FETAKGOMO TUBATSE MUNICIPALITY

INVENTORY MANAGEMENT POLICY FOR 2025/2026

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1. Objectives of Inventory Management Policy

1.1 Implement appropriate internal controls and effective inventory management system to ensure that goods placed in stores are secured and only used for the intended purposes.
1.2 Determining and setting of inventory levels that includes minimum and maximum stock levels mad lead times whenever goods are placed in stock.
1.3 Monitoring and review of service provider's performance to ensure compliance with specifications and contract conditions.

2. Inventory Management

2.1 Inventory Management provides an effective system in order for the setting of inventory levels, placing of requisition for order, receiving and distribution of goods, inventory management, expediting orders, vendor performances, maintenance and contract management.

3. Status Quo of the System used to record Inventory movement

3.1 There is only one centralized stores whereby all stock items are categorized according to sections, e.g. cleaning materials, protective clothing, stationery, refreshments, electrical, water & sanitation, plumbing & building materials, etc.

4. Procedures and Internal control measures

4.1 Stock Levels

The following should be determined to maintain optimum stock levels:

a. Minimum, maximum and re- order levels
b. Slow moving or obsolete stock

4.2 Stock Level Maintenance:

4.2.1 Monitoring and maintaining stock levels and creating of stock requisitions to ensure the availability of stock at all times:

4.2.2 The stock controller or delegated official on weekly basis to print out a report of stock items outside minimum and maximum levels.
4.2.3 The report informs the stock controller of the items that reached minimum for re-ordering.
4.2.4 The stock controller or delegated official will then do physical verification and then generate requisitions to enable the SCM practitioners to invite quotations for the acquisition of stock materials or alternatively to utilise long term contract awarded.

5. Review of stock levels

5.1 In order to manage the stores operations effectively, Stores units should continually review their stock holding based on the information such as number of stock issues, levels of service achieved, total value of stock held and stock turnover.

5.2 Once quarterly the stock level reviews are conducted to maintain accurate minimum, maximum and re-order levels and to ensure the availability of stock/materials at all times for the end-users to reach their set goals or targets.

5.3 Redundant and obsolete stock should be identified and cleared regularly by the Stores unit.

6. Purchase requisition for stock items

All purchase requisition for stock replenishment must be approved by Chief Financial Officer or delegated official prior to the acquisition.

7. Expediting of orders

7.1 The receiving section will be required to monitor and expedite outstanding purchased orders.

7.2 If the delivery conditions reflected on the purchase order form are not complied with, it should be followed up with the supplier immediately.

7.3 Reminder correspondences must be forwarded to the suppliers based on the reminder levels that are set in the purchased order and such correspondence entails amongst:

7.3.1 Reminder to the supplier of the pending delivery, delivery period, quality and quantity

7.3.2 Promises made by the supplier
7.3.3 The impact of failure to deliver on time

7.4 The store clerk must report to the senior stores officer about the outstanding orders that were not delivered as per agreed delivery dates with the supplier on a weekly basis.
7.5 The stock controller based on the information at hand and analysis thereof refer the report of the non performing suppliers to the contract management section for action to be taken.

8. Receiving and issuing of stock materials

8.1 Receiving of stock

8.1 All the orders issued should be delivered within 07 days' failure to do so the service provider should be reported to contract management
8.2 Stock items which could not be delivered within 07 days because of the manufacturing process their orders will be treated as an exceptional.
8.3 All the invoices received for the stock items should be recorded in the invoice register for monitoring purposes.
8.4 When any item is received at Municipal stores the following procedure must be followed:

8.4.1 An official order must exist on the financial system for the indicated delivery and the items to be delivered must correspond with the items on the official order.
8.4.2 The delivery note and original tax invoice must accompany the delivery. The receiving storekeeper should do the verification and inspection of what was received against what was ordered – order number, price, quantity and specification correspond to the same information on the delivery note, original tax invoice and statement, and if not all of the above-mentioned is not in place, the items are not allowed to be accepted.
8.4.3 During the verification and inspection damaged stock if found, will then communicate with the service provider for return of the items for credit or replacement and a copy of all relevant documentations are attached for reference.
8.4.4 After signing of the delivery note, original tax invoice and statement, the responsible official must make sure that the bin location as appearing on the order for each product must be written on the cartoon(s) containing the relevant item for shelving or packing.
8.4.5 The receiving store official after receiving of a signed delivery note or invoice, he/she then update the stock received on the system.
8.5.5 After updating of the stock, the receiving storekeeper or delegated official should verify the receipt on the system and shelf before they prepares orders, invoices and delivery notes for approval and must be forwarded to the creditors to effect payments, and do filing for record keeping.

8.5.6 No stock should be received without an official purchased order unless on exceptional cases and must be communicated to the Stock Controller, senior or Manager Stores and the Buyer.

8.5.7 All the stock items received immediately after inspection, verification and capturing of orders are packed onto the shelves according to the bin location and must be correctly numbered as per stock item numbers or stock catalogue code.

8.2 Issuing of stock

8.2.1. No issuing of stores items or commencement of the process may take place without approval of the requisition by the Director

8.2.2 The official responsible for collection of materials will then submit a requisition to stores for collection of the items

8.2.3 The stock items should be issued on FIFO basis.

8.2.4 When issuing the official responsible will then check the correctness of the quantity of the items requested, the description as per request and the official issued and received the materials must sign the requisition.

8.2.5 The signed requisitions after issuing are filed for record keeping and audit purposes.

9. Coding of Stock Items

9.1 All stock items are to be classified in terms of a unique identifying item number and description.

10. Damaged Goods

10.1 All damaged goods should not be received from the suppliers must be returned to the supplier for credit or replacement.

10.2 Damaged goods which are notified during the daily or quarterly stock take should be recorded in the damaged goods register and be reported.

11. Stores and warehousing management

11.1 Quarterly stock count and Annual stock taking/counting are conducted. Cycle stock counts are performed daily to ensure that discrepancies between the physical and the stock figure reflected on the system are reconciled immediately and corrected timely.

11.2 Inventory count will be conducted on a quarterly and annual basis to maintain effective and efficient inventory management system. The stock take will take place on the last day the quarter and last month of the financial year.

11.3 Stock items which do not form part of the inventory will only be included in the inventory list upon the approval of a formal memorandum by the CFO.

11.4 The inventory will be recognised at cost or net realisable value.
11.5 The Office of the Auditor General and internal audit forms part of annual stock taking.

12 Procedure for stock taking

12.1 The stores clerk together with the Senior stores officer, confirm that the following are in place at the stores prior to the start of the count:

12.1.1 Before counting of a specific area commences, the Senior stores officer must ensure that all internal requisitions, return to store, standby requisitions and orders (receipt) have been processed on the financial system. This is to ensure that the correct quantities are counted and verified against the financial system list printed for counting.
12.1.2 If any of the outstanding purchased orders had been delivered before the stock take, the goods receipt must be processed before the stock take process commences.
12.1.3 If any of the outstanding purchased orders had been delivered before the stock take cannot be captured on the system for some reason, copies of the invoices must be recorded and attached on the physical inventory document next to the item to be reconciled together with the counted stock.
12.1.4 If any of the outstanding purchased orders are delivered during the stock take, the goods must be placed in a designated area and be marked. No receipts are permitted to be captured on the system during stock take.
12.1.5 In case where stores do have items not kept as stock but are kept for strategic business units, these items must be in a designated area clearly marked.

12.1.6 All redundant and obsolete stock that has been removed from bins stores and is stored in a designated area in the stores, should be kept together with a list identifying all items in a location to be marked for obsolete and redundant stock, if the items had been deleted from the inventory lists (financial system) but not yet taken to the scrap yard at disposal area.

12.1.7 All items where possible must be in boxes and sealed with the signatures of the officials who counted obsolete and redundant items and must be clearly marked in the area. where items are still in the bins must be clearly marked as the bins, the bins must be clearly marked as obsolete /redundant stock.

12.1.8 In cases where items had already been identified as obsolete and redundant stock, but not been removed from the registers (financial system), these items must remain in their bin locations and be counted as part of the annual stock take.
12.1.9 All items must be in correct bins and the description should correspond with the items in the bins.

12.2 The Stores manager responsible for the stores will ensure the following are in place before the official stock take:

12.2.1 that there is enough manpower (officials) for the stock take consisting of two officials per team.

12.2.2 To notify all heads of sections and council's external auditors of the stock take date.
12.2.3 Black pens and stickers for stock counts (no pencil figures will be accepted) to be issued to each stock counter team before counting.
12.2.4 If there is any possibility of overtime, the Stores manager must ensure authorization for overtime is approved before the stock take.

12.3 During the stock take the following procedures must be adhered to and the stock controller will be responsible for all processes.

12.3.1 Counting teams be listed and sign an attendance register and each team will consist of two officials.
12.3.2 Each counting team will receive a count list printed from financial system on the day the stock take commences for the section they are responsible for that is numbered against the officials names on the list. E.g. Section 01 must be numbered on the list as 1 against the first team – List 2, the second team - List 3 etc.
12.3.3 All counting teams must start simultaneously with the first count.
12.3.4 All quantities counted must be written in the space provided next to the item on the financial system list in ball point pen.
12.3.5 Each page counted must be signed by both officials responsible for counting on the list as well as the date of the count.
12.3.6 The Stock controller will do spot check counts and will write the figures in red pen on the list in his /her possession and sign against each count. The Stock controller will check his counts against the counted items by the teams as control to ensure correct counts. The Stock controller must on a continuous basis ensure that all procedures and processes set out in this procedure are strictly adhered to and where deviations are identified to be rectified immediately.
12.3.7 The Stock controller will be responsible for the stock take and must continually be aware of all problems during the count.
12.3.8 If the stock count takes place over a few days all stock count lists will be kept by the Stock controller at the end of each counting day.

12.4 During /after the first count had been done , the Stock controller must ensure a discrepancy list are generated for second count and the recount must be done by different counting team that did the first count of the specific section location.
12.5 After the second count the figures must again be compared with the fist count and the differences report.

12.6 If the second count corresponds with the system, then the second count is accepted as correct.

12.7 If the second count differs from the system but correspond with the first count, the counted figures are accepted as correct and indicated as surplus or shortage.
12.8 If the second count and the first count differ from the system, the items must be indicated on a new count list for a third count.

12.9 If the third count must be done, the stock controller with the senior storekeeper and storekeeper will do it. The third count must be done according to the same procedure as stated above.

12.10 The third count will again be compared with the differences report and the first two counts.

If the third count corresponds with the system, the count is accepted as correct.
If the third count corresponds with either of the first two counts, the corresponding figures counted will be accepted as correct and the difference between the counted figure and the system figure must be shown as a surplus or a shortage.
If the third count differences still occurs the item must be investigated further to identify the problem until a proper solution for the continuous discrepancies are found.

12.11 The final list of all counts (1, 2 and 3) of all surpluses and shortages must be signed by the Senior stores officer, Stores clerk and Auditors as confirmation of all parties involved that the figures counted are correct and is the final figures counted, be handed to Chief financial Officer.

12.12 The final list of surpluses and shortages will not be left in the possession of any party involved in the count for further investigations.
12.13 The Senior Stores officer and Stores clerk can ask for copies of the list after the final count.
12.14The Senior stores officer will after finalizing of the count, take all counting lists, all differences reports, attendance registers with the final stock take list and file all documentation in the file.

12.15 After the stock take a report of such surpluses and shortages has to be generated and be submitted to council for adjustment of the surpluses and shortages or for further steps to be taken, if necessary and/ or authorise stock as redundant or obsolete.

13. Safeguarding of Inventory

13.1 Inventory shall at all times be safeguarded and kept in a secured area.
13.2 Only authorised official will have access to stores and no person other than stores personnel or any person designated by the Chief Financial Officer, may have control over the administration of inventory.

14. Reporting

14.1 Senior stores officer or delegated official should provide a monthly report

14.2 On a quarterly basis provide a report on stock taking conducted for the quarter, which must include: Surpluses, shortages, damaged and stolen items.

15. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2025 and will be reviewed annually during the budgetary process of the Municipality.

FETAKGOMO TUBATSE
LOCAL MUNICIPALITY

FUNDING AND
RESERVES POLICY

2025/2026

FETAKGOMO TUBATSE
MUNICIPALITY
LIM 476

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1. DEFINITIONS

1.1. **Municipality**: Refers to the Fetakgomo Tubatse Municipality, LIM 476.

1.2. **Funding**: The process of providing financial resources to finance the municipal budget.

1.3. **Reserves**: Funds set aside to meet future expenses, losses, or claims. In the context of this policy, reserves refer to cash-backed accumulated funds from previous years' surpluses and reserves not committed for any other purpose.

1.4. **Budget**: An estimate of income and expenditure for a set period of time, which must be approved by the Council.

1.5. **Capital Budget**: A budget that covers investments in long-term assets that will serve the municipality for more than one year.

1.6. **Operating Budget**: A budget that covers the day-to-day expenses of the municipality.

1.7. **Debt**: Money owed by the municipality to another entity.

1.8. **Creditors**: Entities to whom the municipality owes money.

1.9. **Council**: The governing body of the municipality.

1.10. **Integrated Development Plan (IDP)**: Is a plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. The IDP sets out core principles, mechanisms, and processes that give meaning to developmental local government. It outlines strategies to manage municipal finances for the purpose of facilitating everything from basic service provision to infrastructural development, improved spatial planning, and even disaster management.

1.11. **Local Economic Development (LED) Strategy**: is an approach towards economic development that allows and encourages local people to work together to achieve sustainable economic growth and development1. This strategy aims to bring economic benefits and improved quality of life for all residents in a local municipal area1. It is designed to maximize the economic potential of all municipal localities and enhance the resilience of the macro-economic growth through increased local economic growth, employment creation, and development initiatives within the context of sustainable development1. The LED strategy provides a guide to various sectors about the role they can play in driving innovation-led Local Economic Development.

2. INTRODUCTION

2.1. The municipality has an objective to attain long term financially sustainability with acceptable levels of service delivery to the community.

2.2. This policy aims to set standards and guidelines towards ensuring financial viability over both the short and long term and includes funding as well as reserves requirements.

3. OBJECTIVES

3.1. The Funding and Reserves Policy is aimed at;

- Ensuring that the Municipality has sufficient and cost-effective cash funding;
- Ensuring that provisions and reserves are maintained at the required level to avoid future year unfunded liabilities;
- Ensure the achievement of the Municipality objectives through the implementation of its operating and capital budgets.

3.2. This policy is mandated by section 8 of the Local Government: Municipal Budget and Reporting Regulations.

4. PURPOSE

4.1. This policy sets outs the assumptions and methodology for estimating the Following: -

4.1.1. Projected billings, collections and all direct revenues;
4.1.2. The provision for revenue that will not be collected based on past trends and Payment rates;
4.1.3. The funds the Municipality can expect to receive from investments;
4.1.4. The proceeds the Municipality can expect to receive from the transfer or Disposal of assets.
4.1.5. Sustainability

- Ensure financial sustainability / overall financial health of Municipality.
- Revenue / Expenditure budgeted must be realistic.

4.1.6. Responsiveness

- To the needs of the community / public.
- Alignment of IDP, LED Strategies with Budget to give effect to provincial and national priorities.
- Budget must be responsive to economic growth objectives and the socioeconomic need of the community.

4.1.7. Affordability

- Tariffs must not be increased unreasonably and consumers must be able to afford tariffs.

5. FUNDING OF THE ANNUAL BUDGET

5.1. An annual budget may only be funded from: -

5.1.1. internal cash-funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
5.1.2. Cash backed accumulated funds from previous years' surpluses and reserves not committed for any other purpose; and
5.1.3. Borrowed funds but only for the capital budget.
5.1.4. Gazetted Grant Funding

5.2. Realistic anticipated revenue projections must take into account: -

5.3. Projected revenue for the current year based on collection levels to date;

5.4. Actual revenue collected in previous financial years.

5.5. Spending on a capital project may only occur if: -
5.5.1. The money for the project, excluding the cost of feasibility studies, has been appropriated in the budget;
5.5.2. The project, including the total cost, has been approved by Council;
5.5.3. The sources of funding have been considered, are available and have not been Committed for other purposes;
5.5.4. Contributions to provisions (non-current and current) do not form part of the cash flow. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

5.6. Council has considered: -

(a) The projected cost covering all financial years until the project is operational;

(b) The future operations costs and revenue on the project, including municipal tax and tariff implications.

6. DEBT MANAGEMENT AND CREDITORS PAYMENTS

6.1. Debt Management

6.1.1. Debt is managed in terms of the Council's Credit Control Policy.

6.1.2. The provision for revenue that will not be collected is adequately budgeted as an expense (bad debt provision) and must be based on the projected annual non-payment for services

6.2. Creditors payments

6.2.1. Due to the high bank charges with, it is essential to limit the payment of creditors to one payment per creditor per month. Exceptions for more than one payment per month, authorised by the Chief Financial Officer, with regard to emerging contractors can however be made, should the cash position allow for it. Should the facility be available, payments should be done by electronic transfer – subject to strict control measures.

6.2.2. When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered. In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, must be more than any investment benefit that could be received from temporarily investing the funds.

- If discounts are offered for early settlement they must be properly considered and utilised.
- Besides this, the normal conditions of credit terms of payment offered by suppliers, must also be considered and utilised to the full by paying on the due date and not earlier.

7. OPERATING BUDGET

7.1. The operating budget provides funding to departments for their medium term expenditure as planned. The Municipality categorises services rendered to the community according to its revenue generating capabilities as in terms of the Budget Implementation and Management Policy.

7.2. Projected revenue from service charges must be realistic based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service: -

(a) Refuse removal services: -

- the actual number of erven receiving the service per category and
- actual revenue collected in previous financial years.

7.2.1. Other projected revenue is charged in terms of the approved sundry tariffs and fines considering the past trends and expected growth for each category.

7.2.2. Provision for revenue that will not be collected is made against the expenditure item working capital/debt impairment and is based on actual collection levels for the previous financial year and the latest projected annual non-payment rate

7.3. Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends.

7.4. The annual cash flow requirement for the repayment of borrowings must be fully taken into consideration with the setting of tariffs.

8. CAPITAL BUDGET

8.1. Provisions on the capital budget will be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:

8.1.1. Cash backed accumulated surpluses;
8.1.2. Borrowings;
8.1.3. Government grants and subsidies;
8.1.4. Public donations and contributions; and
8.1.5. Operating revenue.

8.2. The following guiding principles apply when considering sources of funding for the capital budget: -

8.2.1. Government Grants and Subsidies: -
8.2.2. In the case of public contributions, donations and/or other grants,
8.2.3. The borrowing requirements are used as a basis to determine the affordability of external loans over the Medium Term Revenue and Expenditure Framework. The ratios to be considered to take up new borrowings include: - should be in accordance with norms

(a) Long-term credit rating of at least BBB;

(b) Interest cost to total expenditure not to exceed 5%;

(c) Long-term debt to revenue (excluding grants) not to exceed 50%;

(d) Payment rate of above 95%;

(e) Percentage of capital charges to operating expenditure less than 15%.

8.2.4. Allocations to capital projects from Cash Backed Accumulated Surpluses (subject to the provisions of paragraph 9 below) will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows: -

(a) Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc. must be funded from own generated revenue from the operating budget for that specific year;

(b) Infrastructure projects to service new developments and the revenue received through the sale of erven must be allocated to the Capital Reserve for Services;

(c) Capital projects to replace and/or upgrade existing assets will be allocated to the Capital Replacement Reserve; and

(d) Capital projects to upgrade bulk services will be allocated to the Capital Bulk Contributions Reserve for each service.

8.3. In accordance with Section 19 (1) of the MFMA, the Municipality may spend money on a capital project only if: -

8.3.1. The money for the project has been budgeted (excluding feasibility study cost).

8.3.2. The project, including the total cost, has been approved by Council.

8.3.3. Compliance with section 33 (contracts with future budgetary implications) to the extent that the section may be applicable to the project.

8.3.4. The sources of funding have been considered, are available and have not been committed for other purposes.

9. RESERVES

9.1. To ensure that funding is readily available for future development and the timeous replacement of Infrastructure responsible for service delivery it will be prudent for the Municipality to create dedicated reserves that are cash backed at all times.

9.2. All Reserves are "ring fenced" as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognised Accounting Practices(GRAP).

9.3. The following ring-fenced reserves should be established and cash backed over a period of time: -

9.3.1. Capital Reserve for New Developments

This reserve will be used to fund capital expenditure to service new developments. Each development is ring fenced within this reserve. The value determines the price for the erven to be sold and the revenue generated through the sale of erven is then allocated to the specific development. This reserve must be cash backed at all times to ensure the availability of cash to fund the capital expenditure required to service the erven.

9.3.2. Capital Replacement Reserve CRR

Funding for capital budgets of future financial years are generated through contributions from the operating budget. Once the Municipality has reached its maximum gearing ability no further borrowings can be taken up. This necessitates that the Municipality also invests in a capital replacement reserve. However, it must be cash backed. This reserve once fully established will enable the

Municipality to provide internal funding for its capital replacement and renewal programme.

Other contributions to the capital replacement reserve through the operating budget may include interest received on investments;

10. PROVISIONS

10.1. A provision is recognised when the Municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

10.2. Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities.

10.3. The Municipality should have the following provisions:

10.3.1. Leave Provision

Liabilities for annual leave are recognised as they accrue to employees. An annual provision is made from the operating budget to the leave provision. Due to the fact that not all leave balances are to be redeemed for cash at once, only 20% of the leave provision is cash backed.

10.3.2. Landfill Rehabilitation Provision

The landfill site rehabilitation provision is created for the current operational site at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the landfill site. A portion of the provision must be cash backed to ensure availability of cash for rehabilitation on closure.

10.3.3. Long Services Awards

Municipal employees are awarded leave days according to years in service at year end. Due to the fact that not all long service leave balances are redeemed for cash at once, none of the long service leave provision is cash backed.

10.3.4. Post-Employment Medical Care Benefits

The Municipality provides post-retirement medical care benefits by subsidizing the medical aid contributions to retired employees and their legitimate spouses.

The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost of these benefits is accrued over a period of employment. A portion of the provision must be cash backed to ensure the availability of cash for the payment of medical aid payments.

10.3.5. Performance bonuses – employee benefits

The provision for performance bonuses that will be paid one year in arrear as the assessment of the Section 56 employees had been taken place. This provision must be cash backed to ensure the availability of cash for the payment of performance bonuses.

11. OTHER ITEMS TO BE CASH BACKED

11.1. Donations, Public Contributions, Unspent Conditional Grants Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Unspent amounts in relation to donations, public contributions and unspent grant funding are therefore retained in cash and are not available to fund any other items on the operating or capital budget other than that for which it was intended for.

11.2. Consumer Deposits

Consumer deposits are partial security for a future payment of an account. Deposits are considered a liability as the deposit is utilised on the account once the service is terminated. Therefore, the funds are owed to consumers and can therefore not be utilised to fund the operating or capital budget. Consumer deposits should be retained in cash. The consumer deposits are 100% cash backed.

11.3. Cash and Cash Equivalents and Investments
A positive Cash and Cash Equivalents position should be maintained throughout the year.

11.4. Cash Plus Investments Less Application Of Funds

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants; o unspent conditional public contributions;
- unspent borrowings; o VAT due to SARS; o secured investments;

- the cash portion of statutory funds such as the Housing Development
- Fund; other working capital requirements; and
- the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

12. IMPLEMENTATION AND REVIEW OF THIS POLICY

12.1. This policy shall be implemented once approved by Council and reviewed on an annual basis.