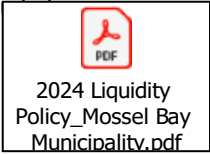


mSCOA REGULATIONS
COMMENTS REGISTER: RESERVES

No.	Presented Agenda Item	Description of Comments/ Questions	Potential Impact	Contributor Name	Contributor Organisation	Date Received	Date Closed	Action Owner	Progress Status	Notes
1	Treasury and Cash Management: Investments and Reserves	Slide 24 - "Link the reserves to individual bank accounts" - Mossel Bay Municipality use the liquidity policy to determine overall cash backing of reserves. Attached please find our liquidity policy with the detail calculation incl 	Input provided	Henni le Roux	Mossel Bay Municipality	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Noted
2	Findings from system Audit and National Treasury Assessment Slide 11	The reserves is back by cash, it is however monitored by the liquidity calculation	Input provided	Hennie Le Roux	Mossel Bay	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Noted
3	Determine long term planning Slide 21	The challenge in the Municipality is once there's a profit there's pushback on why is the money given away when there's a need for service delivery. Question if this process will ease that pushback	Clarity	Adil Nunkumar	Kwadukuza Municipality	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Creating reserves and ring fencing the investment funds will assist in accordance with the reserves policy, and the movement between reserves and accumulated surplus is effected via Statement of Net Assets
4	Determine long term planning Slide 21	At Saldanha Bay our cash and investment policy stipulates which reserves, provisions and liabilities must be cash backed. Reconciled monthly. Except capex from reserves that does not go through Statement of Financial Performance.	Input provided	Sybrand Roets	Bitou Municipality	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Noted
5	Determine long term planning Slide 21	Suggested creating an expenditure item (Contribution to reserves) that will neither show surplus nor loss month to month.	Input provided	Siyabonga	uMhlathuze	04-Nov-24		Kashnee Sewnarain	In Progress	In accordance with GRAP, this is not permitted, as reserves are net assets and must be managed via Statement of Net Assets
6	Recognise Spending on reserves- Slide 26	Highlighted that linking of investments or reserves might be impractical because once an investment matures that account is closed	Input provided	Zindzi Korasie	Saldanha Bay	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Noted. Consideration has been given to management of a group of investment accounts.
7	Recognise contribution on reserves- Slide 27	Shared concerns: Money needs to be generated to cashback. It will be difficult to link the reserves to separate accounts.	Clarity	Hennie Le Roux	Mossel Bay	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Reserves are required to be cash backed with money in investment accounts.
8	Recognise contribution on reserves- Slide 27	Suggested that there needs to be a policy directive to give guidance in instances of lack of revenue. So that the funding of reserves doesn't take a hit over expansion	Clarity	Adil Nunkumar	Kwadukuza Municipality	04-Nov-24	01-Dec-24	Kashnee Sewnarain	Completed	Consider analysis of budget from NT, budget assessment process. The MFMA requires budget to be funded. The annual MFMA Budget Circulars reiterate this. Funding assessment are done for tabled and adjustment budget and municipalities are required to get to a funded position where it is not funded. No further policy directive is required from NT and PTs. Council policy to address lack of funds for operations / expansion vs investment.