



the dr&pw

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL POLICY FINANCIAL DELEGATIONS

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1. INTRODUCTION

The purpose of this 'better practice guideline' is to provide information about the delegation of powers within the DR&PW. It primarily focuses on the delegation of department's Accounting Officer's powers under the The Public Finance Management Act 1999 (PFMA) and the National Treasury Regulations (NTR) 2005.

The intention of this better practice guideline is not to cover all possible aspects of delegation, but rather provide broad guidance regarding the management of financial delegations.

- *What is delegation?*

Essentially, delegation is the efficient allocation of powers to people with the appropriate ability and experience.

Delegation is necessary in order for senior management to achieve all required tasks in a timely manner. This applies to all industry sectors, including Government.

A delegate is "a person invested with the authority to carry out the functions, powers and duties of, or to act on behalf of, or represent, others".

From the department's perspective, a delegate is a person who occupies an official position within the department, that position having been assigned authorities or powers by the Executing Authority (EA) and Accounting Officer (AO) by way of delegation.

2. REGULATORY FRAMEWORK

The regulatory framework for the department's financial management has its basis in the following Acts:

- Public Finance Management Act (PFMA), 1999, (Act No.1 of 1999) as amended, and the
- Treasury Regulation (NTR) May 2005.

The delegations of the AO are guided by Sections 44 and 45 of the PFMA.

Section 44: Assignment of powers and duties by the accounting officer:

In terms of section 44(1) (a) the AO may delegate in writing any of the powers entrusted or delegated to the AO in terms of the PFMA to an official in the department or in terms of section 44(1)(b) instruct any official in the department to perform any of the duties assigned to the AO in terms of the Act.

Section 44(1)(a) *Delegation must be in writing;*

- Section 44(2)(a) *Delegation is subject to any limitations and conditions prescribed in terms of the Act or conditions the AO may impose;.*
- Section 44(2)(c) *Delegation may be made to a specific individual or to the holder of a specific post;*
- Section 44(2)(d) *Does not divest the AO of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty*
- Section 44(3) *The AO may confirm, vary or revoke any decision by an official as a result of a delegation subject to any rights that may have become vested as a consequence of the decision;*

Section 45: Responsibility of other officials

The key elements in terms of section 45 are that an official:

- Section 45(a) Must insure that the system of financial management and internal control is carried out within his or her area of responsibility;
- Section 45(b) Is responsible for the effective, efficient, economical and transparent use of financial and other resources within his or her area of responsibility;

- Section 45(c) Must take effective and appropriate steps to prevent any unauthorised, irregular or fruitless and wasteful expenditure within his or her area of responsibility;
- Section 45(d) Must comply with the provisions of the PFMA to the extend applicable to that official, including any delegations and instructions in terms of section 44;
- Section 45(e) Is responsible for the management of the assets and liabilities within his or her area of responsibility including safeguarding of the assets of the department.

The key elements of section 44 and section 45 are:

Delegation must be in writing

A delegation must be in writing and signed by the appointer. Where a delegate exercises a delegation in writing it is essential that he/she signs the relevant documentation in person. Signature stamps and signing for and/or on behalf of a delegate are not permissible and will render the action invalid.

Delegation may be made by name or position

Although the Act provides that delegations may be made by name or holder of a specific post, financial delegations should be assigned to post titles, rather than occupants of positions. Having delegations assigned to a post means that any occupant of the position is automatically entitled to exercise the delegations associated with the position. If delegations are assigned by name to individuals, maintenance of delegations is increased and delegations may not be capable of being exercised if the delegate is absent.

However, it is the person currently occupying a particular post to which a delegation has been made who can exercise that delegation. This person may be the acting occupant of the position. It is important that people acting in positions are aware of, and possess the skills to adequately exercise, the delegations made to their positions.

Power to delegate may not be delegated

The power to delegate may not be delegated by the AO. The AO will always retain control over all delegations he/she has assigned to a delegate. If the power to delegate could be delegated, there would be no effective control.

AO responsible for delegated function

The delegation of a function, or part of a function, does not relieve the AO of his/her obligation to ensure that the function is properly exercised. For example, the AO may delegate a function to another person, but he/she has the responsibility to ensure that the delegate is sufficiently able to exercise the delegated power, in other words, that the delegate has been properly trained and is fully aware of delegation limits.

Within the system of government there exists a balance between the EA, being responsible for all activities of the Department, and the AO and individual officers being held accountable for their actions. This same situation exists in regard to the exercise of delegations. Although in a more general sense, responsibility is maintained by the EA or AO, individuals exercising delegations are personally accountable for specific decisions they make.

AO may exercise delegated function

Delegations enabling delegates to exercise powers in their own right, does not result in the power being removed from the AO. The AO can still exercise the powers as necessary.

Delegation not affected by changes in the office of the AO

Where legislation gives a power-holder the power to delegate, a change in the holder's position will not result in a delegation ceasing to have effect. For example, a delegation will continue to have effect where there has been a change in the office of the Head of Department.

3. MANAGING DELEGATIONS

The PFMA and the Treasury Regulations establish the legislative framework through which AOs are accountable to their relevant EA's for the management of their departments.

3.1 Responsibilities

Accounting Officer

The AO of a department is responsible to their EA for their department's administration and business. This includes ensuring that the expenditure of the department does not exceed the limit of its appropriations and that there are adequate controls over assets and

liabilities and that expenses incurred, and payments made, by the authority are properly authorized

Sections 44(1)(a) and (b) of the PFMA allows the AO to delegate to a departmental official all, or any, of his powers. To delegate his powers, a formal, written and signed 'instrument of delegation' by the AO is required.

In practice the management of financial delegations is administered by the Chief Financial Officer on behalf of the AO.

Accounting Officers/Chief Financial Officers responsibility:

- delegations are made in writing under the hand of the person holding the position as defined in the legislation;
- delegations are made to positions at the most appropriate level in the department in terms of decision-making;
- delegations clearly state the maximum authority levels;
- delegations are current, documented and readily available to staff (including placement of the delegations on the departments intranet); and
- the appropriateness of delegations be reviewed on a regular basis, particularly following the reorganisation, or restructuring of an institution or when the duties for a position are substantially varied, or the position assumes a new role or responsibility.

Supervisors responsibility:

Supervisors who have staff that hold delegations have the following responsibilities:

- ensure staff holding a delegation understand the powers and limitations, and responsibilities of their delegations;
 - provide new staff, and existing staff members who are promoted with a statement detailing the delegations attached to their position.
 - ensure that staff exercising delegated authority receive training at a level sufficient to enable them to carry out their responsibilities;
-

- ensure that staff holding delegations possess the skills and knowledge to effectively exercise them; and
- ensure that any acting arrangements are actioned within the Human Resource Management System (that is, temporary transfers or similar) to provide evidence of the period for which the person occupies the position.

Staff

Staff with delegations, are responsible to the AO for the results of exercising their delegations. Staff responsibilities pertaining to delegations include the following:

- where staff are assigned certain delegations, they should check that the appropriate authority has been given;

This authority must be in writing. Staff can check whether they have this authority by sighting the instrument of delegation. For financial delegations, this should be available from the staff member's supervisor, or the department's corporate administration area.

- staff with delegated authority should not exercise that authority where it would involve a conflict of interest;

Delegated officers should not authorise transactions relating to themselves or a family member or organisation with which they have a personal or business relationship. For example, they should not approve any form of remuneration or payment that relates to themselves, for instance, travel or reimbursement of expenses. This action creates a conflict of interest whereby the department concerned may be exposed to fraud.

Authorisation of transactions for a delegated officer must be by the officer's supervisor, assuming the supervisor holds the appropriate delegation. If the supervisor does not hold the appropriate delegation, then authorisation is to be done by another delegated officer of at least the same level. Authorisation is not to occur by subordinate staff.

The only exception to this rule would be in regard to approval of expenditure for the AO. In this situation it would be appropriate for the Chief Financial Officer to approve the expenditure for the AO.

- staff that hold delegated authority must become familiar with the delegation policies and guidelines, and have an appropriate understanding and knowledge of the requirements of relevant legislation, departmental policies and guidelines relating to the delegation they hold;
- approval of transactions and/or payments must not exceed the delegation holder's monetary, delegated authority and be limited to the position's area of organisational responsibility;

For example, a staff member may have a delegation to approve expenditure up to R 10,000. If they are asked to sign for an expense item in excess of this amount, they cannot sign it. It must be taken to an officer with appropriate delegation. Under no circumstances should a single large transaction, which may exceed the delegated limit of authority for an officer, be split into multiple, smaller, transactions that then fall within the levels of delegated authority for that official.

- staff acting in a position, need to be aware of the delegations assigned to that position; and
- staff holding a delegation, cannot sub-delegate to any other officer of another position any portion of their delegation.

Temporary Employees and Contractors

Where a department experiences staffing shortages, it is common practice for departments to employ a temporary employee, or engage a contractor.

In either situation, it will often be important for the temporary employee or contractor to exercise certain delegations to perform their functions, particularly where they are filling temporary vacancies.

Where a contractor is engaged, as they are not permanent officers of the department, when exercising delegations it may be appropriate to place tighter restrictions or implement higher levels of control and supervision.

3.2 How to determine what actions require a delegation

Sections 38 to 43 of the PFMA specify the financial responsibilities AO of a department.

Section 38 responsibilities include a general requirement for AO to be efficient and effective in the management of their department, as well as the following specific financial management responsibilities:

- ensure that expenses/payments are properly authorised
- maintain adequate control over assets
- maintain adequate control over the incurring of liabilities

Unless the AO is to personally undertake performance of these financial control processes, then related functions associated with the operation of these controls will be delegated to other officials. As a result, the department will need to ensure that these specific financial control processes are covered by delegations.

Although actions required to meet each of the specific financial control processes may involve performance of a variety of individual actions, there generally exists either a single, or a smaller number of key actions. An example is in relation to the payment of moneys (not the initial approval for expenditure, which is a separate process).

Actions associated with this process range from recording of invoice details into the financial system to production of a cheque or electronic funds transfer.

Identification is required of the key processes to ensure that the PFMA financial responsibility requirement is met. In this example for the payment of moneys, the key control would be the authorisation of the payment into the financial system as this action causes generation of payment processes. It is the key quality control process to ensure the validity of payments made.

Significant control processes associated with the payment of moneys for which delegations are not considered necessary would include the recording of invoice details into the financial system, signing of cheques and review of payment details by a senior finance officer. Although a delegation may not be required, specific procedures should exist in regard to operation for each of these significant financial processes.

In regard to the general requirement included under Sections 38 for the AO to be efficient and effective in the management of their agencies, other than delegations in regard to specific responsibilities stated in the PFMA, the department may identify other key areas

where delegations are considered appropriate, for example, determination of revenue amounts, other than those requiring Treasury approval

A common feature of determining when a delegation is necessary is when a key financial decision is required to be made. This contrasts with a financial process occurring 'downstream' as a result of the key decision. In the latter situation it is not considered that a delegation is necessary, instead process requirements can be specified through administrative guidelines, for example, policies.

Minimum recommended delegations for use by the department are included in Attachment B. With regard to the specific AO's responsibilities included in Sections 38 to 43 of the PFMA, delegations are specifically included in Attachment B for 'Authorisation of Expenditure' and 'Control of Assets'. Specific delegations are not included for the control of liabilities, as this action is already covered through the exercise of other delegations, for example, for the authorisation of expenditure, or human resources delegations for the appointment of staff.

3.3 Issuing, reissuing and withdrawing delegations

Issuing delegations

When issuing a delegation the following should be adhered to:

- the delegation should be in writing and issued to a post title or post number, not to a person; and
- the delegation instrument should clearly identify the delegate, the section of the legislation that allows the delegation, and the power being delegated.

Reissuing delegations

- Amendments made to a statutory provision that is delegated does not invalidate any prior instrument of delegation, it continues to apply to the section, as amended. It is therefore unnecessary to reissue the delegation.
- Where the AO has delegated power derived from the PFMA and the relevant legislative provisions are amended, the AO will determine whether it is necessary to reissue delegations.

- If legislative provisions relating to AO's delegations are amended, the department will need to review delegations to ascertain whether they will need to be reissued.
- It should be noted that when a delegation is repealed or withdrawn, this does not render any previous, duly authorised actions as invalid. Note also that a delegation is not negated through a change in the person occupying the position that holds a delegation. Therefore, new delegations are not required where a staff member, of the post that holds the delegation, changes. However, it may be necessary to familiarise the new staff member with their delegations and the skills required to exercise them.

Withdrawing delegations

- The power-holder can withdraw a delegation at any time, either in whole or in part. For example "if the power to delegate is exercisable only with the Minister's approval, the power to revoke the delegation is exercisable only with the Minister's approval."
- In instances where there is a transfer of functions between departments, delegations cease. For example, where there is a transfer of function from one department (the originating department), to another (the receiving department), delegations of power to officers within the originating department who are responsible for performing those functions will cease to have effect at the time the functions, together with relevant staff, are transferred.
- New delegations will need to be made for staff holding the equivalent position in the receiving department. Those new delegations should be made as soon as practicable after the creation of the equivalent positions, as the new AO will be held accountable for any decisions exercised under their delegations.
- The delegations register for both the originating and receiving department are to be amended accordingly.
- Similar considerations apply in the case of discontinued departments. Delegations of power to officers of that department will cease to have effect at the time the department is discontinued. If the functions performed by the discontinued department are transferred to another department (the receiving department) the usual course is to create positions in the receiving department equivalent to the

positions in the discontinued department. New instruments of delegation should be made as soon as possible for staff holding the equivalent position in the receiving department.

3.4 *What cannot be delegated*

The general principle of delegation is that the powers in legislation can be delegated, except for the power to delegate, or where legislation specifically does not allow delegation.

The following are examples of decisions that cannot be delegated:

- the power to delegate; and
- borrowing money on behalf of the government.
- Appointment of the Chief Financial Officer.

4. APPLICATION ISSUES FOR SPECIFIC DELEGATIONS

4.1 *Whole of Government*

The PFMA gives a number of powers exclusively to the Head of Treasury. In order to expedite financial administration, the Head of Treasury can delegate most of those powers. As a general rule, delegations relating to whole of government issues are managed by the Department of Treasury.

4.2 *Revenue*

(a) Approval for setting of revenue charges

Generally, it is recommended that a delegation be in place for those revenue items that do not require legislative approval.

(b) Write-off of debt

A 'write-off' of a debt may be appropriate where the likely costs of recovery action will exceed the benefits of collection. Before a debt can be written-off from the books, approval is required by a delegated officer. This approval must be in writing.

4.3 Expenditure

(a) Approval of expenditure

Where an officer has a delegated authority to approve expenditure, before exercising that delegated authority the officer must be satisfied in regard to the following:

- that the expenditure would be in accordance with the approved budget for that year, both in regard to rand amount and the purpose of the expenditure;
- that the incurring of the expenditure has been approved;

This may be through a purchase order request (where purchased orders are used), subscription notice or travel requisition. In some circumstances, particularly where purchase orders are not used, no written prior approval will exist, for example, for electricity and gas charges. In these circumstances the key process is to ensure that the goods have been received, or the services have been provided, and that they relate to official use.

- the expenditure is necessary and reasonable;
- the expenditure is coded correctly and accurately portrays the nature of the expenditure incurred; and
- the expenditure is within the delegation limit.

Decisions made pursuant to the delegation to spend, may be subject to scrutiny and/or audit review. Therefore, all expenditure approvals are to be documented. The minimum requirement is for each payment invoice to be signed and approved by a person holding the relevant delegated authority for the type and level of expenditure concerned.

(b) Write-off of Assets

To ensure that proper control is maintained over assets, a delegation is required for the write-off of assets, for example, property, plant and

equipment. The official approving the write-off of the asset is responsible for deciding whether:

- the write-off of the asset is appropriate;
- the process to be followed is consistent with the policy of the department and any other guidelines or instructions; and
- adequate records of the write-off exist for management, audit and review purposes.

4.4 Procurement

The procurement of goods and services undertaken by Government departments must be conducted in accordance with the Public Finance Management Act 1 of 1999, Treasury Regulations 2005, Preferential Procurement Policy Framework Act nr 5 of 2000 and National Treasury Supply Chain Guide for AOs issued February 2004, and any other legislation or other relevant Government policy obligations under which the department conducts procurement.

The different procurement measures are:

- Quotations;
- Tenders;
- RT Contracts;
- Provincial contracts
- Departmental Term Contracts and
- Public Private Partnerships.

Official procuring goods and services (current and capital) must ensure that the procurement of the goods and services are not already covered by any existing contracts.

5. ANNEXURE A - INSTRUCTION NOTE

**FINANCIAL DELEGATIONS
FOR THE DEPARTMENT**

**INSTRUMENT OF AUTHORISATION FOR THE PURPOSES OF ACCOUNTING
OFFICER'S DELEGATIONS**

ALL PROGRAMME MANAGERS AND COST CENTRE MANAGERS

ACCOUNTING OFFICER: VOTE 5: DEPARTMENT OF ROADS AND PUBLIC WORKS – ISSUING OF INSTRUCTIONS AND FINANCIAL DELEGATIONS PERTAINING OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999 AND THE NATIONAL TREASURY REGULATIONS.

1. Under the powers vested in me by sections 44(1)(a) and (b) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended (the Act), I Kholekile Nogwili of the Department of Roads and Public Works of the Province of the Northern Cape as the Accounting Officer for the said Department, hereby instruct and delegate to departmental officials, subject to the remarks, limitations and conditions as set out in the attachments hereto (Annexure's A and B), the powers and duties entrusted to me in Regulations issued in terms of section 76 of the Act.
2. Furthermore, under the powers vested in me by sections 44 (1)(b) and 44(2)(b) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended, I, hereby issue departmental finance instructions pertaining to the said Department, as indexed hereto (Annexure C).
3. The attached instructions and financial delegations are effective immediately.
4. All officials must note the following definitions, sections of the Public Finance Management Act, 1999 and other departmental instructions:
 - 4.1 The definition of the Public Finance Management Act, 1999 includes any regulations and instructions in terms of sections 69, 76, 85 or 91;
 - 4.2 Specific sections of the Public Finance Management Act, 1999
 - 4.2.1 Section 38(1)(h):

The Accounting Officer for a department, trading entity or constitutional institution must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who-

- (i) contravenes or fails to comply with a provision of this Act;
-

- (ii) commits an act which undermines the financial management and internal control system of the department, trading entity or constitutional institution; or
- (iii) makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure

4.2.2 Section 38(1)(n)

The Accounting Officer for a department, trading entity or constitutional institution, must comply, and ensure compliance by the department, trading entity or constitutional institution, with the provisions of this Act.

4.2.3 Section 44(1), (2) and (3)

- (1) The accounting officer for a department, trading entity or constitutional institution may-
 - (a) in writing delegate any of the powers entrusted or delegated to the accounting officer in terms of this Act, to an official in that department, trading entity or constitutional institution; or
 - (b) instruct any official in that department, trading entity or constitutional institution to perform any of the duties assigned to the accounting officer in terms of this Act.
- (2) A delegation or instruction to an official in terms of subsection (1)-
 - (a) is subject to any limitations and conditions prescribed in terms of this Act or as the relevant treasury may impose;
 - (b) is subject to any limitations and conditions the accounting officer may impose;
 - (c) may either be to a specific individual or to the holder of a specific post in the relevant department, trading entity or constitutional institution; and

- (d) does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.
- (3) The accounting officer may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision.

4.2.4 Section 45

An official in a department, trading entity or constitutional institution-

- (a) must ensure that the system of financial management and internal control established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official;
- (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
- (c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorized expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;
- (d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 44; and
- (e) is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.

4.2.5 Section 81(2)

An official of a department, a trading entity or a constitutional institution to whom a power or duty is assigned in terms of section 44 commits an act of financial

misconduct if that official willfully or negligently fails to exercise that power or perform that duty.

- 4.3 The National Treasury Regulations were issued in terms of section 76 of the Public Finance Management Act, 1999, while the instructions and delegations in the accompanying Annexures are issued in terms of section 44 of the Public Finance Management Act, 1999. The Departmental Finance Instructions are also issued in terms of section 44 of the Public Finance Management Act, 1999.
- 4.4 In addition to being subject to the National Treasury Regulations compliance with the instructions and delegations are *also subject to full compliance with the all National and Provincial procurement legislation, practice notes, instruction notes, regulations and departmental finance instructions, as issued and amended from time to time.*
- 4.5 It is expected of staff to comply fully with the provisions of the Public Finance Management Act, 1999, the National Treasury Regulations, all National and Provincial procurement legislation, practice notes, instruction notes, regulations and the departmental finance instructions and the instructions and financial delegations together with the qualifying remarks, limitations and conditions. It is, therefore, imperative that officials be precise when utilising their delegated powers and/or when executing their duties in terms of the Public Finance Management Act, 1999.
- 4.6 Where an official has any uncertainty regarding the performance of any power or duty, such uncertainty must immediately be reported to his or her supervisor who must ensure that the correct information is obtained.
- 4.7 The provision of section 86(3) of the Public Finance Management Act, 1999, and chapter 4 of the National Treasury Regulations must also be particularly noted.
- 4.8 Please ensure that each official within your component acknowledges receipt of a copy of this policy.

KHOLEKHE NOGWILI
ACCOUNTING OFFICER

6. ANNEXURE B1 - FINANCIAL DELEGATIONS INDEX

DELEGATION DESCRIPTION	ANNEXURE NO
Revenue	B1
Authorization of Expenditure (Supply Chain Management)	B2
Authorization of Payments	B3
Control of Assets	B4

7. ANNEXURE B2- REVENUE

B1(1) – Determination of other charges

Authorization:

In accordance with the responsibilities vested in me under Section 44 of the Public *Financial Management Act 1999*, I hereby authorize the person performing the duties of each office specified in Columns 4 and 5, the powers specified in Column 3 under the Act specified in Column 2, subject to the limitations stated in Columns 6 and 7.

Responsibilities:

To determine levels of charges applicable to revenue sources, other than those determined by Legislation in accordance with current procedures, guidelines and policies.

<i>Column 1</i> <i>Item</i>	<i>Column 2</i> <i>Act</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
1.	NTR 7.3.1	To determine levels of fees, charges or rates, scales or tariffs of fees applicable to revenue sources, other than those not fixed by law	Chief Financial Officer	Financial Accounting		Tariff structure to be approved by Provincial Treasury

KHOLEKILE NOGWILI
ACCOUNTING OFFICER

8. ANNEXURE B3: AUTHORIZATION OF EXPENDITURE (SUPPLY CHAIN DELEGATIONS)

B2(1) – Commitments and Expenditure

Authorization:

In accordance with the responsibilities vested in me under Section 44 of the *Public Financial Management Act 1999*, I hereby authorize the person performing the duties of each office specified in Columns 4 and 5, the powers specified in Column 3 under the Act specified in Column 2, subject to the limitations stated in Columns 6 and 7.

Responsibilities:

To approve commitments of public monies in accordance with current procedures, guidelines and policies, namely Public Finance Management Act, 1999 section 38(1) (a(iii)),(b),(c(ii))and (n), Treasury Regulations 2005 section 16A, Supply Chain Management Guidelines for Accounting Officers Chapters 3 and 4, Preferential Procurement Policy Framework Act and transversal RT Contracts

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
1.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	Head of Acquisitions	Supply Chain	R2 000	<ul style="list-style-type: none"> • Subject to procurement legislation, regulations and policies. • Accounting officers / authorities may procure requirements without inviting competitive bids or price quotations by means of petty cash.

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
2.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	Deputy Director: Supply Chain Management	Supply Chain Management	R 2 000 - R 10 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies. Accounting officers / authorities may procure requirements by obtaining at least three (3) verbal or written quotations from, where applicable, a list of prospective suppliers. Official who approve the comparative schedule must also approve the official order
		Head District Offices	District office		
		Deputy Director: Supply Chain Management	Trading Entity		
3.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	Deputy Director: Supply Chain Management	Supply Chain Management	R 10 000 - R 30 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Written quotations from as many suppliers as possible, if it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer. Official who approve the comparative schedule must also approve the official order
		Head District Offices	District office		
4.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	Head: Supply Chain Management	Supply Chain Management	R 30 000 – R 100 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Written quotations from as many suppliers as possible, if it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer. <p>Official who approve the comparative schedule must also approve the official order</p>

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
5.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	Regional Bid Adjudication Committee for region	CFO	R 500 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Written quotations from as many suppliers as possible, if it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer. Official who approve the comparative schedule must also approve the official order
6.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	CFO	Accounting Officer	R 100 000-R500 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Written quotations from as many suppliers as possible, If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting office. PPPFA Policy apply. All bids above R500 000 can only be recommended by the District office.
7.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department	CFO Bid Adjudication Committee	Accounting Officer	R30 000 – R 500 000 R200 000 - R 500 000	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Written quotations from as many suppliers as possible, If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting office. PPPFA Policy apply. All bids above R500 000 can only be recommended by the District office.

<i>Column 1</i> Item	<i>Column 3</i> Powers	<i>Column 4</i> Post	<i>Column 5</i> Section	<i>Column 6</i> Monetary Limit	<i>Column 7</i> Other Limitations
8.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department above R 500,000	Head District Offices	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Subject to procurement legislation, regulations and policies Accounting Officer should invite competitive bids for all procurement above R 500 000
9.	To approve proposals to spend public monies and to enter into commitments on behalf of the Department on National Transversal and Departmental term contracts.	CFO	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> All Departmental term contracts will be done by Head Office.
10.	Acquisition and Disposal of Immovable Properties	Head District Offices	District office	R500 000	
11.	Invitation of bids				
a)	* Advertise/invite bids	Programme Manager	Programme	Unlimited subject to available budget	<ul style="list-style-type: none"> Advertise in State Bulletin, cidb and National Treasury eTender Portal Any additional project to be approved by AO based on proper business case
		Head District Offices	District office	R5 000 000	<ul style="list-style-type: none"> Advertise in State Bulletin cidb and National Treasury eTender Portal Any additional project to be approved by AO based on proper business case

<i>Column 1</i> Item	<i>Column 3</i> Powers	<i>Column 4</i> Post	<i>Column 5</i> Section	<i>Column 6</i> Monetary Limit	<i>Column 7</i> Other Limitations
b)	* Compilation of bid documents	Head of Demand Management	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Specifications committee and project leader to develop technical specifications
		Senior State Acc /Senior Admin Officer	District SCM	R5 000 000	<ul style="list-style-type: none"> The officials responsible for the opening of bids must be appointed in writing by Manager Institutional Support
c)	* Determine closing date	Head of Acquisitions	Supply Chain Management	Unlimited subject available budget	
		Manager Institutional Support	Institutional Support	R500 000	
d)	* Shortened advertising period	CFO	Finance	Unlimited subject available budget	
10.	Consideration and acceptance of bids				
a)	* Acceptance of bids	Head Supply Chain Management	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Conditions should be complied with

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
		District Head of Institutional Support	Institutional Support	R30 000 – R650 000	<ul style="list-style-type: none"> Conditions should be complied with. After award from DBAC the head of institutional support will issue the appointment letter and the Head of District will sign the contract.
b)	* Communication with bidders to clarify technical aspects	Bid Adjudication Committee	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Where information is incomplete
		District Bid Adjudication Committee	Supply Chain Management	R30 000 – R650 000	<ul style="list-style-type: none"> Where information is incomplete
c)	* Confirmation of preferential claim and bid unit price	Head of Acquisitions	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Where it is evident that a mistake has been made
		District Head of Institutional Support	Institutional Support	R30 000 – R650 000	
d)	Cancellation of bids	Head of Supply Chain Management	Supply Chain Management	Unlimited subject available budget	<ul style="list-style-type: none"> Where no offer is received or goods no longer required
		District Head of Institutional Support	Institutional Support	R30 000 – R500 000	

Column 1 Item	Column 3 Powers	Column 4 Post	Column 5 Section	Column 6 Monetary Limit	Column 7 Other Limitations
e)	Extension of validity of bids	Head of Supply Chain Management	Supply Chain Management	Unlimited subject available budget	
f)	Equal offers which qualify for acceptance	District Head of Institutional Support	Institutional Support	R30 000 – R650 000	
		Bid Adjudication Committee		Unlimited subject available budget	
		District Bid Adjudication Committee	Institutional Support	R30 000 – R650 000	
11.	Urgent and emergency cases	Chief Financial Officer	Finance	R1 000 000	<ul style="list-style-type: none"> • Manager Institutional Support to submit to District Director to recommend to AO • Reasons for the urgency or emergency and the losses or consequences that will follow if action is not taken must be indicated • Above cases must reported immediately to Head of SCM at HQ immediately and reasons must be provided for deviation to be submitted to Provincial Treasury and Auditor-General
		HOD		Unlimited subject available budget	
12.	Contract Management: Variation Orders	Project Manager		The variation order does not increase the contract price	In terms of the contract

Column 1 <i>Item</i>	Column 3 <i>Powers</i>	Column 4 <i>Post</i>	Column 5 <i>Section</i>	Column 6 <i>Monetary Limit</i>	Column 7 <i>Other Limitations</i>
13.	Contract Management: Variation Orders	Head of Department		Where the variation order increase the contract price	<ul style="list-style-type: none"> Subject to a maximum of 15% of contract value.
14.	Approval to continue with Process when insufficient quotations received	Head of Department		Unlimited subject available budget	
		CFO		In Terms of assigned delegations	<ul style="list-style-type: none"> Limited to only in cases where 3 or more quotations was requested and only 2 or less bidders responded in order to continue with the procurement process.
		District Director		In terms of district delegations	<ul style="list-style-type: none"> Proof must be attach that 3 or more bidders was requested to submit quotations
					<ul style="list-style-type: none">

KHOLEKILE NOGWILI
ACCOUNTING OFFICER

9. ANNEXURE B4 – AUTHORIZATION OF PAYMENTS

B3(1) – Checking of Payments

Authorization:

In accordance with the responsibilities vested in me under Section 44 of the *Public Financial Management Act 1999*, I hereby authorize the person performing the duties of each office specified in Columns 4 and 5, the powers specified in Column 3 under the Act specified in Column 2, subject to the limitations stated in Columns 6 and 7.

Responsibilities:

To check claims for payment in accordance with current procedures, guidelines and policies, namely Public Finance Management Act, 1999 section 38(1)(b)(f),(c)(ii) and (iii), 39(1) and 39(2)(a) and Treasury Regulations 2005 Chapter 8, 15.10.1. to ensure that the:

- invoice has been correctly rendered, including meeting the requirements for a valid tax invoice;
- amount to be paid is correct;
- goods and/or services have been signed as received;
- claim has not previously been paid; and
- expenditure has been duly approved and checked that the expenditure delegation has been performed by a different officer than who has the payment checking delegation; and to:

- review the reasonableness of coding.

Notes:

- Any other official must be appointed in writing by the Accounting Officer to approve payments
- The official who initiates the cheque run is excluded from the payment checking delegation.
- Officials are not to check claims on which they are the payee.

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
1.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Accounting Officer	AO	Unlimited subject available budget	
2.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Chief Financial Officer	Office of the CFO	R 8 000 000	
3.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Director: Financial and Management Accounting	Office of the CFO	R 1 000 000	
4.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorized	Deputy Director Financial Accounting	Financial Accounting	R500 000	

<i>Column 1</i> Item	<i>Column 3</i> Powers	<i>Column 4</i> Post	<i>Column 5</i> Section	<i>Column 6</i> Monetary Limit	<i>Column 7</i> Other Limitations
5.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorized	Assistant Director: Finance	Financial Accounting	R 100 000	
DISTRICT OFFICES					
1.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	District Manager	District Office	R3 500 000	This is only for hiring of fleet invoices payable to the Fleet Management Trading Entity
2.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	District Manager	District Office	R500 000	
3.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Head Institutional Support	District Office	R200 000	
4.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Assistant Manager	District Office	R100 000	
5.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Senior State Accountant	District Office	R10 000	

Column 1 Item	Column 3 Powers	Column 4 Post	Column 5 Section	Column 6 Monetary Limit	Column 7 Other Limitations
6.	To check a claim for payment prior to payment occurring to ensure that the expenditure is duly authorised	Head of Trading Entity	Trading Entity	R 1 000 000	

KHOLEKILE NOGWILI

ACCOUNTING OFFICER

10. ANNEXURE B5 – ASSET CONTROL

B4(1) – Write-off of irrecoverable debt, losses and assets

Authorization:

In accordance with the responsibilities vested in me under Section 44 of the *Public Financial Management Act 1999*, I hereby authorize the person performing the duties of each office specified in Columns 4 and 5, the powers specified in Column 3 under the Act specified in Column 2, subject to the limitations stated in Columns 6 and 7.

Responsibilities:

To write-off irrecoverable debts/revenue and losses/deficiencies of public monies in accordance with current procedures, guidelines and policies, including Public Finance Management Act, 1999 sections 38(1)(i) and (ii), (c), (d) and *National Treasury Regulations 2005* section 10.1 and 11.4.

In relation to irrecoverable debts, the delegate must be satisfied that:

- it is probable that the costs of recovery action will exceed the return; and
- the debt is irrecoverable at law, or the debtor is without funds and there is no reasonable prospect of their financial situation improving.

In relation to losses/deficiencies, the delegate must be satisfied that:

- proper investigation of the loss/deficiency has occurred; and

- any defects in security measures and control systems has been addressed to reduce the likelihood of the loss/deficiency occurring again.

With regard to the write-off of an asset, the delegate must be satisfied with one of the following:

- loss of an asset; or
- theft of an asset; or
- the asset has become unserviceable; or
- the asset has become obsolete.

- **Notes:**

- In situations where assets cannot be located, write-off action should not occur until it is clear that the asset in question has been lost or stolen. Once approval to write-off the value of an asset has been obtained, the asset should be removed from the Register(s) of Assets and the relevant Department account in a timely manner.

<i>Column 1</i> <i>Item</i>	<i>Column 3</i> <i>Powers</i>	<i>Column 4</i> <i>Post</i>	<i>Column 5</i> <i>Section</i>	<i>Column 6</i> <i>Monetary Limit</i>	<i>Column 7</i> <i>Other Limitations</i>
1	To write-off irrecoverable debts / revenue and losses / deficiencies of public monies including assets such as plant and equipment	HOD	Department	Unlimited subject available budget	Write-off must be in accordance with Debt write Off Policy

Column 1 <i>Item</i>	Column 3 <i>Powers</i>	Column 4 <i>Post</i>	Column 5 <i>Section</i>	Column 6 <i>Monetary Limit</i>	Column 7 <i>Other Limitations</i>
2	To write-off irrecoverable debts / revenue and losses / deficiencies of public monies including assets such as plant and equipment	Chief Financial Officer	Financial accounting	R50 000	Write-off must be in accordance with Debt write Off Policy
3	To write-off irrecoverable debts / revenue and losses / deficiencies of public monies including assets such as plant and equipment	Head of Trading Entity	Financial accounting	R20 000	Write-off must be in accordance with Debt write Off Policy To write of assets in terms of the Disposal Policy of the Entity

KHOLEKILE NOGWILI
ACCOUNTING OFFICER

11. POLICY REVIEW AND AMENDMENT

- 11.1 This policy is effective from date of signature.
- 11.2 The assessment to determine the effectiveness and appropriateness of this policy will be done five (5) years after its effective date. The assessment could be performed earlier, to accommodate any substantial structural or other organizational changes at the Department or any change required by law.
- 11.3 If and when any provision of this policy is amended, the amended provision will supersede the previous one.
- 11.4 Deviations from this policy must be approved by the Accounting Officer. If and when this policy or any provision thereof is amended, the amended policy or provision thereof will supersede the previous one.

12. APPROVALS AND RECOMMENDATIONS

Checked / Not Checked

Comments:

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CHIEF FINANCIAL OFFICER

DATE

✓
Approved / Not Approved

Comments:

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ACCOUNTING OFFICER
KHOLEKILE NOGWILI

5.3.19
DATE