of Financial performance when received and is subsequently paid over into the Provincial Revenue Fund unless stated otherwise. Any amount owing to the National/ Provincial Revenue Fund at the end of the Financial Year is recognised as a payable in the Statement of Financial Position.

No accrual is made for amounts receivable from the last receipt date to the end of the financial period. These amounts are however disclosed in the disclosure notes to the Annual Financial Statements

c. THE OBJECTIVE

- The main objective of this policy is to ensure that all Departmental Revenue is identified, collected, recorded, and reported timeously in an effective and efficient manner.
- To ensure identification of new sources of revenue
- To ensure that the Department achieve its Revenue Target /Budget over the MTEF period.
- To ensure that administrative and control processes are established that caters for Identification, Authorisation, Review and Reconciliation of Revenue.
- To ensure that receipts of money are accurately and completely accounted for and adequately controlled to prevent or detect error, fraud and omissions.

2. SOURCES OF REVENUE

- Mark Establish : Rental Dwelling
- Mark Establish : Rental Park Covr&Open
- Rec:Fa:Rec:Priv:Sec:Staff Debt
- Rental of Capital Assets
- Request Info:Access to Information Act
- Rec:Fa:Cash Surplus
- Rec:Fa:Rec of Prev years Expenditure
- Rec:Fa:Rec:PrivSec:Domestic services
- Rec:Fa:Rec:PrivSec:Parking
- Rec:Fa:Rec:PrivSec:con Dept Debt
- Sale of Capital Assets
- Rev Fa: Stale cheques
- Sales of scrap
- Sale of Tender Documents
- Sale of waste paper
- Sale of wood products
- Commission of insurance
- Serv Rendered :Boarding Services: Private
- Serv Rendered : Boarding Services : Official.
- Effluent Removal fees.

3. REVENUE ROLE PLAYERS

3.1 Cashiers

- 3.1.1 The duties of the persons responsible for the collection and receipt of state funds must be assigned to them in writing by the Chief Financial Officer.
- 3.1.2 Any person whose responsibility includes the receipt of state funds must be responsible for the safe custody of all such funds under his/her control.
- 3.1.3 All cash and cheques must be kept in a safe until such a time that it is deposited into the department's bank account.
- 3.1.4 The office of the person responsible for the receipts of funds must be locked at all times when the official is not physically present in that office.
- 3.1.5 If a person entrusted with the collection of state funds is relieved of his/her duties either permanently or temporarily his/her receipts, cashbooks and cash on hand must be checked and balanced and the correctness of the balances of the cash on hand must be certified by the signatures of the person being relieved.
- 3.1.6 When handing over is taking place, a 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

- 3.2.1 The supervisors of the cashier should be at a level higher than that of a cashier.

4. THE PROCEDURES FOR THE TREATMENT OF DEPARTMENTAL REVENUE

4.1 Handling of Used and Unused Face Value Forms

4.1.1 A Face Value Form Register must be kept by all revenue collecting offices of the department of Public Works and Roads in all used and unused manual face value forms must be registered.

4.1.2 All manual face value forms must be entered into the Revenue Stock Register.

4.1.3 A Face Value Forms register must indicate the quantity, sequence numbers and Details of all receipts, deposits and cashbooks or issued by the Provincial Office.

4.1.4 The Face Value Forms Register must be kept in a safe or in a Strong Room.

4.2. **Receipting**

4.2.1 For all money received at any cashier point a receipt must be issued. This Excludes Direct Deposits, Internet Transferred, Electronic Bank Transfers where receipts may be issued only on the request of the paying client and should be recorded as such.

4.2.2 Revenue officers must record correctly all personal/company details, dates, amount on the receipts and the payment description.

4.2.3 Where a receipt is cancelled, the revenue officer must draw parralelle lines across the original receipts and write cancelled inside the two lines and initial.

4.2.4 Please note that receipts must not be amended in any way, in case of a mistake the whole receipt must be cancelled and be replaced with a new well completed receipt.

4.2.5 At the end of the shift /day the revenue officer at a cashier point must balance/reconcile all receipts issued with cash on hand and hand over through handing over certificate to the relevant officer or where the cashier is also responsible for banking enter such details in the cash book and deposit book.

4.2.6 Hand over all books used for the day period to the checking officer.

4.2.7 The checking officers should daily check all receipts, cashbook and deposit book to ensure that the amount on hand tally with the amount received per receipts.

4.2.8 The checking officer should then cross tick each transaction and append his/her signature to confirm that the transaction has been checked and correct as indicated. All shortaged and surpluses must be indicated in the same page.

4.2.9 If there is surplus a receipt need to be issued in the name of the head of the institution and such money must be banked accordingly. In the event that the client was overcharged the client will be refunded upon proper completion of refund forms.

4.2.10 if there is a shortage the revenue officer responsible must reimburse the Department accordingly unless circumstances dictate otherwise and in that case, either criminal/legal processes will be followed.

4.3. Banking

The revenue officers must ensure that moneys which should have been banked have not been withheld unnecessarily and that the instructions regarding the receipt custody and disposal of state money have been carried out. In enforcing this the following need to be adhered.

4.3.1 The Revenue officers must check all the books daily and ensure that all collections for the period have been accounted for.

4.3.2 All money received by the institution must be banked daily into the Department Pay Master general account or for amounts that are less than R500.00 (those institutions where the official Bank is more than 20KM away) as soon as practicable, but at least at the last working day of the month. An entry will be made as follows in the general Ledger:

Dr : Bank

Cr : Relevant Revenue Item Account e.g. (Rental of Capital Assets)

4.3.3 The head of the institutions either at the District or Provincial office, depending on individual institution factors or circumstances, should first approve any banking arrangement deviating from clause 4.3.2 above before being implemented. The so called approved arrangement must be documented and be kept in the file at both the Institution and a copy be forwarded to Provincial Revenue Office.

4.4 Remittance registers.

- 4.1 All payment received through post must be entered into the remittance register, and be forwarded to the revenue office for issuing of a receipt. The receipt number issued must also be entered into the appropriate column in remittance register. The remittance register must be handed back to Registry by the revenue office after recording the receipt number.

5. METHODS OF PAYMENTS

The following methods of payment are accepted by the **Department of Public Works and Roads**:

5.1 Cash

This is the most acceptable and preferred payment method in the Department
Provided that the payment is made with the acceptable South African Currency notes and coins. Stained/Damaged/faked or other suspicious notes must not be accepted by any institution within the Department of Public Works and Roads. Any revenue official who has been found to have accepted faked money and later nullified or recognises it as valueless by the bank then the money will be recovered from him/her. Any foreign currency must not be accepted under any circumstances but the holder of such must first change it to the SA currency and pay at the cashier point.

5.2 Cheques

Due to the fraud associated with cheque utilisation, this method of payment is totally Discouraged how-ever the following procedures must be followed in handling cash:

- ✓ No personal Cheques including bank guaranteed should be accepted.
- ✓ Cheques from the Trust Accounts of Estates may be accepted.
- ✓ Bank Issued Cheques are accepted by the Department.

5.3 Electronic Funds Transfer (EFT)

The Department accepts these types of payment methods (including Internet & bank transfers provided that the correct reference number is inserted in every transfer for reconciliation purpose. Reference number may be the Invoice Number issued from time to time by the Provincial Office.

5.4 Direct deposits

All the deposits directly to the bank account of the Department by individuals/companies should be strictly in cash.

Any person who accepts/allow to accept any payment methods contrary to the above procedures will be fully liable for any loss incurred by the Department .

6. IDENTIFICATION OF NEW SOURCES OF REVENUE.

The responsibility to identify new sources of revenue lies with the Chief Directorates within the Department of Public Works and Roads, Sub Directorate Revenue management will assist with the Implementation process.

7. DETERMINATION OF TARIFFS.

The responsibility to determine, increase or decrease the revenue tariffs lies with the Chief Directorates within the Department of Public Works and Roads, Sub Directorate Revenue management will assist with the collection, recording and reporting and also assist with the process for application of Treasury approval for implementation of new tariffs.

8. ANNUAL REVISION OF TARIFFS

The Department must annually review all revenue tariffs and apply for Provincial Treasury Approval before implementation

9. BILLING OF DEPARTMENTS

The Departments with employees staying in government houses will be billed on monthly basis to transfer the amount collected via Persal to the Department of Public Works and Roads.

The revenue deducted via Persal for employees of Department of Public Works and Roads are linked to the Item Mark Establish Rental Dwelling already so there is no need for the Department to be billed.

At the end of the financial year the amount for Mark Establish Rental Dwelling will be journalised to a revenue Item called Rental of Capital assets since the rental on the properties are not market related.

10. CLAIM OUT OF PROVINCIAL REVENUE FUND.

Claims out of the revenue fund will be handled in terms of Section 23 (1)(b)(ii) of the PFMA which states that " no money may be withdrawn from the fund except as a direct charge against the fund when it is provided for in the constitution or a Provincial Act". For the purpose of this policy the claims out of the Provincial Revenue Fund will be for the money erroneously paid into the provincial Revenue fund.

The following will be the process to be followed in respect of claims out of revenue Fund.

- A claimant letter to the head of the District explaining in detail the reasons of the claim.
- A letter from the district Head addressed to the Chief Financial Officer confirming that the details as per claimants letter are correct and requesting for a refund to be made to the client.
- The claimant must also complete and sign the claim form.
- Visible Original Receipt or Bank Deposit Slip or Salary Advice must be attached.

- Certified Identity document of the claimant must be attached to the claim form and in case of a minor an identity document, affidavit of paternity and birth certificate must be attached.
- An entity maintenance form should be fully completed by the claimant and stamped by the bank.
- All claims for over deduction on rental must be accompanied by the lease termination form duly signed by the relevant Chief Directorate: Property Management.

11. TRANSFER OF REVENUE COLLECTED TO THE PRF

In terms of section 22(1) of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999, read with paragraph 15.3(1) and (2), paragraph 15.5 of the Treasury Regulations and Provincial Revenue Procedures, the Department is required to transfer all revenue collected by it weekly/monthly into the Provincial Revenue Fund.

In terms of this act the Department must not withhold any money regarded as revenue unless Treasury approval has been granted to that effect.

12. ESTABLISHMENT OF REVENUE OFFICE

Each District Office and each Sub -District office including Provincial office must have one revenue office that receive, record, report on all revenue Items matters.

13. REPORTING

The Chief Financial Officer shall 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:

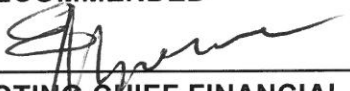
- The information is the prescribed format on actual revenue for the preceding month.
- A projection of expected revenue collection for the remainder of the current financial year and
- Where necessary an explanation of any material variances and a summary of the steps that are taken to ensure that the projected revenue remain within the Budget.

- Public Service Regulations of 2001.
- Provincial Revenue Management Policy.

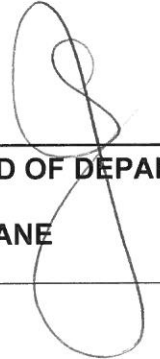
20. DEFINITIONS

"Accounting officer"	Means the Deputy Director General of the Department of Public Works and Roads.
"Debt"	Means an amount owing to the state.
"Employee"	Means any person excluding an independent contractor, who works for the Department or for the state and who receives or is entitled to receive any remuneration.
"Department"	Department of Public Works and Roads.
"Pension Benefits"	Means pension money due to an official by GEPP
"PFMA"	Public Finance and Management Act .

21. RECOMMENDATION

RECOMMENDED  ACTING CHIEF FINANCIAL OFFICER MADIENYANE MJ <i>MAGOLE E</i>	<i>02/03/15</i> DATE
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APPROVAL

APPROVED  ACTING HEAD OF DEPARTMENT FREDA TSIMANE	<i>09/03/2015</i> DATE
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