



# **DRAFT BANK AND CASH POLICY**

**2026/2027**

	<b>PAYMENTS</b>
<b>C</b>	<b>SECURITY AND ACCESS CONTROL</b>
<b>D</b>	<b>PHYSICAL CONTROL OVER CASH</b>
<b>E</b>	<b>RECORDING OF TRANSACTIONS</b>
<b>F</b>	<b>CASH SHORTAGES AND SURPLUSES</b>
<b>G</b>	<b>BANK RECONCILIATIONS</b>
<b>H</b>	<b>IMPLEMENTATION AND REVIEW OF THE POLICY</b>

For the purpose of this policy, cash is defined as:

- Cash
- Electronic fund or payments/transfers;
- Direct deposits.

2 The Municipality must adhere to the relevant stipulations of the Municipal Finance Management Act (Sections 8, 9, 10, 11, 13, 65 and 81) and any other relevant legislation governing cash and cash resources.

2 The Chief Financial Officer, as designated in writing by the Accounting Officer, must advise the Accounting Officer on the exercise of the powers and duties with regards to this policy and must assist the Accounting Officer in the administration of the cash resources and the bank accounts.

3 The Chief Financial Officer may not sub-delegate the duty to assist the Accounting Officer in the administration of the Municipality's cash resources and bank accounts.

4 The authority to withdraw money from the Municipality's bank accounts may only be given to the Chief Financial officer or any other delegated senior official as determined, in writing, by the Accounting Officer. A copy of the signed delegation letter must be kept by the delegated official.

5 The incumbents of the following posts are authorised to make electronic transfer payments

- Accounting Officer;
- Chief Financial Officer;
- Delegated Manager

6 Dual signatures are required for the approval of all electronic transfer payments;

7 Electronic transfer payments must be issued in the name of the third party.

8 Each incumbent of a post responsible for the payment and authorisation of electronic transfer payments must have the required user IDs and passwords as required by the financial institution. These user IDs and passwords must not be

3. Cash on hand must be kept in a fireproof and lockable safe inside the cashier's area during period that it is not under physical control of the cashier. Access to this safe must be limited to the cashier.

4. In order to prevent unauthorised entry to the cashiers' area, all entrances leading to the area should at all times be locked and only the Accountant Cash and Credit Control should be allowed access to this area to count and reconcile cash at the end of each working day.

5. Surplus funds not yet deposited, should be locked inside a money box and this money box should then be locked inside a small safe, situated inside the Municipality's big fireproof walk-in safe at the Traffic Department. Each functionary in the cash management process must do so with such judgement and care, under the prevailing circumstances, as a person of prudence, direction and intelligence would exercise in the management of his or her own affairs.

7. The Municipal Council is responsible for the total process of risk management over cash, as well as forming its own opinion on the effectiveness of the process.

- Pre-numbered receipts are fully completed and a copy handed to the client;
  - Detail on the receipts are correctly captured to the financial system.
  - Seal number must be included in the daily cash report
- 2 In accordance to the stipulations of the Municipal Finance Management Act no 56 of 2003 section 7(2) all money received by the Municipality should be deposited into its bank account promptly. Cash should therefore be deposited on a daily basis, at the financial institution as approved from time to time by Council.
  - 3 Cash received to be deposited should not be kept on the premises of the Municipality for a period longer than twenty-four hours (24), except for funds received on Friday afternoon or on a day before a public holiday, which should be deposited on the next working day.
  - 4 At the end of each working day the Accountant Cash and Credit Control and E-Natis Officer should generate a cash day end run from the financial system, count the cash on hand and reconcile it to the total of the day end report.
  - 5 Detail of the counting and reconciling function must be documented into the day end cash reconciliation report, record shortages / surpluses. The report must be signed by both the cashier and Accountant Cash and Credit Control and E-Natis Officer as proof of the reconciling function performed.
  - 6 The day end cash reconciliation report together with system generated reports and daily stamped deposit slip must be attached together and filed in date order.
  - 7 The Accountant Cash and Credit Control, E-Natis Officer and other delegated officer taking in consideration of segregation of duties are responsible for the cash from the time that the day end reconciliation is completed until the cash is collected by the appointed security company for depositing purposes.



receipts should be reconciled daily with the cash and captured onto the computer system the moment that the system is again operational.

3 The pre-numbered receipts that are generated, should be distributed as follows:

- Original copy – To client
- Second copy – Filed together with all day-end documentation.
- The third copy- remains in the receipt book

4 The reconciliation between the manual receipts and the capturing thereof should be checked for completeness and accuracy by Senior Accountant Cash and Credit Control /Chief Licencing Officer or delegated official daily.

5 Where a receipt is cancelled, the original receipt and all duplicates, together with reasons for the cancellation should be documented and be filed on the day file.

6 Cancelled receipts should be authorised by the Senior Accountant Cash and Credit Control or delegated official before new receipts are issued.

7 A user identifying access control via usernames and passwords should control access to the cash receiving function on the Municipality's financial system. These passwords should only be known to the specific user and should be changed on a monthly basis. Only users with specific clearance should be able to access the Municipality's financial system and should be restricted to the functions for which they have clearance to perform.

8 The Manager and Senior Accountant Credit Control: Revenue should ensure that the cash suspense general ledger accounts are reconciled and cleared daily.

9 The Manager and Senior Accountant Credit Control: Revenue should on daily basis ensure that the amount of the deposit slip agrees to the total as denominated

- 2 All shortages or surplus exceeding R500 must be investigated and disciplinary actions instituted where negligence or theft is identified.
- 3 Receipts should be issued in respect of unknown cash surpluses, if and when such surpluses are detected. Such surpluses should be separately disclosed in the general ledger.

## **G BANK RECONCILIATION**

- 1 The books of account of the Municipality should be closed off within 10<sup>th</sup> working days after month end.
- 2 The Senior Accountant: Financial Reporting must perform a detailed bank reconciliation monthly of the Municipality's bank accounts.
- 3 The Manager: Budget and Reporting should review the monthly bank reconciliations for completeness and accuracy monthly. The reconciliation should be signed as proof.
- 4 The Chief Financial Officer should review and approve the monthly bank reconciliation for completeness, accuracy and that it reconciles to the relevant general ledger control accounts monthly. The reconciliation should be signed as proof of the review and approval function performed.
- 5 The Manager: must file the monthly reviewed bank reconciliations in the month-end audit files.

- 3 This policy must be reviewed on an annual basis when is deemed necessary the revised and updated policy must be submitted to Council for approval.

**Municipal Manager  
Mr Sewape M.O**