



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF
ROADS AND TRANSPORT**

**INTERNAL PROCEDURES AND CONTROL
MEASURES: REVENUE MANAGEMENT
POLICY**

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1. PURPOSE AND OBJECTIVES OF POLICY

To detail information on revenue collection policies and describe basic procedures that should be performed by revenue personnel to achieve revenue objectives should perform that. The objectives of revenue collection are as follows:

- a. To provide guidance and a clear direction on how to manage revenue collection more efficiently and effectively.
- b. To maximise revenue collection
- c. To minimise the risk of loss of revenue through misappropriation

2. LEGISLATIVE MANDATES

The policy recognises the broader policy context to which it has been formulated and shall operate. This policy context is largely shaped by broader national policy initiatives in particular the following:

- a. Public Finance Management Act of 1999 as amended
- b. Treasury Regulations for Departments, constitutional Institutions and trading entities.

3. RISKS ASSOCIATED WITH THE CYCLE

- a. Revenue collected may be stolen
- b. Revenue received might not be recorded
- c. Revenue collected may not be deposited in the department's bank account
- d. Face value documents may be used in committing fraudulent activities
- e. Revenues may-not be collected resulting in bad debts

4. MANAGEMENT OBJECTIVES

- a. To safe guard and ensure efficient use of government resource
- b. To prevent fraud and corruption at all cost
- c. Revenue is collected and deposited in the department's bank account
- d. Maximise revenue collection of the department
- e. To ensure revenue is accounted for in the correct month and financial period.

5. POLICY STATEMENT

- a. The Department declares revenue collection as a priority.

- b. The Department shall collect revenue, in line with PFMA, Treasury Regulation and relevant prescripts.
- c. Revenue to be collected in a cost effective and efficiently.
- d. The Department utilises and appoints agencies to assist with revenue collection.
- e. Revenue collection agencies to be paid an agency fee for their contribution.
- f. The rates, tariffs and fees to be market related.
- g. Optimise revenue collection and identify potential sources of revenue.
- h. Zero tolerance on misappropriation of funds.
- i. Revenue collection policy, procedures and strategy to be included in the performance agreement of all relevant officials.

6. SOURCES OF REVENUE

6.1 The following are major source of revenue in the department

- a. Motor vehicle registration and licensing
- b. Permits
- c. Traffic summons
- d. Auctions of government property
- e. Repair of government vehicles

6.2 Sources of revenue will be identified on regular basis

7. REVENUE COLLECTION STRATEGY

- a. To revise and implement the updated rates, tariffs and fees annually on 01st April each year.
- b. To ensure the employment of sufficient and properly trained personnel for collection and administering revenue.
- c. To strengthen and integrate information systems relating to revenue collection.
- d. To put sufficient resources and infrastructure in place to optimise the collection of revenue.
- e. To develop standards, provide better control and improve methods and procedure to be in line with PFMA.
- f. To improve security services for revenue collection and administration.
- g. To define responsibilities and areas of jurisdiction for both the Department and agencies like the municipalities.
- h. To sign agency agreements with the agents to collect revenue on behalf of the Department.
- i. To do a cost benefits analysis and allocate revenue on a similar basis to ensure that the systems and services are continuously rendered.

- j. There shall be Departmental Revenue Committee which consist of the following members:

Senior Manager: Finance	Chairperson
Manager: Revenue Control	Member
Deputy Manager: Revenue	Secretary
Manager: Law Administration	Member
Manager: Public Transport	Member
Municipalities Representative	Member
Provincial Revenue Representative	Member

8. CONTROL PROCEDURES

8.1 Face Value Documents (deposit books, receipt books, traffic summons, Natis documents etc.)

- 8.1.1 Head of stores management at the institutions shall receive face value documents from District, Stores Division.
- 8.1.2 Stores management at the districts shall keep stock register of face value documents and institutions will have to sign for them when collecting.
- 8.1.3 Each institution will keep updated stock register for all face value documents (e.g. receipt books, deposit books, traffic summons and all NATIS documents).
- 8.1.4 Face value documents used or unused shall be locked in strong rooms and safes to safeguard against loss by fire and unauthorized access and a register of used and completed books shall be kept.
- 8.1.5 All this documents shall be under the control of person/s appointed in writing by head of institution/district for the purpose of distribution.
- 8.1.6 Appointed person/s shall keep a main control register to enter face value forms received issued and acknowledgement of receipts issued face value documents must always be obtained.
- 8.1.7 Deposit books, receipt books and traffic summons books shall be issued upon receipt of used and completed book.
- 8.1.8 Procedure 8.1.7 shall apply to the security companies that are servicing our institutions.

- 8.1.9 The register shall be balanced regularly and checked monthly by the person in charge of office.
- 8.1.10 The stock take of face value documents should be conducted at least once every financial year.
- 8.1.11 A person who is in direct control i.e. receiving, recording, issuing and taking care of face value documents shall not conduct stocktaking.
- 8.1.12 Discrepancies and losses must be thoroughly investigated and dealt with.
- 8.1.13 Stocktaking officers must be appointed in writing by head of the district/ institution immediately.
- 8.1.14 The individual keeping the face value document register should reconcile the register on daily basis. Number of documents issued less number of documents used by cashier should equals documents returned by cashiers.

8.2 General

- 8.2.1 There must be a minimum segregation of duties. The person collecting revenue should not prepare reconciliation and cashbook. The person keeping stock registers mentioned above should not be a person collecting revenue.
- 8.2.2 Cash books shall be prepared, kept up to date and review on daily basis before and after banking.
- 8.2.3 Revenue collected by each institution shall be deposited into Departmental Paymaster General Account (PMG) on a daily basis.
- 8.2.4 If an amount collected for the day is less than R500.00, deposit will be made as soon as the amount exceeds or by the last working day of the week which ever is the earliest.

DEPOSIT BOOKS WITH A PRE-WRITTEN PMG BANK ACCOUNT NUMBER WILL BE USED FOR ALL THE DEPOSITS. THE BANK SHOULD STAMP THE DEPOSIT SLIP AS EVIDENCE THAT THE MONEY WAS BANKED.

- 8.2.5 Where Security Company makes deposits on behalf of our institution; the company shall provide evidence of banking before collecting the money for the next day.
Copies of deposit slips will be filed.

8.2.6 The revenue capturers shall capture revenue receipt in the financial systems on daily basis.

8.2.7 All personnel receiving revenue shall ensure that the tariffs they are using are the revised tariffs as issued by head office every year on 01 April.

8.2.8 Under no circumstances shall a private cheque be as accepted as payments. Only bank guaranteed cheque should be accepted. (A bank guaranteed cheque does not have a name of person but of the bank that is giving the guarantee.) .

8.2 Traffic summons

8.2.1 All unused traffic summons books should be kept safe at all time (lockable room or cabinet accessed by the register keeper only).

8.2.2 All unused traffic summons should be registered in the TRAFMAN system and update the records as and when they are issued.

8.2.3 Traffic summons issued to motorists by the traffic officials should be registered on daily basis in the manual summons register at each traffic station where the officer is stationed.

8.2.4 TRAFMAN system should be updated within a week of issuing the summons to the motorist.

8.2.5 Receipts must be issued for all money received.

8.2.6 When payments for traffic summons are collected, a receipt will be issued. The register should be update with such payments.

8.2.7 TRAFMAN system should be updated within a five days of receiving the payment.

8.2.8 Monthly reports detailing the number of summons issued, monetary value, summons paid and amount received should be send to head office on or before the 7th of the month following the month of collection.

8.3 Permit applications

8.3.1 The applicant submits an application form to the cashier and pays the prescribed fee.

8.3.2. A hand-written receipt is issued to the applicant reflecting the allocations for capturing.

8.3.3 Application form, together with a copy of the hand-written receipt is handed to the Permit Administration System (PAS) office at head office, and a computer receipt is issued.

8.3.4 PAS office checks the sequence number of the hand-written receipt from the Region to ensure continuity of the series.

8.3.5 No permit is issued unless all of the above steps are followed. (8.3.1-8.3.3)

8.3.6 The monthly summary report of all transactions and their values are retrieved from the computer, based on the receipts issued in 8.3.3 above and filed for audit purpose.

8.3.7 The fees used are as prescribed in terms of Road Transportation Act. Annual tariff increase shall be gazetted and effected every year.

8.4 Airports fees

8.4.1 Each aeroplane is required to pay a landing and parking fee on landing at the airport.

8.4.2 The airport controller shall complete a register with detail of the aeroplane, and the fee paid.

8.5 Motor vehicle registration and licensing

8.5.1 The appointed officer accepts payment and issues a receipt. (NATIS receipts)

8.5.2 The transaction shall be recorded according to the Natis allocation code.

8.5.3 At the end of the day the officer shall extract cash up query report.

8.5.4 The officer shall prepare banking on money collected for the day.

8.5.5 Each transaction code on cash up query report shall be receipted on daily basis on a prescribed receipt form from the Department.

8.5.6 Transactions mentioned on step 5.3.5 shall be allocated in terms of the BAS segment detail.

8.5.7 The cash up queries report, the copy of deposit slips and the cashbook should be checked and signed for by the Supervisor the following day to verify the correctness of the transactions.

8.5.8 The prepared batches of cash up queries, BAS receipts, deposit slips,

Provincial receipts and cashbooks are to be submitted to the Regional Revenue Coordinator on weekly basis.

8.5.9 The Revenue control officials at Head Office shall process payments due to the Provincial Revenue Account on a weekly basis.

8.6 Repair of government vehicles

8.6.1 All the charges must be on a flat rate.

8.6.2 The responsible officer must prepare the claim form and send it to First Auto.

8.6.3 The claim form must have First Auto Merchant number, vehicle registration number, make, model, year of registration, kilometer reading, job number and first auto authorisation number.

8.6.4 A register must be kept to each and every Government Garage where the officer shall record the following:

Registration no.	Make	Description	Authority no.	Invoice no.	Faxed date	Invoice amount	Amount paid
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8.6.5 Each and every garage must request merchant transaction report (statement) from Wesbank to assist on reconciliation.

8.6.6 Reconciliation for the amount claimed and amount paid shall be done on a daily basis.

8.6.7 Each and every garage must request merchant transaction report from Wesbank.

8.6.8 A supervisor must check a register on a weekly basis.

8.6.9 An officer at Head office must clear all the exception created by money paid by First Auto before month closure.

8.6.10 All the garages must submit monthly returns to Head Office (Revenue Control) through the revenue coordinator on or before the 05th of each month.

8.6.11 The monthly returns should contain the following:

	Amount claimed	Amount paid	Outstanding Balance
Repair/Service			
Towing			
Total			

8.7 Revenue collected by municipalities.

8.7.1 The Head of the Department in his/her capacity as an Accounting Officer shall enter into a contract with the Municipalities on the collection of revenue. The conditions of the agency will be reflected in the individual contracts. The Municipalities as an agent of the department shall:-

8.7.2 Account for all revenue collected on behalf of the Department be it through the system or manually.

8.7.3 Ensure that all cashiers in respect of revenue collected are following correct cash up procedure/allocations.

8.7.4 At the end of each day extract of all necessary cash up queries indicating the total amount collected for each transaction (D32 summary report).

8.7.5 The total amount collected on behalf of the Department shall be deposited into the Departmental Pay Master General's 'account on or before the 15th of each month.

8.7.6 All documents mentioned above, that is copy of deposit slip D32 Transaction summary report and TAS9 (7.7.7) report should be sent to the Department of Transport on monthly basis and copy thereof to Provincial Revenue office.

8.8 Revenue collected at head office.

8.8.1 Revenue collected is banked on daily basis and for amounts less than R500.00, as soon as practicable, but at least by the last working day of the month.

8.8.2 The prepared batches of BAS receipts, deposit slips, Provincial receipts and cashbooks are to be captured in BAS on daily basis and filed for audit purpose.

8.8.3 All the books of accounts shall be kept up to date and checked by the relevant supervisor on a daily basis.

8.9 Other

- 8.9.1 The Regional Revenue coordinator shall make sure that all receipts, deposit slip are captured in the system on a daily basis and submit the monthly returns to Regional Offices of department of Finance, Economic Affairs and Tourism.
- 8.9.2 Other institutions e.g. Magistrates offices shall issue a cheque for revenue collected on or before the 7th of each month to the Department of Transport.
- 8.9.3 Revenue collected by agencies e.g. Municipalities on behalf of the Department shall be deposited in the Pay Master General Account (PMG) of the Department of Transport on or before the 15th of the following month.
- 8.9.4 The copy of deposit slip, the relevant receipts, and cash books shall be submitted by the Departmental institutions on a weekly basis and in addition to that D32 Summary Report for revenue collected shall be submitted monthly by Municipalities to Regional offices for processing.
- 8.9.5 Head Office and Regions shall reconcile revenue collected on a monthly basis.
- 8.9.6 All revenue collected by own institutions, received from agencies and magistrates shall be paid over to the Provincial Revenue Account within seven days from the date of receipt.
- 8.9.7 The compliance unit will conduct revenue inspections quarterly and report to the CFO and the HOD.
- 8.9.8 Treasury and Cabinet approvals shall be acquired before rates, tariffs and fees are implemented.

9. REVENUE COMMITTEE

The functions of revenue committee are as follows:

- a. To update revenue strategy
- b. To facilitate and monitor implement revenue strategy
- c. To monitor revenue
- d. To report back to Departmental Budget Committee.
- e. Facilitate tariff revision.

10. FUNCTIONS AND RESPONSIBILITIES PER DIRECTORATE ON REVENUE

Revenue collection	Responsible officer	Revenue administration
1. Traffic Institutions	Revenue Clerk	Revenue Clerks
2. Airports	Revenue Clerk	Revenue Clerk
3. Permit Board	Revenue Clerk	Revenue Clerks
4. Law Admin	Revenue Clerk	Magistrates & Traffic Institutions Revenue Clerks
5. Magistrates	Magistrates	Magistrates Clerks
6. Municipalities	Municipalities	Municipalities
7. Government Garages	Clerks	Government Garage Clerks

Each district shall prepare and submit their early- warning for revenue collected and the projection thereof per registering authorities to head office on or before 3rd of the coming month.

11. REVENUE SOURCES AND ITEMS

TRAFFIC FINES

Fines/Admission of guilt

GENERAL REVENUE

Abnormal Load Permits

1. Photocopying
2. Search Fees
3. Traffic Registration Fees
4. Cycle Race
5. Marathon
6. Claim from First Auto

MOTOR VEHICLE LICENCES

Registration of Motor Vehicle

1. Motor Vehicle License
2. Motor Vehicle Renewals
3. Application for Road Worthy Certificate
4. Motor Vehicle License arrears
5. Motor Vehicle License, Penalties

6. Motor Vehicle Registration Penalties
7. Application for Certificate of Fitness
8. Mtn License Penalties
9. MIB of Motor Vehicles
10. Specialized Number Plates
11. Pound Fees/Vehicles

DRIVER'S FITNESS

1. Application for Driver Licenses
2. Application for Learner Licenses
3. Temporary Driver Licenses
4. Driver Licenses
5. Learner Licenses

ROAD TRANSPORTATION BOARDS

1. Taxi Permits
2. Bus Permits
3. Special Permits
4. Replacement Permits

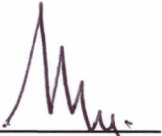
AIRPORT TAXES

1. Landing Fees
2. Parking Fees

12. POLICY REVIEW

The policy will be reviewed annually or when necessary.

ENDORSED



HEAD OF DEPARTMENT

18/09/09
DATE

Note: This policy document is a blue print of the original policy that was recommended by CFO N.F Dhumazi.