

LESEDI LOCAL MUNICIPALITY

**STANDARD OPERATING PROCEDURES
FOR REVENUE MANAGEMENT – KEY CONTROLS
(2013/2014)**

NR	PROCEDURE	FREQUENCY	RESPONSIBLE PERSON
1	Key Controls: Revenue management		
1.1	Senior personnel monitor on a daily basis that all revenue transactions are recorded accurately and timeously, including direct income.	Monthly basis	Manager Revenue and Credit Control
1.2	Water meters are read on a monthly basis.	Monthly basis	Manager Revenue and Credit Control
1.3	Ensure monthly reconciliations are performed for debtors, deposits, halls and refunds, any variances to be followed up, investigated and necessary adjustments be made. Reconciliations to be reviewed and signed off by Manager	Monthly basis	Manager Revenue and Credit Control
1.4	Actual revenue is compared to budgeted revenue on a monthly basis and explanations for significant variances are provided to the CFO and Municipal Manager.	Monthly basis	Manager Revenue and Credit Control
2	Key Controls: Accounts receivables		
2.1	Senior personnel monitor on a daily basis that all unallocated deposits are followed up, investigated and allocated to the appropriate customer accounts.	Monthly basis	Accountant Income /Manager Revenue and Credit Control
2.2	The debtors' sub-ledger is reconciled to the debtors control account on a monthly basis.	Monthly basis	Accountant Income, Manager Revenue and Credit Control
2.3	The amount per the age analysis agrees to the amount per the general ledger. Debtors'	Monthly basis	Manager Revenue and Credit Control

NR	PROCEDURE	FREQUENCY	RESPONSIBLE PERSON
	reconciliations are prepared and reviewed by appropriate senior management.		
2.4	Provision for doubtful debts is calculated in accordance with GRAP on a monthly basis. This provision is reconciled to the general ledger and is approved by the appropriate level of senior management.	Monthly basis	Manager Revenue and Credit Control
2.5	The adequacy of the provision for bad debts is assessed on a regular basis	Monthly basis	Manager Revenue and Credit Control
2.6	Debtors are collected timeously in line with legislated requirements (MFMA sec 64, MSA sec 95, Credit Control and Debt Collection)	Monthly basis	Manager Revenue and Credit Control

APPROVAL OF SOP

SIGNATURE : LINE MANAGER

DATE

SIGNATURE : HEAD OF DEPARTMENT

DATE