

# **NORTHERN CAPE PROVINCIAL GOVERNMENT**



## **OFFICE OF THE PREMIER REVENUE POLICY**

## REVENUE POLICY

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#### 1. Legislative mandates

The policy directive is based on the following relevant legislation and financial prescripts:

- ⇒ Treasury regulations as issued in accordance with the Public Finance Management Act, 1999
- ⇒ Public Finance Management Act, Act No. 1 of 1999 (as amended by Act 29 of 1999)
- ⇒ Dora Revenue Act

#### 2. Policy objectives

This policy outlines procedures and accounting treatment of revenue.

#### 3. Scope of application

This policy is applicable to all employees of the OTP, in accordance with the nature of their functions.

#### 4. Policy summary

Equitable share/Voted funds are the main source of revenue that accounts for approximately 95% to 99% of the departmental revenue. Equitable share's related processes as outlined on treasury regulations shall be followed by the department at all times.

The Office of the Premier is not a revenue collecting department due to its functions. Examples the other revenue (other than the equitable share) are staff/persal related e.g. garnishes & insurance, sale of tender documents, sale of old assets e.t.c.

Tariffs for the sale of tender documents and old assets are determined in terms of supply chain management.

Some of the persal related receipts (Admin fees) are loaded on the system by National Office as follows and are automatically implemented on persal:

- Garnishees = 5%
- Insurance = 5%
- Others

## **5. Accounting treatment**

Recognition and measurement of revenue expenditure shall be treated in terms of latest available guidelines for the compilation of the Annual Financial Statements issued to by National Treasury to departments on an annual basis.

**Endorsed by SMT**