



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO PROVINCIAL TREASURY

DEPARTMENTAL REVENUE MANAGEMENT

POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise:

“Accounting Officer” means the Head of Department of the Limpopo Provincial Treasury

“Cashier” means an employee appointed by the Department to receive money in the form of cash or cheque on behalf of the Department.

“Checking officer” means an employee appointed by the Department to reconcile the total cash on hand with what has been recorded.

“Capturer” means the person appointed by the department to capture all returns into the financial system

“Department” means the Provincial Treasury in the Limpopo Province.

“Fruitless and wasteful expenditure” means expenditure which was made in vain and would have been avoided had reasonable care been taken.

PFMA means the Public Finance Management Act, 1999(Act No. 1 of 1999)as amended.

“Revenue Books” means all receipt books, cashbooks and deposit books.

“MTEF” means Medium Term Expenditure Framework (budget for current financial year and next three years).

2. PREAMBLE

Most Departments in the public sector do not derive income directly from the community in the form of charges, fees, fines or levies, but receive money from a revenue fund. Revenue collected is not retained by the Department but has to be paid into the relevant revenue fund. Consequently, revenue management has become a low priority within Departments. The PFMA in part addresses this, by stipulating that the under collection of expected income may result in a reduction in the approved budget of the Department.

The MTEF and monthly projections must be continuously examined to identify potential or actual sources of revenue.

The revenue management processes must ensure adequate separation of duties and provide for effective supervision and monitoring of revenue collected

3. PURPOSE

This regulation applies to the identification, collection, recording, depositing and safeguarding of all revenue for which the Department is responsible.

The purpose of this policy is to serve as a guide in the following ways:

- ❑ to operate on basic financial management systems including internal control
- ❑ too service as a guide for the collection, recording and banking of revenue
- ❑ to take effective and appropriate steps to prevent unauthorized, irregular and fruitless expenditure and losses resulting from criminal conducts.

4. APPLICABLE LEGALFRAMEWORK

4.1 Constitution of the Republic of South Africa Act, 1996(act no. 108 of 1996)

4.2 Section 38 (1) (c) (1) of the Public Finance Management Act,1999 (Act No.1 of 1999), which impose a duty on the Accounting Officer for a Department trading entity or constitutional institution to collect all money due to the Department,

- 4.3. Section 45 (b) of the PFMA impose a duty on officials to ensure effective, efficient economical and transparent use of financial and other resources within their area of responsibility.
- 4.4 Treasury Regulations for the Department, Trading Entities, Constitutional Institutions and Public Entities, issued in terms of Public Finance Management Act, 1999.
- 4.5. Departmental Circulars.

5. SCOPE OF APPLICATION

The policy applies to all revenue employees of the Department.

6. POLICY PROVISIONS AND RESPONSIBILITIES

6.1 THE COLLECTION OF REVENUE

- ❑ A cashier will be delegated with the responsibility of collecting state monies. The cashier must be appointed in writing for a period of (12) twelve months.
- ❑ Methods of payments to the state:-
 - Cash (notes & coins);
 - Bank guaranteed cheques;
 - Direct deposits into the bank; and
 - Internet banking.
- ❑ All monies received must be brought into account by issuing an official receipt.
- ❑ Where possible, cashiers' offices should be arranged in such a manner that maximum security is obtained.
- ❑ If the person entrusted with the collection and receipt of state money (cashier) is temporarily or permanently relieved from his duties, the correctness of the balances or verification of the cash on hand must be certified by the person being relieved, the person taking over and the supervisor.

- ❑ The handing over certificate must be completed in duplicate, one copy must be kept by the person taking over and the original by the supervisor.

All revenue collected must be transferred to the relevant Treasury on a week basis.

6.2 HANDLING OF RECEIPT BOOK, CASH BOOKS & DEPOSIT BOOKS

- ❑ All revenue books must be registered in a stock register
- ❑ A register must be kept for used as well as unused revenue books
- ❑ The stock register at district offices must be balanced and checked at least once a month by the checking officer.
- ❑ The stock register must indicate quantity, numbers and details in respect of the receiving and issuing of all stock recorded
- ❑ All collection points must keep their own stock register
- ❑ All revenue stock (receipt books, cash books & deposit books) must be kept in a safe/strong room
- ❑ On a weekly basis cashiers must batch all returns & submit to district office for capturing.
- ❑ Used revenue book must be kept for audit purposes in the same sequence as recorded in the stock register
- ❑ Revenue books must be issued and used in numerical order
- ❑ The official responsible for issuing revenue books must be appointed in writing.

6.3 DEPOSITING OF STATE MONIES

- ❑ Revenue collected must be banked promptly, on a daily basis.
- ❑ All revenue received must be paid into the Paymaster-General account and amounts less than R500-00 must be banked the next day.
- ❑ Monies collected after banking hours can be banked the next day.
- ❑ All revenue must be banked on the last day of the week and before a public holiday.
- ❑ Private money may not be deposited into an official bank account.

- ❑ The safe keeping of private money or personal possessions in a state safe or strong room is prohibited.
- ❑ State money may not be used to cash private cheques.
- ❑ A checking officer must verify and confirm with the cashier before and after banking.

6.4 HANDLING OF CASH SURPLUSES AND CASH SHORTAGES

- ❑ SURPLUS - Surplus cash must be banked. A receipt for the surplus must be issued & posted to the correct allocation
- ❑ SHORTAGE – The cashier/responsible official must immediately pay in the shortage
- ❑ A Shortage/Surplus register must be kept at all collection points.
- ❑ An official with continued shortages must be charged of financial misconduct.
- ❑ Reports must be compiled in respect of all deficiencies and losses of revenue books and state monies.

Losses of revenue books must also be reported and the person who signed for these books must be held accountable.

6.5 RECORDING REVENUE DATA

- ❑ All receipts issued as well as the deposit number used must be recorded daily in a cashbook.
- ❑ Once a human error has been made on a receipt or deposit slip that receipt or deposit slip must be canceled and a new one issued
- ❑ No amendments must be made on the deposit slip.
- ❑ District managers must ensure that receipts are captured weekly on FINEST.

6.6 MTEF AND REVENUE ESTIMATED TARGETS

(A) TARIFFS

- ❑ The Accounting Officer of a department must review, at least annually when finalizing 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 into a revenue fund. The Accounting Officer must obtain approval from the relevant treasury for the proposed tariff structure.

- All programmes/components must revise their tariffs & submit these tariffs to the Departmental Revenue Section. This section will consolidate all revised tariffs for the department as a whole and submit to Provincial Treasury for an approval.

(B) REVENUE BUDGETS

- Revenue budget must be compiled for the current financial year & the next three financial years.
- The revenue budget is revised during the Adjustment Budget phase in November.
- Districts must compile their own MTEF budget & revenue targets for which they will be held accountable.

6.7 REPORTING

- *The following reports are required:-*

NO.	REPORT	DUE DATE	RESPONSIBILITY
1.	Monthly Revenue Returns (collection per item/per collection points)	Before/on 7 th of each month	District managers
2.	Revenue Exception Report	Before/on 7 th of each month	District managers
3.	Monthly revenue report (departmental)	Before/on 15 th of each month	Manager (Head/office)
4.	Any financial misconduct	When it is discovered	All revenue staff

7. POLICY CONTROL

7.1 Policy Audit

- 7.1.1 The Accounting Officer must ensure periodic audits when deemed necessary or as required from time to time to ensure appropriate application and compliance with the policy.

7.2 Policy Review

7.2.1 This policy is subject to annual reviews or when necessary by the Department to ensure that it is aligned to prevailing legislation and conditions.

7.3 Policy Amendments

7.3.1 No amendment(s) may be made to any section of this policy without such amendment(s):

7.3.1.1 first being submitted to the review panel for discussion and review.

7.3.1.2 made by the review panel and incorporated in the policy; and

7.3.1.3 duly approved and signed by the MEC, HOD and Chief Financial Officer.

7.3.2 Amendments to this policy will be distributed to Branch Managers who will in turn ensure that each unit within their Branch receives copies of the amended policy.

8. EFFECTIVE DATE

8. 1. The policy will be effective from the 22 day of JUNE 2007.

9. RATIFICATION

Signed at POLOKWANE on the 22 day of JUNE 2007.

HEAD OF DEPARTMENT: 

MEMBER OF EXECUTIVE COUNCIL: 