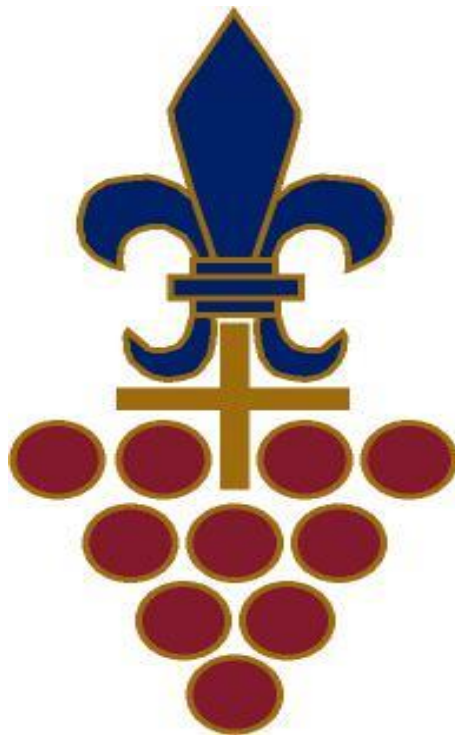


APPENDIX 4

STELLENBOSCH MUNICIPALITY



SUMMARY OF POLICIES

2021/2022



STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

Policy/ By-law	Summarized Nature of change
Wayleave Policy	New Policy
Rates Policy	<p>Changes were made to the following sections within the policy</p> <p>4. DEFINITIONS</p> <p>Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to explain said term or phrase for a specific perspective of the MPRA by the Municipality:</p> <p>“bed & breakfast” in relation to Accommodation Establishment means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms and provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.</p> <p>“household income” means the gross sum of all monthly income from all sources. Income sources may include wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of financial contributions.</p> <p>“residential purposes” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:</p> <ul style="list-style-type: none"> • the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; <p>6. CATEGORIES</p> <p>6.1 Categories of Property Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.</p> <p>The codes that have been associated with each property Category are listed in paragraph 18.1 of this Policy. In addition, paragraph 18.1 identifies the attributes and criteria that determines the basis for application.</p> <p>The Municipality will apply the following property Categories: (j) Heritage Refer Section 15(2A)(b) in the MPRA.</p> <p>6.2 Categories for Relief Measures The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.</p> <p>The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 18.2 of this Policy.</p> <p>8.RELIEF MEASURES</p> <p>8.2 Residential Property</p>

Policy/ By-law	Summarized Nature of change
	<p>8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:</p> <p>(i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and</p> <p>(ii) on a further R235 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for residential purposes, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property or the adjoining units of a sectional title scheme as per paragraph 7.9 of this policy, do not qualify.</p> <p>8.3 Senior Citizens and Disabled Persons</p> <p>Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their household income.</p> <p>8.3.1 Occupy the property as his/her normal residence; and</p> <p>(b) be in receipt of a monthly household income not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and</p> <p>8.8 Non-Profit Organizations (NPO)</p> <p>Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 80% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.</p> <p>8.8.1 Prescribed not-for-gain organisations</p> <p>(f) WERE REMOVED FROM POLICY</p> <p>8.9 Heritage Properties – HEADING AND PARAGRAPH REMOVED</p> <p>16 CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Property Rates enquiries:</p> <p>E-mail Address: enquiries.navrae@stellenbosch.gov.za</p> <p>Telephone Numbers: See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>

Policy/ By-law	Summarized Nature of change
	<p>18. CATEGORY AND REBATE CODES</p> <p>18.1 Category Codes</p> <p>RESIDENTIAL:</p> <p>RES RESA Adjoining residential; the Policy paragraph 7.9</p> <p>RES RESIF Municipal Owned: Informal settlements, 100% exclusion will apply</p> <p>Heritage: HER HER MPRA Section 15(2A)(b)</p> <p>Vacant Other: VACO: MUNV Vacant Municipal properties</p> <p>18.2 Rebate Codes</p> <p>NPO Non-Profit Organisation (80% rebate) Rates Policy paragraph 8.8</p> <p>EGVI Exceptional General Valuation Rates Increases Rates Policy paragraph 8.10</p>
Indigent Policy	Policy were reviewed ,with No major changes
Special Ratings By-law	<p>Changes were made within the following sections of the policy:</p> <p>18. SHORT TITLE AND EFFECTIVE DATE</p> <p>(1) This By-Law is called the Special Rating Area By-Law of Stellenbosch Municipality and shall take effect on 01 July 2021.</p> <p>(2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020.</p>
Rates By-law	<p>Changes were made within the following sections of the policy:</p> <p>1. PREAMBLE</p> <p>(1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.</p> <p>(2) Section 13 of the Systems Act read with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province,</p> <p>(3) In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.</p> <p>(4) In terms of Section 6(1) of the Property Rates Act, a municipality must adopt by laws to give effect to the implementation of its rates policy.</p> <p>(5) In terms of Section 6(2) of the Property Rates Act, by-laws adopted in terms of Section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.</p> <p>(6) To that effect the Council of Stellenbosch Municipality has enacted a Property Rates By law, as follows:</p> <p>2. INTERPRETATIONDEFINITIONS</p> <p>"Rates Policy" means the Municipality's Property Rates Policy adopted by the Council of the Municipality by a resolution for a specific financial year in terms of Section 3(1) of the Property Rates Act and in terms of this By Law.</p> <p>"Rates" means a municipal rate on property as envisaged in section Section 229(1)(a) of the Constitution.</p>

Policy/ By-law	Summarized Nature of change
	<p>3. OBJECTS The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of the Property Rates Act.</p> <p>4. ADOPTION AND IMPLEMENTATION OF RATES POLICY</p> <p>(1) The Council shall adopt and implement a Rates Policy as contemplated in terms of the provisions of Section 3(1) and consistent with the Property Rates Act on the levying of Rates on rateable properties within the jurisdiction of the Municipality.</p> <p>(2) The Rates Policy outlines the Municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.</p> <p>(3) The Rates Policy applicable to a financial year is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve/adopt from time to time, shall be deemed to be likewise incorporated.</p> <p>(4) The Municipality shall not be entitled to levy Rates other than in terms of the valid Rates Policy for an applicable financial year and the annually promulgated resolution which reflects the cent amount in the Rand rate for each category of rateable property.</p> <p>(5) The Rates Policy is available at the Municipality's head office, satellite offices, libraries and website.</p> <p>5. CONTENTS OF RATES POLICY The Municipality's Rates Policy shall, inter alia:</p> <p>(1) Apply to all the Rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.</p> <p>(2) Comply with requirements for;</p> <p>(a) the adoption and contents of a rates Rates Policy specified in Section 3 of the Property Rates Act.</p> <p>(b) the differentiation of categories of properties and categories of owners of properties as provided for in section Sections 6, 8 and 15 of the Property Rates Act.</p> <p>(c) the process of community participation specified in Section 4 of the Property Rates Act.</p> <p>(d) the annual review of a rates Rates Policy specified in terms of Section 5 of the Property Rates Act.</p> <p>(e) the publication of the adopted By-law in the Provincial Gazette as provided by Section 13 of the Systems Act.</p> <p>(3) Specify principles, criteria, and implementation measures for categories of rateable properties in terms of Section 8 and consistent with the Property Rates Act for the levying of Rates which the Council may wish to adopt.</p> <p>(4) Specify principles, criteria, and implementation measures for the judicious granting of relief measures by means of Exclusions, Exemptions, Reductions and/or Rebates consistent with Section 15 of the Property Rates Act which the Council may wish to adopt.</p> <p>(5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.</p> <p>6. ENFORCEMENT OF RATES POLICY The Municipality's Rates Policy is enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Property Rates Act and the Municipality's Rates Policy.</p> <p>7. REPEAL The provisions of any By-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.</p>

Policy/ By-law	Summarized Nature of change																														
	<p>9. SHORT TITLE and EFFECTIVE DATE/COMMENCEMENT</p> <p>This By-Law is called the Stellenbosch Municipal Property Rates By-Law and shall take effect on 01 July 2021.</p>																														
Credit Control and Debt Collection Policy	<p>Changes were made within the following sections of the policy:</p> <p>3. ARRANGEMENTS</p> <p>(i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).</p> <p>The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's bonus/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.</p> <p>12. PAYMENT OF ACCOUNTS – GENERAL</p> <table border="1" data-bbox="533 853 1426 1675"> <thead> <tr> <th><i>Facility</i></th> <th><i>Hours</i></th> <th><i>Payment methods accepted</i></th> </tr> </thead> <tbody> <tr> <td>Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel</td> <td>Office hours: Monday to Friday</td> <td>Cash, , debit cards</td> </tr> <tr> <td>Cash offices at Klapmuts</td> <td>Office hours: Wednesdays only</td> <td>Cash, debit cards</td> </tr> <tr> <td>Debit orders</td> <td>Application during office hours</td> <td>Bank transfers</td> </tr> <tr> <td>Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores</td> <td>Trading hours: 7 days per week</td> <td>Cash, , credit cards, debit cards</td> </tr> <tr> <td>Internet payments</td> <td>All hours</td> <td>Bank transfers</td> </tr> <tr> <td>Direct bank deposits</td> <td>Banking hours</td> <td>Bank transfers</td> </tr> <tr> <td>Personnel deductions</td> <td>Office hours</td> <td>Direct deductions from earnings</td> </tr> <tr> <td>24 hour Utility shops at petrol stations</td> <td>All hours</td> <td>Cash, , credit cards, debit cards</td> </tr> <tr> <td>Approved Pre-Paid Vending Agents</td> <td>Trading hours</td> <td>Cash,</td> </tr> </tbody> </table> <p>13. DISHONOURED PAYMENTS</p> <p>13.1 Receipts issued in respect of dishonoured payments must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.</p> <p>13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept debit order transactions of such a debtor and he/she must be informed thereof in writing.</p>	<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>	Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, , debit cards	Cash offices at Klapmuts	Office hours: Wednesdays only	Cash, debit cards	Debit orders	Application during office hours	Bank transfers	Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, , credit cards, debit cards	Internet payments	All hours	Bank transfers	Direct bank deposits	Banking hours	Bank transfers	Personnel deductions	Office hours	Direct deductions from earnings	24 hour Utility shops at petrol stations	All hours	Cash, , credit cards, debit cards	Approved Pre-Paid Vending Agents	Trading hours	Cash,
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Policy/ By-law	Summarized Nature of change
	<p>20 CONTACT OF RESPONSIBLE OFFICE</p> <p>CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Credit Control enquiries:</p> <p>E-mail Address: Creditcontrol.Notices@stellenbosch.gov.za</p> <p>Telephone Numbers : See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>
Irrecoverable Debt Policy	<p>Changes were made within the following sections of the policy:</p> <p>PREAMBLE</p> <p>In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.</p>
Petty Cash Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Travel and Subsistence Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cost Containment Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cash Management and Investment Policy	<p>Changes were made within the following sections of the policy:</p> <p>3.2.3.2 Electronic Funds Transfer (EFT)</p> <p>B-Signatories: Chief Accountant: Consumer Accounts and Valuations</p> <p>Senior Accountant: Cash Management and Credit Control</p> <p>Chief Accountant: MFMA Reporting and Compliance</p> <p>Chief Accountant: Financial Statements and Reconciliations</p> <p>Chief Accountant: Asset Management</p> <p>Chief Accountant: SDBIP Monitoring and Budget Control x2</p> <p>Senior Accountant: Creditors and Payroll</p>
Ward Allocation Policy	<p>Changes were made within the following sections of the policy:</p> <p>8. CRITERIA FOR THE SELECTION OF PROJECTS</p>

Policy/ By-law	Summarized Nature of change																														
	<p>In response to the current COVID-19 pandemic and the realignment of the budget for 2021/22, with severe budget cuts and adjustments, the following measures will be in place regarding ward allocations until further notice, and replace the information regarding capital and operational ward projects in this policy:</p> <ul style="list-style-type: none"> i) The CAPEX for ward allocations is withdrawn from ward allocations for 2021/22; ii) The OPEX ward allocation is reduced to R50 000 per ward for 2021/22; iii) That OPEX be utilised to fund COVID prevention projects; this is in line with the request from Western Cape Government – Department of Local Government that ward allocation projects be aligned to address COVID-19 pandemic; iv) The following list of goods will be circulated for councillors to choose from in order to be utilised for the COVID prevention projects: <table border="1" data-bbox="459 692 1426 1010"> <thead> <tr> <th colspan="3" data-bbox="467 696 1418 723">GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)</th> </tr> <tr> <th data-bbox="467 723 829 750">ITEM</th> <th data-bbox="829 723 1137 750">PRICE</th> <th data-bbox="1137 723 1418 750">QUANTITY NEEDED</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 750 829 777">Masks for children</td> <td data-bbox="829 750 1137 777"></td> <td data-bbox="1137 750 1418 777"></td> </tr> <tr> <td data-bbox="467 777 829 804">Masks for adults</td> <td data-bbox="829 777 1137 804"></td> <td data-bbox="1137 777 1418 804"></td> </tr> <tr> <td data-bbox="467 804 829 831">Face cloths</td> <td data-bbox="829 804 1137 831"></td> <td data-bbox="1137 804 1418 831"></td> </tr> <tr> <td data-bbox="467 831 829 857">Hand towels</td> <td data-bbox="829 831 1137 857"></td> <td data-bbox="1137 831 1418 857"></td> </tr> <tr> <td data-bbox="467 857 829 884">Polar fleece blankets</td> <td data-bbox="829 857 1137 884"></td> <td data-bbox="1137 857 1418 884"></td> </tr> <tr> <td data-bbox="467 884 829 947">250 ml refill sanitiser spray bottle</td> <td data-bbox="829 884 1137 947"></td> <td data-bbox="1137 884 1418 947"></td> </tr> <tr> <td data-bbox="467 947 829 974">5L bulk sanitiser</td> <td data-bbox="829 947 1137 974"></td> <td data-bbox="1137 947 1418 974"></td> </tr> <tr> <td data-bbox="467 974 829 1001">Hand soap (per box)</td> <td data-bbox="829 974 1137 1001"></td> <td data-bbox="1137 974 1418 1001"></td> </tr> </tbody> </table> v) Prices for the goods will be communicated as soon as the 2021/22 financial year commences. Current prices of goods will be made available to assist with planning processes. vi) A separate form similar to the table above will be issued that must be completed by ward councillors to register the COVID prevention project. vii) The goods will not be issued with a municipal logo, as the logo is only used for officials and official municipal branding. viii) Ward councillors must be discouraged from requesting nutritional support assistance. Currently, the Special Investigations Unit are investigating numerous municipalities around the country on matters related to food parcel / nutritional support irregularities, distribution and allocation. <p>Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:</p> <ul style="list-style-type: none"> 8.1 Be within Local Government mandate as defined in legislation. 8.14 Projects from the capital budget will be included in the main budget. No ward allocation will be made available for capital projects. (Removed from policy) 	GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)			ITEM	PRICE	QUANTITY NEEDED	Masks for children			Masks for adults			Face cloths			Hand towels			Polar fleece blankets			250 ml refill sanitiser spray bottle			5L bulk sanitiser			Hand soap (per box)		
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Supply Chain Management Policy	<p>Changes were made within the following sections of the policy:</p> <p>DEFINITIONS</p> <p>1.1.5. “Competitive bidding process” means a competitive bidding process referred to in paragraph 12 (b)(i) of this Policy;</p> <p>13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS</p>																														

Policy/ By-law	Summarized Nature of change
	<p>(b) Has authorised the Stellenbosch Municipality to obtain a tax clearance by means of the Tax Compliance Status Pin from, if applicable from the South African Revenue Services and Central Supplier Database Number (CSD) that the provider's tax matters are in order; and</p> <p>23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000.</p> <p>(g) Site Inspections / clarification meeting –</p> <p>(ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice. Service providers that are late for the commencement of the site inspection/clarification meeting will be disqualified.</p> <p>(iii) Minutes of all site inspection/clarification meetings must be kept for record purposes</p> <p>(iv) Any proposed Addendums to the advertised bid document must be tabled at the Bid Specification Committee Meeting for consideration and approval.</p> <p>26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS</p> <p>(2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and</p> <p>(3) The committee system must be consistent with –</p> <p>(a) Paragraph 27, 28 and 29 of this Policy;</p> <p>(b) Any other applicable legislation; and</p> <p>(c) The Accounting Officer may apply the committee system to formal written price quotations.</p> <p>28. BID EVALUATION COMMITTEES</p> <p>(14) The relevant User Department in consultation with the SCM Unit may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.</p> <p>(15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (in consultation with the relevant User Department or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.</p> <p>40. DISPOSAL MANAGEMENT</p> <p>(4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008 and Council's adopted Immovable Assets Policy.</p> <p>(7) The Accounting Officer is hereby authorized to dispose of movable capital assets:</p> <p>(8) (a) Up to a value of R 2 000 000.00</p> <p>(7) (b) Up to a value of R1 000 000.00 (CFO and BAC Members)</p> <p>43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER</p>

Policy/ By-law	Summarized Nature of change
	<p>(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.</p> <p>(4) Where the recommended bidder is not tax compliant on the date of award, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from the date of award. The proof of tax compliance submitted by the bidder must be verified by the Municipality. The Municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph.</p> <p>53. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD</p> <p>57. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES</p> <p>(3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:</p> <p>d) All the above will be applicable based on the gravity of the poor performance and will be analysed on a case by case basis co-ordinated by the Contract Management Section.</p> <p>59. GENERAL</p> <p>The Framework for Infrastructure Delivery and Procurement Management (FIDPM) and relevant Circular is attached as Annexures A and B respectively, depending on the ability of Stellenbosch Municipality to implement the content of the Framework, only those parts that are practically implementable will be applied. The proper assessments will be done accordingly.</p>
Development Charges Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. DEFINITIONS</p> <p>1.6 'consumer' means a person who purchases electricity, water or a service relating to the supply of electricity, water or removal of sewerage.</p> <p>1.8 'development charge (DC)' means a charge imposed by the Municipality on a developer or consumer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;</p> <p>1.9 "Engineer" means an eEngineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement Policy;</p> <p>6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE</p> <p>6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:</p> <p>6.2.1 Home / non-commercial early childhood development centres that serve the surrounding community.</p> <p>6.2.8 Public schools, hospitals, clinics and other public infrastructure projects developed and funded by government which provides a service to especially the poorer communities. These projects will have a social and economic benefit to these communities and the municipality in its whole and in so doing will alleviate some institutional and financial pressure on the Municipality in terms of providing social infrastructure and social development programmes.</p> <p>8. CALCULATION OF DEVELOPMENT CHARGES</p> <p>8.4 The basis upon which development charges unit costs of the civil services and community services will be determined, as envisaged in Paragraph 8.7, shall be consistent with National Treasury's "Policy Framework</p>

for Municipal Development Charges (as amended). The methodology for calculating unit costs can be summarised as follows:

- Choose a planning horizon in the future (say 20 years).
- Use town-planning scenarios and engineering masterplanning to determine what new services are required, such that at that point in the future, the joint capacity of existing and future services matches the number of consumption units that will be in place, being the existing amount plus the future development amount.
- Estimate the costs of the existing and future infrastructure, as though it was all being constructed at the present day, i.e. replacement cost for existing infrastructure or present-day cost for future infrastructure.
- Establish the number of consumption units that the total infrastructure will cater for i.e. existing consumption plus future consumption.
- From the above calculate the cost per unit consumption factor.
- The DC for the development in question is then calculated by multiplying the nett additional consumption needed for that development, by the cost per unit consumption factor.

8.7 Where possible, unit costs for each municipal infrastructure service should be re-calculated every five years to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

9. ACTUAL COSTS

9.1.4 Where a development is situated outside the urban area and was not taken into account during the determination of the Development Charges tariffs, then the Development Charges of that development will be based on its actual impact, as confirmed by a report by a professionally registered Consultant, appointed by the Developer, and as approved by the Municipality. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the Development Charges tariff tables and if it can be justified the Development Charges can be based on the actual impact/demand on the bulk infrastructure.

13. SUBSIDIES AND EXEMPTIONS

13.3 Developers will be allowed to apply for exemption for developments that comply with the following criteria:

13.3.1 In the case of registered non-profit organisations/community organisations/charity organisation developing social development projects that is beneficial to the community and where the applicant is able to demonstrate how the proposed development will have a social and/or economic benefit to the municipality. The use of any land or buildings, or any part thereof, shall not be for the private financial benefit of any individual, including as a shareholder in a company or otherwise.

14. OTHER PRINCIPLES TO BE APPLIED

14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of paragraph 9.1.4 for buildings/development related to the primary farming activities and can be classified

Policy/ By-law	Summarized Nature of change
	<p>as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved Development Charges tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.</p> <p>14.8 Handling of properties with historical land use rights: If a property (especially business and industrial zoned property) has an existing zoning right, it does not necessarily mean that DCs have been paid on the full development potential of the property when such zoning was approved. A DC credit can only be granted if a DC for a specific development or building has been paid in the past, or if there are existing permanent, legal buildings (has building plan approval) on the site which service demand has already been absorbed into the bulk service networks. Otherwise there is no justification for granting such a credit. The onus to prove that DCs have been paid is on the Developer/Applicant.</p> <p>14.9 Any increase of the demand of a service, such as electricity, water and sanitation, will trigger the equivalent payment of DCs, whether such property has gone through a town planning development exercise or not. Such DCs will be payable and the increase of services will not be allowed until such DCs have been paid, as provided for in Section 7 of the Norms & Standards for Water Services Authorities as allowed for by the Water Services Act as well as the NRS 069 CODE OF PRACTICE FOR RECOVERY OF CAPITAL COSTS FOR DISTRIBUTION NETWORK ASSETS as allowed for by the Electricity Regulation Act, Section 15</p> <p>14.10 Temporary Departures: No DCs will be charged on a temporary departure application, since the impact will be of a temporary nature. However, any further application to extend such right will trigger a DC. Should any upgrades be required due to the impact, even if of a temporary nature, the Developer will have to construct such upgrade at his own cost.</p>
Grant-in-Aid	<p>Changes were made within the following sections of the policy:</p> <p>6. GENERAL GUIDELINES AND CATEGORIES</p> <p>6.1. General Guidelines</p> <p>P7: 6.1.4: Insert word “applications” after funding at the start of the sentence.</p> <p>P7: 6.1.4 Insert (vii): “Where an applicant did not attend the compulsory clarification session as advertised”</p>

Policy/ By-law	Summarized Nature of change
	<p>6.1.4. Funding applications however will not be considered in the following instances:</p> <ul style="list-style-type: none"> (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding; (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year; (iii) Where only an individual will benefit; (iv) For political or ratepayers organisations/groupings; (v) Projects outside the boundaries of the Municipality; (vi) Where expenses have already been incurred, (vii) Where an applicant did not attend the compulsory clarification session as advertised, and (viii) Where applications were received after the due date and time for submissions.
Accounting Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. Basis of Preparation</p> <p>In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.</p> <p>The principal accounting policies adopted in the preparation of these annual financial statements are set out below.</p> <p>1.1 Going concern assumption</p> <p>These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.</p> <p>1.3 Internal reserves</p> <p>Self-insurance reserve</p> <p>The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.</p> <p>Accumulated surplus</p> <p>The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.</p> <p>1.4 Materiality</p> <p>Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or</p>

misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Sources of estimation uncertainty

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash generating units have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Measurement

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.9 Intangible assets

Item		Useful life
Computer software		3 - 30 years
Internally generated: Capital development	Straight-line	5 - 7 years
Service operating and land rights	Straight-line	5 - 30 years

Derecognition

Financial assets

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.15 Impairment of cash-generating assets

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

1.16 Impairment of non- cash generating assets

Non cash generating assets are assets other than cash generating assets.

Identification

When the carrying amount of a non cash generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non cash generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non cash generating intangible asset with an indefinite useful life or a non cash generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable

service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non cash generating assets is the present value of the non cash generating assets remaining service potential.

The present value of the remaining service potential of a non cash generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non cash generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non cash generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non cash generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Multi employer plans

The municipality classifies a multi employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

1.22 Accounting by principles and agents

2 Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality’s accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
☒ GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
☒ GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
☒ GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material

Policy/ By-law	Summarized Nature of change																
	<p style="text-align: right;">impact</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 5%; text-align: center;">☑</td> <td style="width: 55%;">GRAP 37: Joint Arrangements</td> <td style="width: 20%;">01 April 2020</td> <td style="width: 20%;">Unlikely there will be a material impact</td> </tr> <tr> <td style="text-align: center;">☑</td> <td>GRAP 38: Disclosure of Interests in Other Entities</td> <td>01 April 2020</td> <td>Unlikely there will be a material impact</td> </tr> <tr> <td style="text-align: center;">☑</td> <td>GRAP 110 (as amended 2016): Living and Non-living Resources</td> <td>01 April 2020</td> <td>Unlikely there will be a material impact</td> </tr> <tr> <td style="text-align: center;">☑</td> <td>GRAP 18 (as amended 2016): Segment Reporting</td> <td>01 April 2020</td> <td>Not expected to impact results but may result in additional disclosure</td> </tr> </table>	☑	GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact	☑	GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact	☑	GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact	☑	GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure
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☑	GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure														
Asset Management Policy	<p>Changes were made within the following sections of the policy:</p> <p>Review of residual value and useful life</p> <ul style="list-style-type: none"> • The municipality should assess whether there is any indication that the expected useful life of the asset has changed based on whether the condition of the asset has improved or declined. This is based on any condition assessments undertaken by the entity on its assets during the reporting period. Paragraph .60(f) of GRAP 17 should not be read as requiring a condition assessment at each reporting date. Condition assessments will be undertaken by entities on selected or identified assets as part of its on-going asset management. Instead, any information available from any condition assessments undertaken during the reporting period should be used to assess whether the useful life of particular assets should be changed. The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61). • All movable assets with a useful life of two years or less will be reviewed on an annual basis to ensure adherence to GRAP 1757 (c) if no other indicators are present or detected during the year under review. • The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount (GRAP 17.654) 																