

NDLAMBE LOCAL MUNICIPALITY



ENTERTAINMENT POLICY 2024/2025

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1. PURPOSE

- 1.1 The purpose of this policy is to provide guidelines for Councillors and Officials when incurring expenses for entertainment, meetings, office teas and meals in the course of performing official functions. It serves to ensure that work related entertainment, meetings, office teas and meals occurs in a controlled environment and in the best interest of the Municipality. It further strives to improve internal control and accountability regarding these expenditures.

2. SCOPE

2.1 This policy applies to:–

2.1.1 The Mayor

2.1.2 The Speaker

2.1.3 Executive Committee Members

2.1.4 The Municipal Manager

2.1.5 Directors (Section 57 Employee/Head of Department)

2.1.6 Any other official who has the delegated authority to authorize and arranged expenditure of this nature for the Municipality.

3. DEFINITIONS

3.1 The following definitions apply in respect of terms used in this policy –

3.1.1 **“Entertainment Expenses”** Costs incurred in networking and socialization associated directly with the business, purpose and mandate of the Ndlambe Municipality. Such expenses are required to be supported by documentary evidence to qualify.

3.1.2 **“Associated”** Having worked with or had a special relation with. For example, two partner Municipalities are associated with one another because of the business they conduct together.

3.1.3 **“Qualifying Official/Employee”** refers to those employees or Councillors referred to in the “Scope” section of this policy.

4. PRINCIPLES

- 4.1 Funding for entertainment and office teas and meals forms part of the Municipality's operational expenses and must be provided for in the annual budget of the Municipality. Under no circumstances may expenses be incurred unless sufficient funding is available under the respective line item / vote number.
- 4.2 Amendments to the budget of the entertainment line item may only be done with the approval of the Municipal Manager.
- 4.3 Expense regarding to office teas and meals are mainly for the use of:
- a) The Mayor
 - b) The Speaker
 - c) Executive Committee Members
 - d) The Municipal Manager
 - e) Directors (Section 57 Employee/Head of Department)
 - f) Visitors/ Guest of the abovementioned

It is expected that other officials will buy their own tea, coffee and meals, unless approved by the above Officials

- 4.4 Any expenses incurred for entertainment must be for official purposes only and should be in the interest of the Municipality at all times.
- 4.5 Under no circumstances may any private expenditure be incurred at any stage, even if there is an intention to repay such amount.
- 4.6 Entertainment, lunch, supper and or breakfast for oneself, friends and family are deemed to be private expenditure.
- 4.7 Entertainment expenses are subject to annual auditing. In this regard all claims for expenditure must at all times be accompanied by a receipt stating the goods/or services delivered as well as full details in respect of the occasion and attendees. Failure to do so will result in the expenditure to be regarded as unauthorised expenditure and the individual being held responsible in person for the amount of such expenditure, to the effect that such expenditures will not be processed for payment by the finance section
- 4.8 The usage of budgets/ funding for alcoholic beverages will only be allowed under the entertainment line items and must be applied with due diligence. This further implies that excessive spending (R100 or more per person per

occasion) in this regard may be investigated and personal liability may be determined by the accounting officer.

- 4.9 Entertainment allowances do not form part of any individual Councillor or official's remuneration package. The budget is intended for use within a particular department or political portfolio and will be controlled by the Municipal Manager.

5. POLICY PROVISIONS

- 5.1 The Municipality will, on an annual basis, identify positions that qualify for entertainment and office teas and meals budget.
- 5.2 Entertainment budget will be provided only in respect of those positions where incumbents are expected to entertain visitors and/clients of the municipality.
- 5.3 Beneficiaries of entertainment and office teas and meals must provide a reconciliation of expenditure to account for utilisation of funds on a monthly basis to the finance department.
- 5.4 Budgeted entertainment and office teas and meals budgets should be used with due discretion.
- 5.5 Budgeted amount for entertainment and office teas and meals will vary depending on the level of the position and the perceived level of entertainment and office teas and meals expected of the incumbent.
- 5.6 Amounts payable will be reviewed on an annual basis in line with the budget process.
- 5.7 The Municipal Manager may suspend payment of an entertainment and office teas and meals budget where there is evidence of abuse.

6. PROCEDURES

6.1. DETERMINATION OF BUDGET AMOUNT

- 6.1.1 Budgeted amounts are to be determined on individual basis / activities as well as provision for corporate purposes.
- 6.1.2 Budgeted amounts are to be determined at the beginning of each financial year in the Budget process and may **not be exceeded at all**.
- 6.1.3 The Chief Financial Officer in consultation with the relevant Director will make recommendations to the Municipal Manager each year on what the individual entertainment and office and teas meals budgeted amount should be.
- 6.1.4 The Municipal Manager will then obtain approval from Council before the beginning of each financial year on the proposed entertainment and office teas

and meals budgeted amount for the new financial year through the budget process

6.1.5 Pre- authorisation of any entertainment expenditure is to be done by the Municipal Manager prior to any expenditure being incurred.

6.2 PROCEDURES FOR CLAIMS

6.2.1 Expenditure paid for by members mentioned in the scope above

- a) Expenditure incurred can be claimed back upon submission of the required documentation. Such documentation must at least include the receipt specifying the goods and/or services rendered as well as particulars in respect of the occasion and attendees. The method of reimbursement is by requisition/order and will be left to the sole discretion of the Chief Finance Officer.
- b) The Municipal Manager must approve all expenditure claims before reimbursement can be effected.
- c) Before any expenditure claims are reimbursed the Chief Finance Officer must ensure that the necessary funds are available from the specified vote number. It is the responsibility of the Municipal Manager and Heads of Department alike to ascertain the ***availability of funds before committing to any expenditure.***

6.3 MANAGEMENT REPORTING

6.3.1 Management information concerning the status of all official municipality entertainment and office teas and meals use of entertainment and office teas and meals budgets and expenses shall be made available on a monthly basis on the report of the Director of Finance to the Executive Committee.

7. DELEGATIONS

7.1 This policy is to be applied in accordance with the Municipality's policy and procedures on delegated powers.

7.2 The delegations refer to those between the Municipal Council and the Municipal Manager, and between the Municipal Manager and other responsible Officials.

7.3 All delegations are to be recorded in writing