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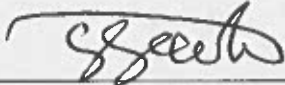
## DELEGATION OF POWERS AUTHORITY, AND FUNCTIONS FRAMEWORK

POLICY NUMBER	
TYPE OF POLICY	GOVERNANCE POLICY
LAST APPROVED DATE	19 JANUARY 2026
COMMENCEMENT DATE	19 JANUARY 2026
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PREVIOUS RENEWALS	
NEXT REVIEW DUE	19 JANUARY 2027
RESPONSIBLE MANAGER	CORPORATE GOVERNANCE

This policy applies to all PSJDA Board Members and employees. Questions related to this policy should be addressed to the Chief Executive Officer.

This policy applies to all PSJDA Board Members and employees. Questions related to this policy

The signatories hereof, confirm their acceptance of the contents and recommend the adoption/implementation thereof,



Signature: PSJDA Chief Executive Officer

19 January 2026

Date



Signature: Chairperson of PSJDA Board

19/01/2026

Date

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## 1. Interpretation and definition of terms

1.1 clause headings shall not be used in its interpretation;

1.2 unless the context clearly indicates a contrary intention:

- (a) an expression, which denotes:
  - (i) any gender includes the other genders;
  - (ii) a natural person includes an artificial person and vice versa;
  - (iii) the singular includes the plural and vice versa;
- (b) the following expressions shall bear the following meanings and related expressions bear corresponding meanings:

**“abuse of power”**

this involves a public servant using his/her vested authority to improperly benefit another public servant, person or entity (or using the vested authority to improperly discriminate against another public servant, person or entity). *Example:* During a tender process but before actual selection of a successful tenderer, the head of department expresses his/her dissatisfaction that the awarding committee has repeatedly not been awarding contracts to a certain contractor who has got potential;

**“accountability”**

the obligation to exercise responsibility within the powers given in the execution of duties delegated or instructed to and to report thereon to the delegating authority. A delegated body is always answerable to the delegating authority and the delegating authority is never divested from the responsibility to exercise the power or the performance of the duties delegated;

**“administration”**

the Chief Executive Officer and the other employees of the Entity;

**“after consulting”**

means with due regard for the views of any person with whom a delegated body is required to consult before he/she exercises a delegated or sub-delegated authority;

<b>“annual report”</b>	means an annual report contemplated in section 121 of MFMA.
<b>“CEO”</b>	stands for Chief Executive Officer who is the Accounting Officer of the municipal entity, appointed in terms of section 93J of the Municipal Systems Act.
<b>“authority”</b>	the decisions allowed or sum total of all the rights and powers that a delegated body needs to effectively exercise his responsibility;
<b>“Board”</b>	means the Board of Directors of Ports St Johns (municipal entity) as appointed in terms of section 93E of the Municipal Systems Act;
<b>“By-Law”</b>	means legislation passed, in terms of section 86H of the Municipal Systems Act, by the council of a municipality binding in the municipality on person or institutions to whom it applies;
<b>“Code of Conduct”</b>	in relation to: <ul style="list-style-type: none"> <li>a) a Board Member, means the Code of Conduct set out in the Terms of Reference for Board Members;</li> <li>b) a staff member of an entity means the Code of Conduct set out in Schedule 2 of the Systems Act (Act No. 32 of 2000);</li> </ul>
<b>“conflict of interest”</b>	this involves a public servant acting or failing to act on a matter where the public servant has an interest or another person or entity that stands in a relationship with the public servant has an interest. <i>Example:</i> A public servant considers tenders for a contract and awards the tender to a company of which his/her partner is a member of;
<b>“Constitution”</b>	refers to the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);
<b>“delegating of authority”</b>	in relation to delegation of a power or duty by the Board, means the Board, and in relation to sub-delegation of powers or duty by a Board Committee or official, means that delegating Board Committee or official;

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<b>“delegation”</b>	is the process whereby a delegating authority authorises an agent or a delegated body to act on his behalf by transferring a set of rights and duties to the agent for a specific period of time, and in relation to authority includes an instruction to exercise the duty, and “delegate” has a corresponding meaning;.
<b>“delegated body”</b>	in relation to the delegation of a duty means the structure, office-bearer or employee to whom a duty has been delegated in writing by the delegating authority;
<b>“duty”</b>	is the actual task to be performed to give effect to decision/s taken by the delegated authority. The delegated body should carry out tasks to the satisfaction of the delegating authority;
<b>“financial statements”</b>	means statements consisting of at least: <ul style="list-style-type: none"> <li>(a) a statement of financial position;</li> <li>(b) a statement of financial performance;</li> <li>(c) a cash-flow statement;</li> <li>(d) any other statements that may be prescribed; and</li> <li>(e) any notes to these statements.</li> </ul>
<b>“fruitless and wasteful expenditure”</b>	means expenditure that was made in vain and would have been avoided had reasonable care been exercised;
<b>“Head of Department”</b>	refers to a manager responsible for various business units that collectively constitute a department.
<b>“in consultation”</b>	means with the concurrence of the person with whom a delegated body must consult before exercising a delegated or sub-delegated power;
<b>“Local Government”</b>	refers to category A, B and C municipalities as enshrined in section 155(1) of the Constitution (Act No. 108 of 1996) including municipal entities;
<b>“managing”</b>	related to roles and responsibilities means planning, organizing, leading and control and include all duties, functions and taking of decisions to ensure the day to day running of the business of the entity and “the management of” has a corresponding meaning;

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<b>"MFMA"</b>	refers to the Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
<b>"municipality"</b>	includes a municipality referred to in section 155(b) of the Constitution (Act No. 108 of 1996);
<b>"municipal entity"</b>	means: <ul style="list-style-type: none"> <li>a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation and which includes, in the case of company under such ownership control, any subsidiary of that company; or</li> <li>b) a service utility;</li> </ul>
<b>"municipal functions"</b>	represents all the functions in terms of the Structures Act and schedule 4 part B and schedule 5 part B, as determined from time to time;
<b>"municipal service"</b>	means a service that a municipality, in terms of its powers and functions, provides or may provide to or for the benefit of the local community, irrespective of: <ul style="list-style-type: none"> <li>(a) such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in S76 of MSA or by engaging an external mechanism contemplated in S76 of MSA; and</li> <li>(b) fees, charges or tariffs are levied in respect of such a service or not;</li> </ul>
<b>"PSJDA "</b>	stands for Port St Johns Development Agency SOC Ltd which is a municipal entity established in terms of Section 84 of the Municipal Finance Management Act, 2003 (Act No. 56 of 3003), by the Port St Johns Local Municipality, which is a parent municipality.
<b>"organ of state"</b>	means an organ of state as defined in section 239 of the Constitution.
<b>"policy directives"</b>	means directives issued by the Board of Directors, Board Committees, Management Committee, Chief Executive

Officer other officials of the Entity in terms of delegated authority and consistent with policy;

**“power”**

includes a duty and a function;

**“responsibility”**

the obligation by the delegated body to carry out or to ensure the carrying out of the authority entrusted to the delegated body;

**“Senior Manager”**

means a manager directly accountable to the Chief Executive Officer of the entity.

**“service provider”**

means a person or institution or any combination of persons and institutions which provide a municipal service;

**“service utility”**

means a municipal entity established in terms of section 82(1)(c) of the Municipal Systems Act, 2000 (Act 32 of 2000), as amended;

**“staff”**

in relation to a municipal entity, means the employees of the entity, including the Chief Executive Officer (CEO), all managers and other staff members (including volunteers and students doing experiential training) which are remunerated for the work done;

**“structure”**

in relation to the Entity, means the Board of Directors or any of its committees or other collective structure of the Entity appointed or designated a responsibility in accordance with the provisions of the legislation;

**“Structures Act”**

refers to the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**“Systems Act”**

refers to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended;

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## 2. PURPOSE OF THIS POLICY

a) To provide a framework to PSJDA employees, PSJDALM, the Board and third parties, for the delegation and sub-delegation of functions and powers, to maximize administrative and operational efficiency, with appropriate checks and balances, within a framework that complies with the requirements of the Constitution of the Republic of South Africa, the Municipal Systems Act and the Municipal Finance Management Act;

b) To establish a systematic approach to the delegation and sub-delegation of powers and functions in an effective, efficient, and economical manner, that will enable PSJDA to meet its mandate and objectives and fulfil its developmental role within the community it serves in a manner that ensures that the separation of authority is maintained;

c) To constitute the authority for any delegation or sub-delegation, thereby creating an obligation on the person to whom the delegation or sub-delegation is made to act in terms of such delegation or sub-delegation;

d) Improving accountability, efficiency, and effective administration within PSJDA, including decision-making and management conduct which promotes effective service delivery; and

e) To ensure that management and all staff members are aware of their roles and responsibilities and the level of authority when executing their functions.

## 3. APPLICATION AND SCOPE

Once approved by the Board, the Policy will apply and be binding to the Board, and all employees of PSJDA and related parties over which the PSJDA Board has authority on, including its business units, or projects/programmes.

## 4. APPLICABLE LEGISLATION, REGULATIONS AND POLICIES

- i) Constitution of the Republic of South Africa (Act No. 108 of 1996);
- ii) Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- iii) Local Government: Municipal Systems Act, 200 (Act No. 32 of 2000);
- iv) Municipal Finance Management Act, 2003 (Act No. 56 of 2003); and
- v) Auditor General Act, 1995 (Act No. 12 of 1995).
- vi) Employment Equity Act, 1998 (Act No. 55 of 1998)
- vii) Code of Conduct for Municipal Employees (as prescribed in the Structures Act and Systems Act)
- viii) Human Resources Policies and Procedures;

- ix) Asset Disposal Policy
- x) Finance Policies and Procedures;
- xi) Risk Management Policy;
- xii) Supply Chain Management Policy;
- xiii) Performance Management Policy and Procedures;
- xiv) Recruitment Policy; and
- xv) Internal and External Audit Policy

## 5. THE PARENT MUNICIPALITY (INHERENT)

a) Section 93A (a) The parent municipality of a municipal entity must exercise any shareholder, statutory, contractual or other right and powers it may have in respect of the municipal entity to ensure

that-

(i) both the municipality and the municipal entity comply with this Act, the Municipal Finance Management Act and any other applicable legislation: and

(ii) the municipal entity is managed responsibly and transparently and meets its statutory, contractual and other obligations:

(b) must allow the board of directors and chief executive officer of the municipal entity to fulfil their responsibilities; and

(c) must establish and maintain clear channels of communication between the municipality and the municipal entity.

93B. A parent municipality which has sole control of a municipal entity or effective control in the case of a municipal entity which is a private company- (a) must ensure that annual performance objectives and indicator for the municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan in accordance with section 87(5)(d) of the Municipal Finance Management Act; (b) must monitor and annually review as part of the municipal entity's annual budget process as set out in section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators: and (c) may liquidate and disestablish the municipal entity - (i) following an annual performance review. if the performance of the municipal entity is unsatisfactory; (ii) if the municipality does not impose a financial recovery plan in terms of the Municipal Finance Management Act and the municipal entity continues to experience serious or persistent financial problems; or (iii) if the

municipality has terminated the service delivery agreement or other agreement it had with the municipal entity.

## 6. BOARD

6.1 The functions and powers of Port St Johns Development Agency (PSJDA) are vested in the Board of Directors appointed by and answerable to the COUNCIL of the PORT ST JOHNS MUNICIPALITY (PSJLM) in terms of:

- Local Government Municipal Structure Act: Act 117 of 1998 and in terms of section 32 of the said Act
- Local Government Municipal Systems Act: Act 32 of 2000 and in terms of section 59 of the said Act
- Local Government Municipal Finance Management Act: Act 56 of 2003 and in terms of section 56 of the said Act.

6.2 In this regard, a guideline to the performance and exercise of the aforesaid functions and powers is contained in the provisions of the Board Charter. Overall, the Board is responsible for the leadership of PSJDA and for determining its strategic objective, targets, and resource framework to ensure the efficiency, effectiveness and quality of the services it provides.

6.3 The Scheme of Delegation of Functions and Powers constitute a guideline to the nature of functions and powers that are delegated by the Board and the manner in which this is accomplished. It is subject at all times to PSJDA's Memorandum OF Incorporation and Board Charter. The provisions contained in the aforesaid Memorandum and Board Charter are subject, in turn, to the requirements of the Companies Act, 2008 and local government legislation, as defined in PSJDA's Memorandum of Incorporation.

6.4 The following functions and powers are reserved for the Board:

- a) The approval and revision of PSJDA's Strategic Plan, for submission to the Council through the Honorable Mayor;
- b) Approval of policies and planning documents of PSJDA, for submission to Council through the Honorable Mayor;
- c) Approval of an annual budget for PSJDA, for submission to Council through the Honorable Mayor;
- d) Approval of the annual report and accounts of PSJDA, to be sent to the

Honorable Mayor to table to the Council;

- e) The amendment of PSJDA's Memorandum of Incorporation and associated codes of corporate practices and conduct;
- f) The submission of formal comments on behalf of PSJDA to government departments where the matter is strategic or fundamental to the interests of the PSJDA;
- g) Approval of the financial regulation and delegation for PSJDA,
- h) Monitoring and reviewing the PSJDA's performance;
- i) Appointment of the Chief Executive Officer of PSJDA;
- j) Formulation and approval of changes to the organizational structure of PSJDA;
- k) Changes to the number of responsibilities of the executive committee of PSJDA;
- l) Establishment of subordinate bodies of the Board, Committees or other bodies and changes to their terms of reference;
- m) Approval of the Entity's asset disposal.
- n. The board shall govern risk, compliance, and remuneration
- o) Anything that is reserved by the Board in terms of law.

## **7. DELEGATIONS BY THE BOARD**

7.1 The Board may from time to time delegate to the Chairperson, Deputy Chairperson, the Chief Executive Officer, Directors, subordinate bodies, or any other officer or employees of PSJDA (in consultation with the Chief Executive Officer) such its functions and powers, on such terms and subject to such conditions as the Board deems fit.

7.2 The Board reserves the right to deal with any functions and powers previously delegated. The Board may also vary or revoke such delegation.

7.3 All delegations will be in writing.

## **8. CHAIRPERSON**

The Chairperson has particular responsibility for matters including:

- a. providing strategic leadership to the Board on the development of strategies, policies and plans to discharge PSJDA's statutory purposes;

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- b. ensuring PSJDA, in reaching decisions, takes proper account of PSJDA's statutory purposes, strategic and regulatory framework, and directions and guidance provided by the parent municipality;
- c. monitoring the performance of PSJDA, ensuring that it meets strategic objectives and targets;
- d. promoting high standards of propriety, best practice and the efficient and effective use of staff and resources;
- e. monitoring the performance of Board Members and undertaking annual performance appraisals;
- f. representing PSJDA on behalf of the Board.

The Board may by resolution authorize the Chairperson to take action on a particular matter otherwise reserved by the Board.

## **9. DEPUTY CHAIRPERSON**

The role of the Deputy Chairperson is to support the Chairperson in the discharge of her or his responsibilities as required.

The Board may by resolution authorize the Deputy Chairperson, acting in conjunction with the Chairperson, or in the absence of the Chairperson, to take action on a particular matter otherwise reserved by the Board.

## **10. COMMITTEES AND OTHER SUBORDINATE BODIES**

10.1 The Board may appoint such Committees and other subordinate bodies with such terms of reference and delegated authority, as it considers necessary for the efficient discharge of its functions.

10.2 The purpose of the afore stated Committees and other subordinate bodies is to provide opportunity for in-depth and specialist discussion in order to make recommendations and guide decisions of the full Board or the executive committee.

10.3 Unless specifically provided for hereunder, no executive or decision-making authority is delegated to Committees or other subordinate bodies.

10.4 When establishing any Committee or other subordinate body, the Board shall pass a resolution specifying:

- the terms of reference for the Committee or other subordinate body,

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- the Chair and membership thereof,
- whether the Committee or other subordinate body is established permanently or for a fixed period,
- whether any decision-making authority is delegated thereto.

10.5 The Board may from time to time review, vary, amend or revoke the terms of reference, membership of and delegations to any such Committees or other subordinate bodies.

10.6 The CEO shall ensure that minutes are kept and maintain details of all Committees and other subordinate bodies together with their terms of reference, membership and delegated authority. The CEO shall give notice of any changes made by the Board to the members of such Committee or other subordinate body.

10.7 Committees and other subordinate bodies shall have power to establish special purpose working groups to deal with specific matters within specified terms of reference. The special purpose working group shall be task and time limited.

## **11. APPOINTMENT TO EXTERNAL BODIES**

11.1 The Board may, from to time and upon request or recommendation, appoint one or more Directors to represent PSJDA on an external body. The CEO shall provide advice to Directors on their legal and governance obligations as appointees to external bodies.

11.2 The CEO shall maintain a register of Directors' appointments to external bodies.

## **12. CHIEF EXECUTIVE OFFICER**

12.1 All appointments to the position of Chief Executive Officer shall be made by the Board.

12.2 The Chief Executive Officer is the Accounting Officer of PSJDA and shall undertake such responsibilities as are set out in PSJDA's Memorandum of Incorporation and relevant legislation.

12.3 The Chief Executive Officer's responsibilities include the provisions contained in the PSJDA's Memorandum of Incorporation and local government legislation. The Board shall support the Chief Executive Officer at all times in undertaking these responsibilities.

12.4 The Chief Executive Officer responsibilities include:

- The CEO shall be responsible for implementing and executing the approved strategy, policy and operational planning and will be the chief link between the Board and management.
- the overall management of the PSJDA, its resources, employees and officers,
- the appointment and dismissal of Senior Management in consultation with the Board including the Company Secretary.
- the appointment and dismissal of staff to or from the PSJDA,
- the approval of conditions of employment for staff and the alteration of staff benefits,
- the opening of a bank account on behalf of the PSJDA,
- implementation of performance and risk management arrangements,
- the provision of information to the Board on policies, programmes, projects, activities and performance of the PSJDA,
- the implementation of decisions taken by the Board,
- the exercise of functions delegated by legislation and the Board to her or him.
- Performing all duties specifically allocated to the Accounting officer in terms of the Municipal Finance Management Act and any other legislation.

12.5 Matters not reserved explicitly by the Board, the Chairperson or Deputy Chairperson, Committees or other subordinate bodies shall be regarded as the responsibility of the Chief Executive Officer. The Chief Executive Officer may delegate to Directors or other employees or officers of the PSJDA such functions or powers as necessary.

12.6 The main points of contact between the PSJDA and the PSJM on day-to-day matters will be the Chief Executive Officer and other members of staff who have been authorized to act on behalf of the PSJDA on the one hand and the Municipal Manager or administrative representative, appointed by Council, on the other.

### **13. MANAGEMENT DIRECTLY REPORTING TO THE CEO**

13.1 THE CEO subdelegates duties and responsibilities to management directly reporting to him/ her in accordance with the units

13.2 Designate any duties specifically allocated to specific officials in terms of legislation.

### **14. ISSUANCE AND WITHDRAWAL OF DELEGATIONS.**

14.1 All delegations to the CEO of PSJDA by the Board of Directors are in line with the delegations stipulated in the Municipal Systems Act (MSA), the Municipal Finance

Management Act (MFMA) and the Companies Act. The Board of Directors delegates authority to the Chief Executive Officer as referred to in Annexure 1.

14.2 Withdrawal of delegated authority is issued via a signed release by the Board of Directors, except that a withdrawal of a specific individual may be issued by the Chief Executive Officer.

14.3 The Chief Executive Officer will develop delegation of authority documents for the PSJDA operations to include the interfaces among teams, and mechanisms conveying signature authority, responsibilities of managers.

## **15. SCOPE OF THE DELEGATION**

15.1 Authority is delegated to the Chief Executive Officer by the Board of Directors for the duration of the tenure.

15.2 Authority is re-delegated to the Management by the Chief Executive Officer.

15.3 Included in the re-delegation will be policies, criteria, and procedures for issuing delegations and re-delegations of authority to management.

15.4 When a delegation has been made to any level, it may be further delegated, unless the re-delegation of authority is specifically prohibited.

15.5 The Chief Executive Officer may withdraw delegated authority permanently or temporarily.

15.6 Delegations and re-delegations will be in writing and will be contained in the applicable delegation documents. Delegations of authority will be limited by nature and values and will be categorised in the Annexure, which is subject to revision as applicable.

## **16. CHIEF FINANCIAL OFFICER**

16.1 For purposes of assisting the Accounting Officer in the performance of his or her responsibilities, the Board shall ensure that an appropriately qualified employee is designated as the Chief Financial Officer of PSJDA.

16.2 The Chief Financial Officer shall, provide financial reports to the Board

16.3 It shall be the responsibility of the CEO, in consultation with the CFO, to:

- prepare and keep under review all financial measures necessary for the supervision and control of finances, income, expenditure, assets and liabilities of PSJDA,

- monitor and report on PSJDA's compliance with the afore stated financial measures to the Audit Committee,
- ensure that proper financial procedures are implemented,
- ensure that, in considering proposals relating to income and expenditure, all relevant financial considerations are taken into account.

## 17. DUTIES OF OTHER OFFICIALS

17.1 All official of a municipal entity exercising financial management responsibilities must take all reasonable steps within their official area of responsibility to ensure-

(a) that the system of financial management and internal control established for the entity is carried out diligently.

b) that the financial and other resources of the entity are utilised effectively, efficiently, economically and transparently;

(c) that any irregular expenditure, fruitless and wasteful expenditure and other losses are prevented;

(d) that all revenue due to the entity is collected;

(e) that the provisions of this Act, to the extent applicable to that official, including any delegations in terms of section 106, are complied with; and

(f) that the assets and liabilities of the entity are managed effectively and that assets are safeguarded and maintained to the extent necessary.

17.2 An official of a municipal entity must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the entity.

## 18. LEGAL AGREEMENTS AND PROCEEDINGS

18.1 All legal agreements and similar documents must be approved by the CEO.

18.2 The CEO or his designate shall cause a register of all legal agreements and similar documents entered into by PSJDA to be maintained

18.3 The CEO is authorised to institute or defend formal legal proceedings on behalf of PSJDA.

18.4 Any document that is necessary for formal legal proceedings, including any affidavit made on behalf of PSJDA, shall be signed by the Chief Executive Officer.

18.5 The CEO, alternatively the Company Secretary, is authorised to accept service of formal legal proceedings on behalf of PSJDA.

18.6 All duties specifically allocated to the Company secretary in terms of the Companies Act shall be performed by the Company Secretary.

## **19. EXTERNAL PROFESSIONAL ADVICE**

19.1 The CEO shall maintain, monitor and review, from time to time, a panel of external professional advisors, including but not limited to accountants, architects, attorneys and engineers.

19.2 The CEO may appoint such professional advisors as necessary in relation to the conduct of PSJDA business.

## **20. FINANCIAL DELEGATIONS**

All financial delegations made under this heading and transactions contemplated in terms hereof shall be subject to the provisions of the PSJDA's Memorandum of Incorporation. Delegation thresholds will be contained in the CEO's delegation framework.

### **20.1 Property transactions**

The terms of reference for all property transactions must be confirmed by an external professional advisor instructed by PSJDA for this purpose once approval for the property transaction in question has been given by the Board. Approval for the acquisition and disposal of property is governed by the delegations.

### **20.2 Authority to approve personal expense claims for payment**

The Chief Executive Officer, Chief Financial Officer or alternatively a properly delegated member of staff, shall approve personal expense claims provided that sufficient proof thereof is submitted by the claimant.

### **20.3 Separation of Duties**

20.3.1 There must be a separation of duties between the commitment of expenditure and the authorization of payment. With the exception of the Chief Executive Officer and the Chief Financial Officer, a member of staff who authorizes the commitment of expenditure through a contract or purchase order for works,

goods or services cannot also authorize payment therefore.

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## 21. MISCELLANEOUS PROVISIONS

21.1 It is the responsibility of all Directors and staff to comply with the provisions of this Scheme of Delegation of Powers of Functions and Powers, as amended from time to time.

21.2 It is the responsibility of the Chief Executive Officer to take steps to ensure that the provisions of this document are brought to the attention of all Directors and staff.

21.3 Failure to comply herewith shall constitute a breach of the Delegation of Functions and Powers. For Directors and staff alike, such a breach may result in disciplinary action being taken in accordance with the PSJDA 's disciplinary code.

21.4 Where any uncertainty exists about the application of this Scheme of Delegation of Functions and Powers, the advice of the Company Secretary should be sought.

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**ANNEXURE A: REGISTER OF DELEGATIONS**

AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
Disposal of capital assets	<p>A municipal entity may not transfer ownership as a result of a sale or other transaction or otherwise dispose of a capital asset needed to provide the minimum level of basic municipal services.</p> <p>(2) A municipal entity may transfer ownership or otherwise dispose of a capital asset other than an asset contemplated in subsection (1), but</p>	MFMA: 90	Parent Municipality	Board	N/A

*Handwritten initials/signature*

AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	only after the council of its parent municipality.				
Financial problems in municipal entities	If a municipal entity experiences serious or persistent financial problems and the board of directors of the entity fails to act effectively, the parent municipality must either- (a) take appropriate steps in terms of its rights and powers over that entity, including its rights and powers in terms of any relevant service delivery	MFMA: S109	Parent Municipality	N/A	N/A

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>other agreement;  section 142 for a  municipal financial  recovery plan; or  (b) impose a financial  recovery plan, which  must meet the same  criteria set out in S 142  for a municipal  financial recovery  plan; or  (c) liquidate and  disestablish the entity.</p>				
Remuneration packages	<p>The parent municipality of a municipal entity must- ((1) determine the upper limits of the salary, allowances and other benefits of the</p>	<p>MFMA: S89  Municipal Systems  Staff Regulations</p>	Parent Municipality	Board	N/A

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>chief executive officer and senior managers of the entity; and (h) monitor and ensure that the municipal entity reports to the council on all expenditure incurred by that municipal entity on directors and staff remuneration matters.</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
Budgets	The board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity's financial year or earlier if requested by the parent municipality and submit a revised budget to the parent municipality not later than 100 days before the start of the financial year after consideration of the	MFMA: S87	Board	Chief Executive Officer	Chief Financial Officer Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>initial budget.</p> <p>b) The accounting officer of a municipal entity must by no later than seven working days after the end of each month submit to the accounting officer of the parent municipality a statement in the prescribed format on the state of the entity's budget</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
General reporting obligations	The accounting officer of a municipal entity- (a) is, except where otherwise provided in this Act, responsible for the submission by the entity of all reports, returns, notices and other	MFMA: S104	Board	Chief Executive Officer	

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>information to the 40 entity's parent municipality, as may be required by this Act: and (b) must submit to the accounting officer of the entity's parent municipality, the National Treasury, the relevant provincial treasury, the department of local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>may be required.</p> <p>(2) If the accounting officer of a municipal entity is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly report the inability, together with reasons, to the council of the entity's parent municipality.</p>				
Borrowing of money	<p>A municipal entity may borrow money, but only in accordance with-</p> <p>(a) the entity's multi-year business plan</p>	MFMA: S108	Board	Chief Executive Officer	



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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>referred to in section 87(5)(d); and (b) the provisions of Chapter 6 to the extent that those provisions can be applied to a municipal entity.</p> <p>(2) In applying Chapter 6 to a municipal entity, a reference in that Chapter to :1 municipality, a municipal council or an accounting officer must be read as referring to the municipal entity, the board of directors of a municipal entity, or</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
Irregular or fruitless and wasteful expenditure	the accounting officer of a municipal entity, respectively. On discovery of any irregular expenditure or any fruitless and wasteful expenditure, the board of directors of a municipal entity must promptly report. in writing to the mayor and municipal manager of the entity's parent municipality and the Auditor-General- (a) particulars of the expenditure; and	MFMA: S102	BOARD	Chief Executive Officer	Chief Financial Officer/ Financial Manager



AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>(b) any steps that have been taken-            (i) to recover the expenditure; and            (ii) to prevent a recurrence of the expenditure.            (2) The board of directors of a municipal entity must promptly report to the South African Police Service any-            (a) irregular expenditure that may constitute a criminal offence; and            (6) other losses suffered by the municipal entity</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	which resulted from suspected criminal conduct.				
Authorise procurement of goods and services	Goods & Services Value of a) R300 001 – R50 Million b) Above R50 Million all through Competitive Bidding Process	Supply Chain Management Policy	Board	N/A	N/A
Fiduciary duties of accounting officers	The Accounting officer must disclose to the entity's parent municipality and the entity's board of directors all material facts, including those reasonably	MFMA:S94	Chief Executive Officer		

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	discoverable, which in any way may influence the decisions or actions of the parent municipality or the board of directors; and (d) seek, within the sphere of influence of that accounting officer, to prevent any prejudice to the financial interests of the parent municipality or the municipal entity.				
Mid-year budget and performance	The accounting officer of a municipal	MFMA: S88	Chief Executive Officer	Chief Financial Officer	Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
assessment	entity must by 20 January of each year-- assess the performance of the entity during the first half of the financial year.				
Budget implementation	Implementing the entity's budget, including taking effective and appropriate steps to ensure that- (a) the spending of funds is in accordance with the budget; (b) revenue and expenditure are properly monitored;	MFMA: S100	Chief Executive Officer	Chief Financial Officer Financial Manager	

AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>and  (c) spending is reduced as necessary when revenue is anticipated to be less than projected in the budget.</p>				
<p>impending under collection, shortfalls, overspending, overdrafts, and non payment</p>	<p>The accounting officer of a municipal entity must report, in writing, to the board of directors of the entity, at its next meeting, and to the accounting officer of the entity's parent municipality any financial problems of</p>	<p>MFMA: S101</p>	<p>Chief Executive Officer</p>	<p>Chief Officer  Financial Manager</p>	

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>the entity, including-</p> <p>(a) any impending or actual-</p> <p>(i) under collection of revenue due;</p> <p>(ii) shortfalls in budgeted revenue;</p> <p>(iii) overspending of the entity's budget;</p> <p>(iv) delay in the entity's payments to any creditors; or</p> <p>(v) overdraft in any bank account of the entity for a period exceeding 21 days; and</p> <p>(b) any steps taken to rectify such financial problems.</p> <p>(2) The accounting</p>				

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>officer of the municipality must table a report referred to in subsection (1) in the municipal council at its next meeting.</p>				
<p>Delegation of powers and duties by accounting officers</p>	<p>The accounting officer of a municipal entity-            (a) may delegate to an official of that entity-            (i) any of the powers or duties assigned or delegated to the accounting officer in terms of this Act; or            (ii) any powers or duties reasonably</p>	<p>MFMA: S106</p>	<p>Chief Executive Officer</p>	<p>Senior Management</p>	<p>Officers</p>

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	<p>necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act.</p>				
	<p>The accounting officer of a municipal entity must promptly report to the speaker of the council of the entity's parent municipality any interference by a</p>	<p>MFMA: S103</p>	<p>Chief Executive Officer</p>		

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	councillor outside that councillor's assigned duties, in- (a) the financial affairs of the municipal entity; or (b) the responsibilities of the board of directors of the municipal entity.				
General financial management functions of accounting officers	The accounting officer of a municipal entity is responsible for managing the financial administration of the entity.	MFMA: S95	Chief Executive Officer	Chief Financial Officer	Financial Manager
Expenditure management	The accounting officer of a municipal entity is responsible for the management	MFMA: S99	Chief Executive Officer	Chief Financial Officer	Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	of the expenditure of the entity				
Implementation of system	<p>The accounting officer of a municipality or municipal entity must- 20</p> <p>(a) Implement the supply chain management policy of the municipality or municipal entity; and</p> <p>(b) take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to</p>	MFMA: S115	Chief Executive Officer	Chief Financial Officer	Supply Chain Manager Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
Authorise procurement of goods and services	<p>minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.</p> <p>(2) No person may impede the accounting officer in fulfilling this responsibility</p> <p>GOODS/SERVICE VALUE</p> <p>a)R0 – R2 000 - One Quotation</p> <p>b)R2 001 – R30 000 - Three Quotations</p> <p>c)R30 001 – R300 000 7 days Bulletin Notice and Advertisement via Website : Three</p>	Supply Chain Policy	Chief Executive Officer	N/A	N/A

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
Asset and liability management	<p>Quotations</p> <p>The accounting officer of a municipal entity is responsible for the management Of-</p> <p>(a) the assets of the entity, including the safeguarding and maintenance of those</p> <p>(b) the liabilities of the entity.</p>	MFMA: S96	Chief Executive Officer	Chief Financial Officer	Financial Manager
Revenue management	<p>The accounting officer of a municipal entity must take all reasonable steps to Ensure that the entity has and implements effective revenue</p>	MFMA: S97	Chief Executive Officer	Chief Financial Officer	Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	collection systems to give effect to its budget: and that all revenue due to the entity is collected:				
Monthly reconciliation of revenue and accounts	The accounting officer of a municipal entity must take all reasonable steps to (a) all revenue received by the entity, including revenue received by any ensure that collecting agency on its behalf, is reconciled on a monthly or more regular 10 basis; and	MFMA: § 98	Chief Executive Officer	Chief Financial Officer	Financial Manager

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AUTHORITY AND FUNCTION DELEGATED	SCOPE OF DELEGATION	ORIGIN OF AUTHORITY	POWER CURRENTLY RESIDING	DELEGATED OFFICER	SUB-DELEGATION
	(b) all accounts of the entity are reconciled each month.				

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