"People's power in action"

CASH CONTROL & DIRECT DEPOSITS POLICY

2026/2027
FINANCIAL YEAR

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1. DEFINITIONS

In this Policy, unless the context indicates otherwise –

"accounting officer" – in relation to a municipality, means the official referred to in section 60 of the Municipal Finance Management Act;

"cashier" – means an official appointed to deal directly with customer monetary transactions. A Cashier receives money (cash, credit card and direct deposits) on behalf of the municipality;

"local municipality" – means a category B municipality envisaged in section 155 (1) (b) of the Constitution (a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls);

"municipal council" or "council" – means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipal Finance Management Act" – means the Local Government: Municipal Finance Management Act No.56 of 2003, and any regulations made under that Act;

"municipality", when referred to as –

- a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act No.27 of 1998;

"municipal manager" – means a person appointed in terms of section 54 (a) of the Municipal Systems Act (is the head of administration and also the accounting officer of the municipality);

"municipal service" – means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:

- such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and
- fees, charges or tariffs are levied in respect of such a service or not;

"Municipal Systems Act" – means the Local Government: Municipal Systems Act No.32 of 2000;

"account" – means a notification by means of a statement of account to a person liable for payment of any amount for which he or she is liable to pay the Council in respect of the following:

- Electricity consumption based on a meter reading or estimated consumption;
- Water consumption based on a meter reading or estimated consumption;
- Refuse removal and disposal;
- Rates;
- Interest; and

- Miscellaneous and sundry fees and collection charges;
- Renting of municipal property

"fee" – means a fee prescribed for or in respect of any municipal service;

"prescribed" – means prescribed by the Council from time to time, by resolution;

2. FOREWORD

In terms of section 7 (2) of the Municipal Finance Management Act No.56 of 2003 (chapter 3), all money received by a municipality must be paid into its bank account or accounts, and this must be done promptly and in accordance with chapter 3 of MFMA and any requirements that may be prescribed.

Section 8 (2) of this Act states that the following moneys must be paid into a municipality's primary bank account:

- All allocations to the municipality, including those made to the municipality for transmission to a municipal entity or other external mechanism assisting the municipality in the performance of its functions;
- All income received by the municipality on its investments;
- All income received by the municipality in connection with its interest in any municipal entity, including dividends;
- All money collected by a municipal entity or other external mechanism on behalf of the municipality; and
- Any other moneys as may be prescribed.

Section 8 (3) states that a municipality must take all reasonable steps to ensure that moneys referred to in sub-section (2) are paid into its primary bank account.

Section 13 (1) states that the Minister, acting with the concurrence of the Cabinet member responsible for local government0, may prescribe a framework within which municipalities must:

- Conduct their cash management and investments; and - Invest money not immediately required.

Section 13 (2) states that a municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of sub-section (1).

Section 64 of MFMA (Chapter 8) states also says that:

- Subsection (1) - The accounting officer is responsible for the management of the revenue of the municipality;
- Subsection (2) (d) - The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money received is promptly deposited in accordance with MFMA into the municipality's primary bank account;
- Subsection (2) (e) (iii) - The accounting officer of a municipality must ensure that the municipality has and maintains a management, accounting and information system which accounts for receipts of revenue.

3. PURPOSE OF THE POLICY

The purpose of this policy is to ensure that the principles and procedures for Cash Control are formalized.

4. POLICY PRINCIPLES

Section 95 (i) of Municipal Systems Act No. 32 of 2000 indicates that in relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity – provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

Section 96 (a) of the Municipal Systems Act states that a municipality must collect all money that is due and payable to it.

5. CASHIERS

a) Cashiers must collect money on behalf of the Municipality.
b) Cashiers must issue an original receipt for every money/payment they receive.
c) Cashiers are expected to perform their duties diligently and with honesty.
d) Any shortages not immediately paid in by a Cashier will be recorded as a shortage.
e) In case of shortages or surpluses, a verbal warning may be issued to the Cashier in front of a witness.
f) If there are continuous shortages by the same Cashier, a written warning may be issued in front of a witness. This warning may be effective for 6 (six) months.
g) If there are continuous shortages by the same Cashier within the 6 (six) months of written warning, this Cashier may receive a Final written warning.
h) If there are continuous shortages by the same Cashier within the Final written warning duration or after, the Cashier may face a disciplinary hearing.
i) The above measures will not apply to Cashiers (including new Cashiers), if shortages were mistakes that can easily be cleared or not the fault of the Cashier.
j) Cashiers will have to explain all cash surpluses and shortages as and when required.
k) New Cashiers are expected to undergo necessary training for one month before they are held responsible for shortages and surpluses.
l) Each cash surplus belongs to the municipality, as might be claimed later.
m) Any claim of a refund from the payments made will require original receipt and any other supporting documentation as may be requested by the municipality.
n) All cash shortages and surpluses are to be recorded and presented to the Accountant or the Manager Revenue as and when necessary.
o) All cash shortages must be paid in full immediately or not later than the last day of the same month (Three months' payment arrangements can be made with approval of Manager Revenue or the CFO in case of unaffordable amounts).
p) Landline telephones will be allowed in the Cashier cubicles due to assistance provided to satellite offices and bank card machines using the telephone lines.
q) No Cashier will answer his/her cell phone, read emails, search the internet or have a private conversation while there are customers queuing for payment.
r) No Cashier will leave his/her cubicle to answer a phone/cell phone leaving account payers waiting, unless called by a senior official or in cases of emergencies.
s) Cashiers are expected to work at different Municipal offices.
t) Cashiers will not cash-up one another, unless an arrangement has been made with the Manager Revenue or the CFO (under unavoidable circumstances).
u) Cashiers should not have visitors from other sections or departments in their cubicles.

v) Cashiers are not allowed to use other Cashier's passwords for either selling of pre-paid electricity or processing payments of accounts.
w) Cashiers are not allowed to use Senior Cashiers passwords to cancel receipts or whatsoever.
x) Cashiers should not take more time than approved for lunch, unless an arrangement is made with the Senior Cashier.
y) A cashier should not leave the offices to attend to personal matters without receiving permission from their seniors.
z) Cashiers must always use fake money detector machines or will have to pay in to replace the fake notes. Unless the video footage can prove that the Cashier put all notes through the fake detector machines. Except when machines are not functioning properly.
aa) Cashiers should never leave their cubicles unlocked if there's cash in the drawers.
bb) Only Cashiers, Senior Cashiers, ICT staff (for repairs) and persons authorized by Manager Revenue or the Accountant may enter the Cashiers' cubicles.
cc) Any work by private companies may not be undertaken in the cubicles without the approval of the Accountant or Manager Revenue or CFO; if a Cashier has to leave the cubicle with cash in it, no one may remain in the cubicle.
dd) Only Cashiers, Senior Cashiers or officials authorized by Manager Revenue may take cash from Cashier cubicles to the safe in the strong room.
ee) No smoking, eating or drinking will be allowed in cubicles, except drinking water.
ff) Cashiers must report any problems with equipment to the Senior Cashiers on time to ensure smooth service delivery.
gg) Cashiers must sign off their daily reports to take ownership of the money received under their names.
hh) Cashiers should ensure that original receipts are always issued to customers and duplicates are only issued on request.
ii) Cashiers are responsible for cubicle door keys. Cashiers must pay for a lost key to be replaced and to prevent any negligence in future. The keys must always be kept in a safe place.

6. SENIOR CASHIERS

a) Senior Cashiers must ensure that Cashier's cash for the day balances with the machine's (Cash drawer) total.

b) Senior Cashiers must ensure that Cashier's credit/debit cards for the day balance with the machine's (Cash drawer) total.

c) Senior Cashiers must ensure that cash is deposited into the cash deposita machine, get a receipt for money deposited and keep it safe for cash-up.

d) Money should always be safely locked and accounted for each day.

e) Senior Cashiers must assist in finding the cause for cash shortages and surpluses by Cashiers.

f) Senior Cashiers must ensure that cash is transported to the bank within 24 hours (except for weekends and holidays, money will be banked on the next working day).

g) Senior Cashiers must do daily reconciliations of receipts and daily summaries of Cashiers. Unless circumstances do not allow, like strikes or power outages.

h) Senior Cashiers must report any misconduct by Cashiers as well as suspected criminal activities to the Manager Revenue or the CFO.

i) Senior Cashiers must assist Cashiers in resolving any disputes with account payers.

j) Senior cashiers must ensure that the strong rooms are always closed/locked, so as to restrict movement into it.

k) Senior Cashiers must ensure that the keys to the strong room and safe are signed for in the register each time they change hands.

l) Only officials authorized by Manager Revenues will keep the keys to the safe and strong room.

m) Senior Cashier should see to it that no one person has the two (2) safe keys in his/her possession at one time.

n) Senior Cashiers are to be in contact with the cash collecting company for any new people employed or dismissed, to avoid fraud and robberies.

o) Senior Cashiers must check the authenticity of identity cards of officials from cash collecting company.

p) Senior Cashiers are to report any suspicious activities by cash collecting company to:

- Accountants, or
- Manager Revenue, or
- Chief Financial Officer, or
- Head of Security.

q) Senior Cashiers must always have an official of private security company (or municipal security official, if no private company available) present each time cash is handed over to the cash collecting company.

r) Senior cashiers must ensure that it is safe to take cash to the strong room before doing so.

s) Senior Cashiers & senior officials with permission are the only ones permitted to process cancellation of receipts.

t) Senior Cashiers must report all cancellations, cash shortages and surpluses to Manager Revenue as and when required. Supporting documentation must always be kept safe for audit purposes.

u) Senior Cashiers must ensure that all receipt cancellations have original receipts as supporting documentation.

v) Senior Cashiers must always ensure that Cashier receipts numbers and batch numbers are in the correct following order to avoid theft of cash.

In case of a dispute with the bank about cash shortages and surpluses, an investigation will be undertaken, depending on the outcome of the investigation, a decision will be taken to resolve the dispute.

If a Senior Cashier confirms by signature that a Cashier balances with the system and a fake note or shortage is later discovered by the bank, Senior Cashier will take full responsibility to pay the shortage or replace a fake note. Video footage will be used to confirm if the Senior Cashier has put the notes through the fake detecting machine. Should it be discovered that the notes were put through the machine, the Senior Cashier will not be held responsible for the payment/replacement of the fake notes.

There is a camera inside the walk-in-safe. The Cash Collection Company comes daily to collect the money. Before the money is taken to the Bank in the presence of a senior cashier and a security official and the camera, every Drop Cash Bag bar code will be scanned. The senior cashier receives 2 receipts. One receipt will be sent with the money to the Bank in bigger sealed bag(s). The other receipt is the proof for the senior cashier that the money was send to the Bank and there is more control by scanning the bar codes. There is a file for all the receipts to be kept. If there are shortages that require the bank and the municipality to investigate, senior cashier will not be held accountable until investigation is completed.

Deposita machines are used to drop cash and keep it safe until it is collected or taken to the bank and to provide more accurate daily balancing totals and resolve shortage disputes.

7. DIRECT DEPOSITS

a) Direct deposits Cashier must request/receive bank statements daily for reconciliation.

b) Correctly allocate unallocated receipts.

c) Draw up a spreadsheet of all unknown direct deposits for verification with the bank.

d) Levy bank charges to debtor accounts where necessary.

e) Receive and reconcile Kroonpark receipts daily (if necessary.

f) Issue receipts for all grants received.

g) Allocate payments from Post Office, Easy-Pay, Persal payments, Transnet and Senwes.

h) Allocate receipts from remote units (Viljoenskroon & Steynsrus).

i) Ensure safe keeping of all receipts and summary reports.

8. CASH FLOAT

a) All Cashiers must have equal amount of cash float.

b) Senior Cashier must do unannounced cash float counting as regularly as possible.

c) Only cashiers will have keys to their cash float drawers.

d) Cashiers are solely responsible for any shortage/surpluses in the cash float boxes.

e) Senior Cashiers have the authority to count any Cashier's float at any given time of the day/week/month.

f) Cashiers should pay immediately any shortage in their cash float drawers but keep any surpluses safe. In case it may be claimed later. If not claimed, surpluses should be reported and banked.

g) Cashiers must sign for the cash float they use and be responsible for the drawers and the keys.

h) Internal Auditor may do cash float count at any time without giving notice to the Cashiers or Senior Cashiers but should arrange with the Revenue Manager.

9. RESPONSIBILITY / ACCOUNTABILITY

The Municipal Council has the overall responsibility for adopting and approving this Policy.

10. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented once approved by Municipal Council and may be reviewed annually for amendments if any.