



---

**Policies Amendments Register – 2019/20**

# Centlec (SoC) Ltd – Policies Amendments Register

---

POLICY / PROCEDURE NAME	VIREMENT POLICY			
SUMMARY OF ISSUE	REF.NO (Par. in policy / procedure)	PROPOSED AMENDMENT / CHANGE	SOURCE DETAILS (e.g Legislation, regulation, etc)	Priority / Risk
Amended paragraph	Sec 4	d) The total amount transferred from and to line items within a particular cost centre in any financial year may not exceed 5% of the total operating budget allocated to that cost centre.	MFMA Circular No. 51	Priority
Added- paragraph	Sec 7	In cases of emergency situations a virement shall be submitted with a motivation signed by the duly delegated officials.	Best Practice – Internal	Priority

# Centlec (SoC) Ltd – Policies Amendments Register

POLICY / PROCEDURE NAME	SUPPLY CHAIN MANAGEMENT POLICY			
SUMMARY OF ISSUE	REF.NO (Par. in policy / procedure)	PROPOSED AMENDMENT / CHANGE	SOURCE DETAILS (e.g Legislation, regulation, etc)	Priority / Risk
Added paragraph-Legislative context	Sec 4.4	<p>4.4 THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) AND ITS REGULATIONS</p> <p>4.4.1 Government is committed to transformation and creation of a business environment conducive to all. The Preferential Procurement Regulations 2017 are premised on three interrelated government policy objectives:</p> <p>4.4.2 Socio-economic transformation,</p> <p>4.4.3 Promotion of small enterprises, cooperatives, rural and township enterprises and</p> <p>4.4.4 Promotion of local industrial development.</p> <p>4.4.5 The Preferential Procurement Regulations, 2011 were focused on aligning the aims of PPPFA and B-BBEE. The Preferential Procurement Regulations, 2017 provide an added advantage to designated groups and Small Medium and Micro Enterprises (SMMEs) also classified as EMEs and QSEs in B-BBEE Act and the Codes of Good Practice.</p> <p>4.4.6 However, the PPPFA introduced the 80/20 and 90/10 preference points system, which should not have been included in the Act, as it limited the allocation of preference points, and any amendments envisaged could only be effected by a change in legislation.</p> <p>4.4.7 The PPPFA regulations of 2001 gave organs of state to whom the Act applied the discretion to prefer targeted groups (i.e. allocate bonus points to certain categories of persons).</p> <p>4.4.8 The PPPFA regulations of 2011 introduced the B-BBEE scorecard, which inhibited the targeting of certain groups, and instead focused on broad-based black economic empowerment.</p> <p>4.4.9 Thresholds for application of preference points increased:</p> <p>4.4.10 80/20 preference points – R30 000 up to R50m (Regulation 6)</p> <p>4.4.11 B-BBEE points for level 3 have been reduced from 16 to 14 to align with the amended codes</p> <p>4.4.12 90/10 preference points – Above R50m (Regulation 7)</p> <p>4.4.13 B-BBEE points for level 3 have been reduced from 8 to 6 to align with the amended codes</p>	National Treasury Preferential Procurement Regulations 2017	Priority

# Centlec (SoC) Ltd – Policies Amendments Register

POLICY / PROCEDURE NAME	VAT POLICY			
SUMMARY OF ISSUE	REF.NO (Par. in policy / procedure)	PROPOSED AMENDMENT / CHANGE	SOURCE DETAILS (e.g. Legislation, regulation, etc)	Priority / Risk
Amended paragraph - Legislative context	Sec 2	<p>Refer to paragraph 78 of the Vat 419 guide for more details on municipal entities.</p> <p>Furthermore paragraph 7.5 of VAT 419 guide for municipalities state that a municipal entity is not municipality . Only certain municipality entity, namely those supply electricity/ power, gas, water or refuse removal are allowed to account for VAT on the payment basis.</p>	VAT 419 guide	Priority
Amended paragraph - Legislative context	Sec 4	<p>b) The entity must account for VAT on a cash basis unless application has been made and permission has been received from SARS to use the payments basis or cash basis of accounting.</p> <p>c) Where the cash basis of accounting is used, the entity must account for the full amount of VAT included in the price of the goods or services supplied in the tax period in which the time of supply has occurred. This means that the entity must therefore account for the full amount of output vat on any supplies made in the tax period.</p>	VAT 419 guide	Priority