



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

DRAFT COST CONTAINMENT POLICY

2022/23

MUNICIPAL COST CONTAINMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, No 56 of 2003

Date of adoption: _____

The Council of the UMGUNGUNDLOVU District Municipality resolves in terms of section 168 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Cost Containment Regulations (*Government Gazette* No. 42514) to adopt the following as the Cost Containment Policy of the municipality:

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1. DEFINITIONS

In this policy a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ;

"Accounting officer" means the Municipal Manager appointed as such by the Council of uMgungundlovu District Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and as contemplated in Chapter 8 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

"Chief Financial Officer" means the Chief Financial Officer of the uMgungundlovu Municipality, a person designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003.

"Conferences and Events" mean conferences, events, meetings, and study tours hosted or attended by political office bearers or officials of the municipality;

"Consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

"Cost Containment" means measures implemented to curtail spending in terms of this policy;

"Credit Card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder;

"Councillor/s" means a member of the uMgungundlovu Municipal Council;

"Officials" shall, for the purpose of clarity, include persons reporting directly to the accounting officer;

"Municipality" means the uMgungundlovu Municipality;

"Political Office Bearer" means the Speaker, the Mayor, Deputy Mayor, or Member of the Executive Committee, which for purposes of this policy will have the meaning to also include all ordinary councillors as referred to in the Municipal Structures Act;

"Social Events" means events involving only municipal councillors and/or officials of the municipality and does not include events where the public is involved or held to the benefit of the public.

2. OBJECT OF POLICY

The object of this policy, in line with sections 62(1) (a) and 78(1) (b) of the Municipal Finance Management Act, is to ensure that resources of the uMgungundlovu District Municipality are used effectively, efficiently, and economically by implementing cost containment measures.

3. APPLICATION OF POLICY

This Policy applies to all officials and political office bearers in the uMgungundlovu Municipality. This policy overrides provisions of any other policy of the municipality insofar that it seeks to regulate cost containment. In the case of differences and/or conflict between policies, this policy shall take precedence.

4. USE OF CONSULTANTS

The municipality may only appoint consultants if an assessment of the needs and requirements confirms that the municipality does not have the requisite skills or resources in its full-time employ to perform the function. For purposes of such assessment the template document as per **Annexure A** to this policy must be completed and submitted for approval.

- a) The Accounting Officer adopts the below-mentioned reference to rates as the municipality's fair and reasonable remuneration framework for consultants, provided that where no prescribed rates are available, the municipality may from time to time adjust the rates as per prevailing market conditions, limited however to the stipulated rate per hour in respect of the applicable year: -
- b) "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
- c) "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
- d) Rates as prescribed by the body regulating the profession of the consultant, including but not limited to:
 - Engineering Council of South Africa (ECSA)
 - South African Council for the Quantity Surveying Profession (SACQSP)
 - South African Council for the Architectural Profession (SACAP)
 - South African Council for the Landscape Architectural Profession (SACLAP)
 - South African Council for Project and Construction Management Professions (SACPCMP)
 - 2018 Guideline Professional Fees in terms of section 29 of the Planning Professions Act (less 30%)
 - June 2009 fee scale as per Draft Guidelines issued by PLATO and SAGI (less 30%)
- e) any other reasonable framework prescribed by Professional Bodies and/or spheres of Government.
- f) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned.

- g) Considering the above-mentioned rates, the Accounting Officer has delegated powers to consider and approve or reject applications to exceed these rates based on a fully motivated written and signed request by the relevant municipal senior manager, in exceptional circumstances.
- h) When negotiating cost-effective consultancy rates for international consultants, the Accounting Officer may consider the relevant international and market-determined rates.
- i) When consultants are appointed, the Accounting Officer or delegated official in terms of his/her System of Delegation must:
 - (1) Appoint consultants on a time and cost basis with specific start and end dates;
 - (2) where practical appoint consultants on an output-specified basis, subject to specific measurable objectives and associated remuneration;
 - (3) Ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements where applicable and appropriate;
 - (4) Ensure the transfer of skills by consultants to the relevant officials of the municipality; and
 - (5) Undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's Supply Chain Management Policy.
- j) The accounting officer or delegated official in terms of his/her System of Delegation must review its consultancy reduction plan on an annual basis and develop consultancy reduction plans to reduce the reliance on consultants where applicable and appropriate.
- k) All contracts with consultants must include a fee retention or penalty clause for poor performance.
- l) The municipality must ensure that the specifications and performance are used as a monitoring tool for the work to be undertaken and are appropriately recorded and monitored. The senior manager concerned must ensure that contractual deliverables as specified are met by the Service Provider.
- m) No subsistence costs shall be paid to consultants, whereas travel costs of consultants shall be limited to a maximum tariff per kilometer, as may be determined by the South Africa Revenue Service or the Department of Transport, from time to time. This provision shall not apply in respect of contracts entered into prior to the effective date of this policy.

5. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- (1) The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed R700 000 or 70% (VAT inclusive) { Refer MFMA Circular No 97 in terms of which this amount represents "total costs, including financing charges"} of the total annual remuneration package in line with the grade of the municipality, as defined in the Public Office Bearers Act and the Notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- (2) The procurement of vehicles as referred to in 5.1 must be undertaken using the national government transversal contract mechanism unless it may be procured at a lower cost through other procurement mechanisms.
- (3) Before deciding to procure a vehicle as contemplated in 5.1 and 5.2, the Accounting Officer or delegated official in terms of his/her System of Delegation must provide the council with information relating to the following criteria which must be considered-
 - (i) Status of current vehicles;
 - (ii) Affordability;
 - (iii) Extent of service delivery backlogs;
 - (iv) Terrain for effective usage of the vehicle; And
 - (v) Any other policy of council.
 - (vi) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometers and in terms of the criteria as determined in the municipality's Fleet Management Policy.
- (4) Notwithstanding 5.3. (v), the municipality may replace a vehicle for official use by political office bearers before the completion of 120 000 km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- (5) The accounting officer or delegated official in terms of his/her System of Delegation must ensure that the use of municipal vehicles for official purposes is addressed in the municipality's Fleet Management Policy.

6. TRAVEL AND SUBSISTENCE

- 1) All instances and the extent to which travel and subsistence costs may be incurred and reimbursed to a political office bearer or official shall be addressed by the Accounting Officer or delegated official in terms of his/her System of Delegation in the municipality's Policy with regards to the Payment of Travel- and Accommodation- and Subsistence Costs, provided that – in those instances where it is not possible to secure air travel strictly in terms of National Treasury prescripts, due to among others the availability of flights and accommodation and the timing of appointments, the travel agent acting as service provider on the municipality's behalf shall provide reasons for same.
- 2) Travel and subsistence costs incurred must be in accordance with the Council approved policy on subsistence and travelling, applicable to both Councillors and officials. An accounting officer –
 - a. may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
 - b. may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.
- 3) In the case of the Accounting Officer, the Mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.
- 4) Notwithstanding sub -regulation (a) or (b), an accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.
- 5) The cost containment policy limits international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events. The Accounting officer, or the Mayor, in the case of the Accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a Notice only –
 - (a) during peak holiday periods; or
 - (b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area.

- 6) An official or a political office bearer of the municipality must –
 - a. utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
 - b. make use of available public transport or a shuttle service if the cost of such a service is lower than –
 - i. the cost of hiring a vehicle;
 - ii. the cost of kilometers claimable by the official or political office bearer; and
 - iii. the cost of parking.
 - c. not hire vehicles from a category higher than Group B or an equivalent class; and
 - d. where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

- 7) The municipality must utilize the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a Notice or any other available cheaper flight and accommodation.

- 8) An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a Notice; Overnight accommodation may only be booked where the return trip exceeds 500 kilometers, or the Accounting Officer approves overnight accommodation for exceptional reasons.

- 9) Effective control must be exercised over travel claims as follows;
 - Heads of Departments must implement systems in their respective Departments to ensure cost-effective and time efficient travelling.
 - Travelling must be pre-authorized by the appropriate delegated official, before such costs are incurred, whilst the said official must ensure that kilometers claimed are indeed justifiable.
 - Employees receiving travel allowance must travel the maximum of kilometers per month as per the municipality's Subsistence and Travel Policy before travel re-imburement can be claimed.
 - Heads of Departments must check with Budget and Treasury to confirm if there is available budget before approval of the trip.
 - The respective Heads of Departments must exercise control over the distances travelled.
 - Heads of Departments must ensure that the kilometers claimed are the actual kilometers travelled.

- Employees who are found to have overstated their kilometers claim by the Auditor General or during an investigation must repay the amount classified as overstated back to the municipality.

7. DOMESTIC ACCOMMODATION

All instances and the extent to which accommodation costs may be incurred and reimbursed to a political office bearer or official shall be addressed by the Accounting Officer or delegated official in terms of his/her System of Delegation in the municipality's Policy with regards to the Payment of Travel- and Accommodation- and Subsistence Costs, provided that – in those instances where it is not possible to secure accommodation strictly in terms of National Treasury prescripts, due to among others the non-availability of appropriate accommodation and the timing of appointments – the travel agent acting as service provider on the municipality's behalf shall provide reasons for same.

8. CREDIT AND DEBIT CARDS/PETROL CARDS

- 1) The Accounting Officer or delegated official in terms of his/her System of Delegation must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or political office bearer. Debit cards are used for petty cash purposes only and are regulated via the Cash Management policy.
- 2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement in accordance with the municipality's approved Travel and Subsistence Policy and processes.
- 3) All Senior Managers must monitor municipal vehicle usage, petrol card limit and report fuel costs monthly for vehicles assigned to them.
- 4) All Senior Managers will be responsible for misuse and abuse of the petrol card and municipal vehicles assigned to them.
- 5) Petrol cards must be kept in safe custody by the Senior Manager responsible and only used for the vehicle assigned to that card.

9. SPONSORSHIPS, EVENTS AND CATERING

- 1) In the absence of a definition in the Municipal Cost Containment Regulations published in the Government Gazette 42514 of 7 June 2019, sponsorships shall be deemed for purposes of this policy to exclude

financial contributions or donations made in the form of services rendered to events that meaningfully contribute towards community service and local economic development, authorized by the Accounting Officer in his sole discretion, which services could be calculated in monetary terms.

- 2) The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the Accounting Officer or delegated official in terms of his/her System of Delegation is obtained.
- 3) The Accounting Officer or delegated official in terms of his/her System of Delegation may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours, provided that a budget exists.
- 4) All expenses in terms of 9.2 and 9.3 must be allocated to the mSCOA classification created for catering accounts under the various cost center's the cost relates to.
- 5) Entertainment allowances of qualifying officials, if applicable, may not exceed two thousand rand (R2 000) per person, per financial year, unless approved otherwise by the Accounting Officer.
- 6) The municipality must not incur expenses on alcoholic beverages.
- 7) The Accounting Officer or delegated official in terms of his/her System of Delegation must ensure that social events, team building exercises, year-end functions and sporting events are not financed from the municipality's budgets or by any suppliers or sponsors.
- 8) The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.
- 9) The Accounting Officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.
- 10) Catering (in the form of light refreshments) may be provided for community project engagements hosted by the municipality's Community Development Services Division, given the nature and intent of NGO, PBO and related engagements, provided that such budget exists.

10. COMMUNICATION

- 1) Unless required by legislation the municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- 2) The Accounting Officer or delegated official in terms of his/her System of Delegation must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the Accounting Officer.
- 3) Newspapers and other related publications for the use of officials must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- 4) The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.
- 5) Provision of diaries is limited to secretaries and electronic diaries must be kept by Departments.

11. CONFERENCES, MEETINGS AND STUDY TOURS

- 1) For purposes of this policy, conferences shall be deemed to exclude those conferences held and arranged by recognized Professional Bodies to which officials of the municipality are formally registered, limited to the following bodies:
 - AMEU - Association of Municipal Electricity Utilities
 - ILGM – Institute of Local Government Managers
 - CIGFARO - Chartered Institute of Government Finance, Audit & Risk Officers
 - IMPSA - Institute for Municipal People Practitioners of Southern Africa
 - ECSA - Engineering Council of South Africa
 - SARPA - Southern Africa Revenue Protection Association
 - SACSSP - South African Council for Social Services Professions
 - WMF - Waste Managers Forum
 - IMESA - Institute for Municipal Engineers of South Africa
 - South African Institute of Valuers
 - IMPS-SA - Institute for Municipal Public Safety of Southern Africa
 - IIA - Institute for Internal Auditors,
 - ITLMPOSA - Institute of Traffic, Licensing and Metro Police Officers of Southern Africa
- 2) Provided that approval to attend conferences held by the above-mentioned bodies are dealt with in terms of the municipality's Travel and Subsistence policy and exclusions contained in this policy.

- 3) In those instances where it is required from officials who are not members of the above-mentioned professional bodies to attend conferences hosted by such bodies, the Accounting Officer or delegated official in terms of his/her System of Delegation must authorize the deviation and issue approval in terms of the municipality's Travel and Subsistence system. Such authority may only be delegated to senior managers reporting directly to the Accounting Officer, and no further sub-delegation shall be allowed. Not more than two officials will be allowed to attend the same conference unless the Accounting Officer approves additional attendees.
- 4) The Accounting Officer may consider applications to attend conferences or events hosted by professional bodies (other than those listed above) or non-governmental institutions held within the borders of South Africa taking into account their merits and benefits, costs and available alternatives, and provided that pre-approval be obtained in terms of the municipality's Policy with regards to the Payment of Travel and Accommodation and Subsistence Costs where applicable and appropriate, provided that such budget exists.
- 5) The Executive Committee may consider applications to attend conferences or events hosted by professional bodies (other than listed above) or non-governmental institutions held outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives, and provided that pre-approval be obtained in terms of the municipality's Policy with regards to the Payment of Travel and Accommodation and Subsistence Costs where applicable and appropriate, provided that such budget exists.
- 6) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, the Accounting Officer and or Executive Committee as the case may be, must take the following into account:
 - a. The official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
 - b. Whether the conference or event addresses relevant benefits of the institution;
 - c. The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
 - d. The availability of funds to meet expenses related to the conference or event.
- 7) The Accounting Officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
- 8) The cost to attend a conference or an event by non-governmental institutions may not exceed R10 000.00 per conference, unless expressly approved by the Executive Committee.

- 9) The amount referred to in 8) excludes costs related to travel, accommodation, and related expenses, but includes-
 - a. Conference or event registration expenses; and
 - b. Any other expense incurred in relation to the conference or event.
- 10) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- 11) The Accounting Officer or delegated official in terms of his/her System of Delegation must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
- 12) Municipal or provincial office facilities must be utilized for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
- 13) The Accounting Officer must grant the approval for officials and in the case of political office bearers and the Accounting Officer, the Mayor, as contemplated in 11.4.
- 14) The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event, or study tour, in advance.
- 15) The provisions of this policy do not apply to training and related events in terms of the municipality's approved Workplace Skills Plan as well as training and workshops presented by governmental entities.

12. ACTING ALLOWANCES

Acting allowances must be paid in accordance with the applicable HR policies, SALGBC Collective Agreements and any applicable legislation and subject to the following;

- Acting appointments to two levels below the acting position, to curb unnecessary costs.
- Acting must only be permitted in positions on the approved organogram, in line with the Municipal Systems Amendment Act (5 July 2011).
- Acting must only be permitted in funded vacant positions.
- Prior to an employee being assigned to act, the request must firstly be forwarded to the Budget and Treasury Section to confirm budget availability.
- Acting for extended periods must be discouraged, unless motivated to the Municipal Manager, based on operational reasons. This will ensure that the municipality is not exposed to unnecessary litigation.

13. TELEPHONE COSTS (LANDLINES)

The Council's policy relating to payment for private calls must be fully enforced by all Departments.

All Departments must recover the cost of private calls by providing a schedule monthly to the Finance Department (Payroll Office), so that the necessary deductions can be made from the affected municipal employees' salaries.

14. OTHER RELATED EXPENDITURE ITEMS

- 1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- 2) Municipal resources shall not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.
- 3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
- 4) The municipality shall not incur expenditure on elaborate and expensive office furniture.
- 5) Subject to 14.6, the municipality may only use the services of the South African Police Service (SAPS) to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the Speaker's office.
- 6) As the safety of the officials and political office bearers are paramount, the Accounting Officer may deviate from section 14.5 where the SAPS services required could not be obtained within a reasonable time and a report thereon must be provided to the Council.
- 7) A municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs.

15. OVERTIME

- 1) Overtime must be undertaken in compliance with all relevant policies, SALGBC Collective Agreements and applicable legislation (e.g., Basic Conditions of Employment Act).
- 2) Overtime may only be approved where the necessary budget provision exists, after the relevant Department has undertaken a need analysis.
- 3) Planned overtime must be submitted to management for consideration monthly.

- 4) Authority to work overtime in excess of 40 hours per month must be obtained from the Municipal Manager prior to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA).
- 5) The Head of Department must ensure that overtime worked in excess of 40 hours, was authorized by the Municipal Manager prior to the actual overtime being worked.
- 6) The core working hours of the employees to be considered to be changed to a shift system, where applicable, to obviate the need for overtime.
- 7) The regulations issued by the Department of Labour, relating to annual salary thresholds within which overtime may be paid, must be adhered to.
- 8) The municipality may consider providing additional time-off in lieu of payment for overtime worked. The Accounting Officer or delegated official in terms of his/her System of Delegation must ensure that matters pertaining to the payment of overtime are regulated in the municipality's Overtime Policy.

16. ENFORCEMENT PROCEDURES

Any allegation of a breach of this policy must be brought to the attention of the Accounting Officer or Senior Manager, must be investigated, and will be dealt with in accordance with the Code of Conduct. Failure to implement or comply with this policy, and, by extension, the Regulations, may result in any official of the municipality, political office bearer or director of the board that authorized or incurred any expenditure contrary to this policy (and, by extension, the Regulations) being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

17. CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES

- 1) Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.
- 2) The accounting officer must investigate the allegations and if frivolous, speculative, or unfounded, terminate the investigations.
- 3) If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.

- 4) After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:
 - a. Findings and recommendations; and/or
 - b. Whether disciplinary steps should be taken against the alleged transgressor.
- 5) The accounting officer must table the report with recommendations to the municipal council.
- 6) Subject to the outcome of the council decision the accounting officer must implement the recommendations.

18. DISCLOSURES OF COST CONTAINMENT MEASURES

- 1) The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
- 2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- 3) The reports referred to in sub -regulation (2) must be copied to the National Treasury and the Provincial treasury within seven calendar days after the report is submitted to municipal council.

19.SHORT TITLE AND COMMENCEMENT

- 1) This policy is in line with the Municipal Cost Containment Regulations published in the Government Gazette 42514 of 7 June 2019 and takes effect on 1 July 2022, irrespective of the date of approval of said policy, unless specifically otherwise dictated in this policy.
- 2) The Accounting Officer or delegated official in terms of his/her System of Delegation shall ensure that the policy is reviewed annually and submitted in Council along with the municipality's budget-related policies, whereafter the policy shall be communicated on the municipality's website.

**ANNEXURE A:
TEMPLATE**

REPORT TO THE MANAGER: SUPPLY CHAIN

SUBJECT: USE OF CONSULTANTS

DIRECTORATE: XXX

AUTHOR: XX XX

DATE: [Select Date]

1. Project Description

Project name, vote no, financial year

2. Assessment of the skills and resources required to implement the project

2.1 Project scope of work: - Provide a short description of the scope of work required.

2.2 Skills and resources: - List/Discuss the skills and resources required to undertake the scope of work.

3. Internal capacity and/ or resources

Explain why internal capacity and / or resources required are not available to perform the scope of work.

4. Remuneration framework

List the applicable remuneration framework and whether travel and subsistence cost are applicable.

5. Transfer of skills

Indicate if a transfer of skills is to be part of the appointment if applicable and if the specific service should be included in the consultant reduction plan.

6. Budget provision for the appointment of consultant/s (*list with vote*)

SIGNATORIES AS APPLICABLE

DATE:

1. _____

2. _____

ANNEXURE B

Annexure B: Total Cost Savings Disclosure in the In-Year and Annual Report

Measures	Cost Containment In-Year Report					
	Budget	Q1	Q2	Q3	Q4	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants						
Vehicles used for political office-bearers						
Travel and subsistence						
Domestic accommodation						
Sponsorships and, events and catering						
Overtime						
Communication						
Other related expenditure items						
Total						

Cost Containment Annual Report			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants			
Vehicles used for political office-bearers			
Travel and subsistence			
Overtime			
Domestic Accommodation			
Sponsorships, events, and catering			

Communication			
Other related expenditure items			
Total			