



government  
communications

Department:  
Government Communication & Information System  
REPUBLIC OF SOUTH AFRICA

DELEGATION OF POWERS AND DUTIES BY THE CHIEF EXECUTIVE OFFICER TO OTHER EMPLOYEES IN  
GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM (GCIS)

In accordance with the powers vested in me by -

- the Public Finance Management Act, 1999 (as amended);

I, **Jimmy Manyi**, Chief Executive Officer of Government Communication and Information System (GCIS), delegate the powers and duties vested in me as Accounting Officer, as stated in this document to incumbents of posts indicated herein.

SIGNED AT GCIS HQ ON THIS 26<sup>th</sup> DAY OF APRIL 2011

2011/12 & 2012/13

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
7 (a)	Treasury regulation 5.1.1	<p><b>STRATEGIC PLANNING</b></p> <p><b>Annual preparation of strategic plans</b></p> <p>Each year, the Accounting Officer of an institution must prepare a strategic plan for the forthcoming MTEF period for approval by the relevant Executive Authority</p>	Programme managers	
8 (a)	Treasury regulation 5.2.1	<p><b>Strategic plans</b></p> <p>The approved Strategic Plan must be tabled in parliament or the relevant provincial legislature within 15 working days after the Minister or relevant MEC for finance has tabled the annual budget (strategic plans to comply with the requirements of Treasury regulations 5.2.2).</p>	Not delegated	
8 (b)	Treasury regulation 5.2.2	<p>The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act</p>	Not delegated	
9 (a)	Treasury regulation 5.3.1	<p><b>Evaluation of performance</b></p> <p>The Accounting Officer of an institution must establish procedures for quarterly reporting to the Executive Authority to facilitate effective performance monitoring, evaluation and corrective action</p>	DCFO: CS	
10 (a)	Treasury regulation 6.1.1	<p><b>BUDGETING AND RELATED MATTERS</b></p> <p><b>Annual budget circular</b></p> <p>The Accounting Officer of a department must comply with any annual budget circulars issued by the relevant treasury.</p>	CFO	

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11 (a)	Treasury regulation 6.2.1	<p><b>Formats of the annual budget</b></p> <p>The annual budget documentation, as presented to parliament or a provincial legislature, must conform to such formats as may be published by the National Treasury by notice in the national Government Gazette.</p>	CFO	
12 (a)	Treasury regulation 6.3.1	<p><b>Virement</b></p> <p>For purposes of section 43(1) of the Act:</p> <ul style="list-style-type: none"> <li>• personnel expenditure and transfers to other institutions may not be increased without prior approval of the relevant treasury</li> <li>• new transfers may not be introduced without the approval of the relevant treasury</li> <li>• allocations earmarked by the relevant treasury may not be used for other purposes, except with the relevant treasury's approval.</li> <li>•</li> </ul>	Accounting Officer	CFO to obtain the necessary approval from the National Treasury in writing
12 (b)	Treasury regulation 6.3.1	<p>The Accounting Officer, will approve all virement requests between programmes.</p> <p>The Accounting Officer will approve the decrease of personnel funds to Goods and Services.</p> <p>The Accounting Officer may also approve the increase of Transfers and Subsidies regarding regional service council levies from personnel funds as well as Goods and Services.</p> <p>National Treasury will approve the increase of personnel funds as well as transfers and subsidies for purposes other than regional service council levies.</p> <p>Programme Managers (Branch Managers) will approve the shifting of funds within the Goods and Services budget between sub-programmes within the programme.</p>	<p>Accounting Officer</p> <p>Accounting Officer</p> <p>Accounting Officer</p> <p>National Treasury</p> <p>Programme Managers</p>	CFO communicate with the National Treasury in writing

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		<p>Sub-Programme Managers may approve the shifting of funds within Goods and Services budget between responsibilities within the Sub-Programme</p> <p>Responsibility managers will approve the shifting of funds within the Goods and Services Budget of their own responsibility.</p> <p>The Accounting Officer may approve the shifting of funds from the current budget to the capital budget. However, the shifting of funds from the capital budget to the current budget is not allowed and may only be done upon approval of parliament during the submission of the Adjustments Budget</p>	<p>Sub-Programme Manager</p> <p>Responsibility managers</p> <p>Accounting Officer</p>	
13 (a)	Treasury regulation 6.4.1	<p><b>Rollovers</b></p> <p>Funds appropriated but not spent in a particular financial year may be rolled over to a subsequent year after the approval of the relevant treasury. Such approval will be guided by the following limitations:</p> <ul style="list-style-type: none"> <li>• Payments for capital assets: Unspent funds on capital assets may only be rolled over to finalise projects or asset acquisitions still in progress.</li> <li>• Transfers and Subsidies: Savings on Transfers and Subsidies may not be rolled over for purposes other than originally voted for.</li> <li>• Current payments: Savings on compensation of employees may not be rolled over. A maximum of five percent of a department's payments for goods and services may be rolled over.</li> </ul>	DCFO: CS	Programme managers to submit requests for roll over funds to the DCFO CS. The CFO is to co-ordinate for onwards submission to National Treasury
13 (b)	Treasury regulation 6.4.2	<p>Requests for roll-overs must be submitted to the relevant treasury on or before the last working day of April, in the format determined by the National Treasury and must include:</p> <ul style="list-style-type: none"> <li>• the purpose for which the funds were not spent</li> <li>• the reasons why the funds were not spent</li> <li>• proposed changes to the use of the funds, if any</li> <li>• a disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred</li> </ul>	DCFO: CS	Requests to reach the CFO by no later than 15 April

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14 (a)	Treasury regulation 6.5.1	<p><b>Transfer of functions</b> Where a function is to be transferred between votes during a financial year, the relevant treasury must be consulted in advance, to facilitate any request for the resulting transfer of funds voted for that function in terms of section 33 of the Act. In the absence of an agreement between the affected departments on the amount of funds to be transferred, the relevant treasury will determine the funds to be shifted.</p>	Accounting Officer	Prepare submission for the approval of the transfer
15 (a)	Treasury regulation 6.6.2	<p><b>Additional funds through an adjustment budget</b> The department requesting additional funds through an adjustment budget must submit a memorandum to the relevant treasury, the Cabinet/Executive Committee and Treasury Committee.</p>	CFO	Programme managers will provide the CFO with full motivation for additional funds
15 (b)	Treasury regulation 7.2.1	<p><b>Revenue management</b> Responsibility for revenue management The Accounting Officer of an institution must manage revenue efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, safeguarding, recording and reconciliation of information about revenue</p>	CFO	
16 (a)	Treasury regulation 7.3.1	<p><b>Services rendered by the State</b> The Accounting Officer of an institution must review, at least annually when finalizing the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The Accounting Officer must obtain approval from the relevant treasury for the proposed tariff structure</p>	Responsibility managers	Concerned responsibility managers should annually, through the CFO, draft a submission for the accounting officer's approval

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16 (b)	Treasury regulation 7.3.2	Information on the tariff structure must be disclosed in the annual report, including information on exemptions, discounts, free services and any other aspects of material influence on the revenue yield		Programme Manager / Sub-Programme Managers / Sub Programme Managers are to submit inputs to the CFO for consolidation
17 (a)	Treasury regulation 8.1.1	<p><b>Expenditure management</b></p> <p><b>Responsibility of the Accounting Officer</b></p> <p>The Accounting Officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing</p>	Director: Supply Chain Management	
18 (a)	Treasury regulation 8.2.1	<p><b>Approval of expenditure</b></p> <p>An official of an institution may not spend or commit public money, except with the approval (either in writing or by duly authorized electronic means) of the Accounting Officer or a properly delegated or authorized officer.</p>	Responsibility managers	Programme, Sub-Programme Managers And Responsibility Managers are to be appointed in writing annually
18 (b)	Treasury regulation 8.2.2	Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation	Responsibility managers	Responsibility managers may only authorize payments if they are appointed in writing

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18 (c)	Treasury regulation 8.2.3	<p>Unless determined otherwise, in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.</p> <p>The CFO together with the Programme Manager / Sub-Programme Manager will sign the approved service level agreement for a service/product to be procured.</p>	<p>Responsibility managers</p> <p>Programme Managers / Sub-Programme Managers and CFO</p>	<p>Responsibility managers must ensure that all payments are sent through for processing, immediately after receiving the invoices</p>
18(d)	Treasury regulation 8.2	Appointment of Programme Managers (Branch Managers) annually on the level of DCEO. Appointment letters will specify responsibilities	Accounting Officer	
18(e)	Treasury regulation 8.2	Appointment of Chief Financial Officer annually	Accounting Officer	
18(f)	Treasury regulation 8.2	Appointment of Sub-Programme Managers on the level of Chief-Director. Appointment letters will specify responsibilities	Programme Manager	
18(g)	Treasury regulation 8.2	Appointment of Responsibility Managers on the level of Director. Appointment letters will specify responsibilities	Sub-Programme Manager	

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19 (a)	Treasury regulation 8.3.1	<p><b>Compensation of employees</b></p> <p>Activities relating to the authorisation of appointments, the authorisation of payments and the recording of those payments may not be performed by the same person.</p>	Director, Human Resource Management / CFO	Director, Human Resources is to assist the CFO in meeting this requirement
19 (b)	Treasury regulation 8.3.2	The Accounting Officer of an institution must ensure that the cost related to the compensation of employees, as well as promotion and salary increases, can be met within the budgetary allocation of his/her institution.	Chief Director: CS / CFO	
19 (c)	Treasury regulation 8.3.3	For all employees, the person in charge at the respective pay-points, must certify that all persons listed on the payroll report are entitled to payment. People paid by cheque must sign the payroll report when collecting their cheques.	Responsibility Manager	Responsibility managers should immediately inform the Directorate
19 (d)	Treasury regulation 8.3.4	Within 10 days of being certified, the payroll report must be returned to the CFO in a sealed envelope. The Accounting Officer must ensure that all pay-point certificates are received on a monthly basis	CFO	Finance when any wrong entries appear on the payroll. A system of recording the sending and receiving of payrolls should be in place
20 (a)	Treasury regulation 8.4.1	<p><b>Transfers and subsidies</b></p> <p>Transfers and subsidies</p> <p>An accounting officer must maintain appropriate measures to ensure that transfers and subsidies to entities are applied for their intended purposes. Such measures may include:</p> <ul style="list-style-type: none"> <li>regular reporting procedures</li> </ul>	CFO	



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21 (a)	Treasury regulation 9.1.1	<ul style="list-style-type: none"> <li>• audit requirements and, where appropriate, submission of audited procedures</li> <li>• regular monitoring procedures</li> <li>• scheduled or unscheduled inspection visits or reviews of performance</li> <li>• any other control measures deemed necessary</li> </ul> <p><b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b></p> <p><b>General</b> The Accounting Officer of a department must exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management</p>	Administration Officer and equal grading	Any unauthorized, irregular, fruitless and wasteful expenditure must be reported to the Accounting Officer immediately and should also be disclosed as a note to the annual financial statements of the institution
22 (a)	Treasury regulation 10.1.1	<p><b>ASSET MANAGEMENT</b></p> <p><b>Responsibility for asset management</b></p> <p>The Accounting Officer of an institution must take full responsibility and ensure that control systems exist for assets and that:</p> <ul style="list-style-type: none"> <li>- preventative mechanisms are in place to eliminate theft, losses, wastage and misuse</li> <li>- stock levels are at an optimal and economical level.</li> </ul>	Responsibility managers Director SCM	Ensure that actions taken by the department are in accordance with government guidelines.
22 (b)	Treasury regulation 10.1.2	The Accounting Officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets.	Director SCM	The CFO must ensure proper and accurate recordkeeping of assets

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23 (a)	Treasury regulation 11.2.1	<p><b>MANAGEMENT OF DEBTORS</b></p> <p><b>Responsibility for the management of debtors</b></p> <p>The Accounting Officer of an institution must take effective and appropriate steps to timeously collect all money due to the institution including, as necessary:</p> <ul style="list-style-type: none"> <li>• maintenance of proper accounts and records for all debtors, including amounts received in part payment</li> <li>• referral of a matter to the State Attorney, where economical, to consider a legal demand and possible legal proceedings in a court of law.</li> </ul>	State Accountant and equal grading	Long outstanding debts and complicated cases will be referred to the CFO / Theft and Losses Committee for assistance and/or legal action
24 (a)	Treasury regulation 11.3.1	<p><b>Recovery of debts by installments</b></p> <p>Unless otherwise determined by law or agreement, debts owed to the State may, at the discretion of the Accounting Officer of an institution, be recovered in installments</p>	Director: Finance           CFO	<p>Debts less than R500 will be recovered as a once-off deduction</p> <p>Installments up to three months will be approved by the Director: Finance.</p> <p>Installments up to 12 months will be approved by the CFO</p>

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			DCEO, CS	All installment periods exceeding 12 months must be approved by the DCEO, CS
25 (a)	Treasury regulation 11.4.1	<p><b>Writing off debts owed to the State</b> An accounting officer may only write off debt if he/she is satisfied that all reasonable steps have been taken to recover the debt, in accordance with a policy determined by the accounting officer, and he/she is convinced that:</p> <ul style="list-style-type: none"> <li>• recovery of the debt would be uneconomical</li> <li>• recovery would cause undue hardship to the debtor or his/her dependants</li> <li>• it would be to the advantage of the State to effect a settlement of its claim or to waive the claim</li> </ul>	Director, Finance  CFO  DCEO, CS  Accounting Officer	May grant approval to write off debts up to R5 000 and other amounts approved by the Theft and Losses Committee  May grant approval to write off debts up to R15 000.  May grant approval to write off debts up to R50 000  All debts to be written off exceeding R50 000 to be authorized by the Accounting Officer
26 (a)	Treasury regulation 11.4.3	All debts written off must be disclosed in the quarterly and annual financial statements, indicating the policy in terms of which the debt was written off.	Deputy Director Financial Administration	Policy with regard to the handling of debts to be maintained



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM  
OFFICE OF THE CEO

ROUTE FORM

SUBJECT: FINANCIAL AND SUPPLY CHAIN DELEGATIONS				
NAME	DESIGNATION	REFER TO	DATE REFERED	SIGN
H Bekker	Dir: Finance	Dir: SCM	15/4/11	<i>[Signature]</i>
M Moreroa	Dir: SCM	CFO	15/6/11	<i>[Signature]</i>
L Amaro	CFO	DCEO:CS	15/04/11	<i>[Signature]</i>
P Williams	DCEO:CS	CEO	15/4/11	<i>[Signature]</i>
J Manyi	CEO	Dir: Finance	26/4/11	<i>[Signature]</i>

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27 (a)	Treasury regulation 12 1 2	<p><b>MANAGEMENT OF LOSSES AND CLAIMS</b></p> <p><b>General</b> The Accounting Officer may (if deemed economical and based on a risk assessment) insure motor vehicles or other such movable assets determined by the relevant treasury, but the insurance premium cost may not exceed R250 000 per annum on that vote, unless otherwise approved by the relevant treasury.</p>	DCEO, CS	The CFO is to prepare a submission for approval by the DCEO, CS if necessary.
28 (a)	Treasury regulation 12 1 2	<p><b>Claims against the State through acts or omissions</b> An institution must accept liability for any loss or damage suffered by another person, which arose from an act or omission of an official as a claim against the State and does not recover compensation from an official, provided the official shall forfeit this cover if he/she, with regard to the act or omission, is liable by law and:</p> <ul style="list-style-type: none"> <li>• intentionally exceeded his/her powers</li> <li>• made use of alcohol or drugs</li> <li>• did not act in the course and scope of his/her employment</li> <li>• acted recklessly or intentionally</li> <li>• without prior consultation with the State Attorney, made an admission that was detrimental to the State</li> <li>• failed to comply with or ignored standing instructions, of which he/she was aware or could reasonably have been aware of, which led to the loss, damage or reason for the claim, excluding damage arising from the use of a state vehicle, where the official: <ul style="list-style-type: none"> <li>a) used the vehicle without authorisation</li> <li>b) did not possess a valid driver's licence or other appropriate licence</li> <li>c) did not use the vehicle in the interest of the State</li> <li>d) allowed unauthorised persons to handle the vehicle</li> <li>e) deviated materially from the official journey or route without prior authorization</li> </ul> </li> </ul>	Theft and Losses Committee	All cases of theft, losses and damages to state property must be submitted to the Theft and Losses Committee.

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28 (h)	Treasury regulation 12.2.2	If in doubt, the Accounting Officer of the institution must consult the State Attorney on questions of law on the implementation of paragraph 12.2.1 (See delegation 28 (a) supra.)	Theft and Losses Committee	All cases must be presented to the Theft and Losses Committee who will make a ruling. Complicated cases may be referred to the State Attorney or Legal Advisor

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28 (c)	Treasury regulation 12.2.3	Where an official has forfeited his/her cover in terms of paragraph 12.2.1, an amount paid by the institution for losses, damage or claims arising from the act or omission of an official must be recovered from the official concerned.	Theft and Losses Committee	All cases must be presented to the Theft and Losses Committee who will make a ruling. Complicated cases may be referred to the State Attorney or Legal Advisor.
28 (d)	Treasury regulation 12.2.4	The State Attorney may only obligate the funds of an institution with the prior written approval of the Accounting Officer.	Theft and Losses Committee	All cases must be presented to the Theft and Losses Committee who will make a ruling. Complicated cases may be referred to the State Attorney or Legal Advisor.
<b>Claims by the State against other persons</b>				
29 (a)	Treasury regulation 12.3.1	If the State suffers a loss or damage and the other person denies liability, the Accounting Officer must, if deemed economical, refer the matter to the State Attorney for legal action.	Theft and Losses Committee	This is in the case of losses by staff - refer to department's legal advisors

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30 (a)	Treasury regulation 12.4.1	<p><b>Claims by officials against the State</b>            If an official sustains a loss or damage in the execution of official duties and is not compensated, the Accounting Officer may make good the loss or damage, provided that the official can prove such loss or damage.</p>	Theft and Losses Committee	All cases must be presented to the Theft and Losses Committee who will make a ruling. Complicated cases may be referred to the State Attorney or Legal Advisor.
31 (a)	Treasury regulation 12.5.1	<p><b>Losses or damages through criminal acts or omissions</b>            When it appears that the State has suffered losses or damages through criminal acts or possible criminal acts, the matter must be reported, in writing, to the Accounting Officer and the South African Police Service. In the case of omissions, the matter must be reported to the Accounting Officer in writing. Whether or not the person is still in the employ of the State, the Accounting Officer must recover the value of the loss or damage from the person responsible.</p>	Loss Control Officer	All cases must be reported to the Loss Control Officer. All cases must be referred to the Theft and Losses Committee who will guide as to how cases should be resolved. Complicated matters will, on the request of the Theft and Losses Committee, be referred to the State Attorney or Legal Advisor for directive.



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31 (b)	Treasury regulation 12.5.2	The Accounting Officer may write off losses or damages arising from criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable	Theft and Losses Committee	The Committee will consider all cases on behalf of the Accounting Officer. Refer to the Theft and Losses Policy
31 (c)	Treasury regulation 12.5.3	When movable assets are written off, this must be noted in the asset register.	Director Supply Chain Management	Loss Control Officer must inform the Asset Manager in writing of all assets written off by the Theft and Losses Committee.
32 (a)	Treasury regulation 12.6.1	<p><b>Losses and damages through vis major and other unavoidable causes</b></p> <p>The Accounting Officer may write off losses and damages that result from vis major and other unavoidable causes.</p>	Theft and Losses Committee	All cases must be referred to the Theft and Losses Committee for directive.
33 (a)	Treasury regulation 12.7.1	<p><b>Losses or damages through acts committed or omitted by officials</b></p> <p>Losses or damages suffered by an institution because of an act committed or omitted by an official, must be recovered from such an official if that official is liable by law</p>	Theft and Losses Committee	All cases must be referred to the Theft and Losses Committee for directive

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34 (a)	Treasury regulation 12.7.2	The Accounting Officer must determine the amount of the loss or damage and, in writing, request that official to pay the amount within 30 days or in reasonable installments. If the official fails to comply with the request, the matter must be handed to the State Attorney for the recovery of the loss or damage.	Theft and Losses Committee	All cases must be referred to the Theft and Losses Committee
34 (b)	Treasury regulation 12.7.3	A claim against an official must be waived if the conditions in paragraph 12.2.1(b) to (e) are met	Refer to delegation 26(a)	The maximum referred to in delegation 26(a) is applicable
34 (c)	Treasury regulation 12.7.4	If in doubt, the Accounting Officer of the institution must consult the State Attorney on questions of law in the implementation of paragraphs 12.7.1 and 12.7.3.	Theft and Losses Committee	Complicated matters that cannot be finalized by the Theft and Losses Committee will be referred to the State Attorney or Legal Advisor
<b>BANKING, CASH MANAGEMENT AND INVESTMENT</b>				
35 (a)	Treasury regulation 15.5.1	All revenue received by a department must be paid daily into its Paymaster-General account or, for amounts less than R500, as soon as practicable, but at least by the last working day of the month.	State Accountant and equal grading	
35 (b)	Treasury regulation 15.5.3	Money collected by a department, which is not classified as revenue, must be paid into the department's Paymaster-General account and accounted for in its ledger. This includes money received for agency services provided to another department	State Accountant and equal grading	

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36 (a)	Treasury regulation 15.7.1	<p><b>Requisition of funds by departments</b></p> <p>When requesting the transfer of appropriated funds, accounting officers of national departments must submit such requisitions to the National Treasury, in accordance with estimated approved cash flow, at the beginning of the month in which the funds are required. Provincial treasuries may determine their own scales in this regard.</p>	State Accountant and equal grading	
37 (a)	Treasury regulation 15.8.1	<p><b>Surrender of surplus funds</b></p> <p>At the end of each financial year, and after the account of a department have been closed, the Accounting Officer must surrender to the relevant treasury any unexpended voted money, for re-depositing into the National Revenue Fund.</p>	State Accountant or equal grading	State Accountant will act on instruction of the Deputy-Director: Financial Administration and Director Finance
38 (a)	Treasury regulation 15.10.1.1	<p><b>BANKING AND CASH MANAGEMENT</b></p> <p><b>General</b></p> <p>The Accounting Officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.</p>	CFO	
39 (a)	Treasury regulation 15.10.2.1	<p><b>Cash flow</b></p> <p>The Accounting Officer must submit annually, to the relevant treasury, a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates</p>	Deputy Director Budgets	

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39 (b)	Treasury regulation 15.10.2.3	Once such amounts have been appropriated and modified as necessary after consultation with the relevant treasury, the Accounting Officer may not draw more than the amount provided for a month from the revenue fund, without the prior written approval from the relevant treasury.	Deputy Director: Budgets	Deputy Director to prepare submission for the approval of the CFO
39 (c)	Treasury regulation 15 10 2.4	Should the Accounting Officer need to adjust the approved projections, the proposed adjustments must be motivated to the relevant treasury for evaluation against the availability of funds in the exchequer.	Deputy Director: Budgets	Deputy Director to prepare submission for the approval of the CFO
<b>Warrant vouchers, cheques and electronic payments</b>				
40 (a)	Treasury regulation 15 12 1	Accounting officers of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.	As per delegation on financial systems	All payments must be approved by the respective Responsibility or Programme Manager / Sub-Programme Managers
41 (a)	Treasury regulation 15 12.2	Only authorised officials may sign handdrawn vouchers or cheques and must initial the counterfoils.	Deputy Director Financial Administration, Director Finance and CFO	Only the CFO, Director Finance and Deputy Director Financial Administration are allowed to sign cheques

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40 (c)	Treasury regulation 15.12.3	All payments in excess of R2 000 must be effected electronically, unless otherwise approved by the relevant treasury. Payments may not be split to circumvent this regulation and any non-compliance with this regulation constitutes financial misconduct.	Administration Officer and equal grading	Authorisation must be obtained from the National Treasury in writing for the issuing of payments in excess of R2 000
40 (d)	Treasury regulation 15.12.4	All warrant vouchers and cheques must be crossed 'NOT NEGOTIABLE' and should also preferably be crossed 'NOT TRANSFERABLE' between parallel lines. The cancellation of crossings is not permitted.	State Accountant and equal grading	Ensure that the necessary crossings are applied
40 (e)	Treasury regulation 15.12.5	When an issued warrant voucher or cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new warrant voucher or cheque issued and accounted for.	State Accountant and equal grading	Stolen or damaged cheques must be stopped immediately at the bank.
40 (f)	Treasury regulation 15.12.6	All cashed warrant vouchers of national departments that have not been captured on the respective financial systems will be returned as unpaid.	State Accountant and equal grading	Payment documentation must be submitted and accepted on the BAS before issuing a warrant voucher or hand cheque

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41 (a)	Treasury regulation 16 2.1	<p><b>Public-private partnerships (PPPs)</b></p> <p><b>Exclusive competency of accounting officer</b></p> <p>Only an Accounting Officer may enter into a PPP agreement on behalf of the institution.</p>	Not delegated	
42 (a)	Treasury regulation 17.1.1	<p><b>BASIC ACCOUNTING RECORDS AND RELATED ISSUES</b></p> <p><b>Use of clearing and suspense accounts</b></p> <p>All transactions of an institution must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.</p>	Administration officer and equal grading	Concerned officials must ensure that all supporting documentation is justifiable.
42 (b)	Treasury regulation 17 1 2	<p>Should it be necessary, in exceptional cases, to account for revenue and expenditure transactions in a clearing or suspense account because the classification has not been solved, the Accounting Officer must ensure that:</p> <ul style="list-style-type: none"> <li>• the source of the transactions are readily identifiable</li> <li>• amounts included in the control accounts are cleared and correctly allocated to the relevant cost centres each month</li> <li>• monthly reconciliations are performed to confirm the balance of each account</li> <li>• reports are provided to the CFO about uncleared items that have been in the institution's control accounts for more than six months</li> </ul>		
42 (c)	Treasury regulation 17 1 3	<p>In each month's Sections 40(4) Report, the Accounting Officer must certify that the forecast / projection for the remainder of the financial year makes adequate provision for all amounts not yet cleared from clearing suspense accounts.</p>	CFO	



# government communications

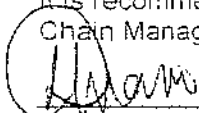
Department:  
Government Communication & Information System  
REPUBLIC OF SOUTH AFRICA

## INTERNAL MEMO

DATE:	15 April 2011	FILE NR:	
TO:	CEO: GCIS	FROM:	CFO


SUBJECT: APPROVAL OF FINANCIAL AND SUPPLY CHAIN MANAGEMENT DELEGATIONS OF AUTHORITY
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1. **Purpose**  
To seek your approval of the Financial and Supply Chain Management Delegations of Authority.
2. **Background.**
  - 2.1 Chapter 5, Part 1, Section 36(2)(a) of the Public Finance Management Act, 1999 (as amended) stipulates that "the head of the department must be the accounting officer for the department" (Annexure A) and, furthermore, Part 3, Section 44, stipulates that the Accounting Officer "...may 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..." (Annexure B).
  - 2.2 It is in line with the above Act that the attached Financial and Supply Chain Management Delegations have been developed and updated.
3. **Consultations**  
The proposed Financial and Supply Chain Management Delegations have been discussed at EXCO level.
4. **Recommendation**  
It is recommended that the CEO approves and initial each page of the attached Financial and Supply Chain Management Delegations of Authority.

  
 \_\_\_\_\_  
 Ms Lediana Amaro  
 CFO

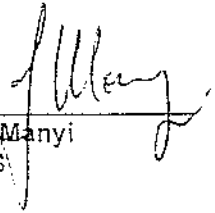
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 Date

The recommendation in paragraph 4 is supported/~~not supported~~

  
 \_\_\_\_\_  
 Ms Phumla Williams  
 DCEO: CS

15/4/11  
 \_\_\_\_\_  
 Date

The Financial and Supply Chain Management Delegations of Authority are approved, disapproved and signed

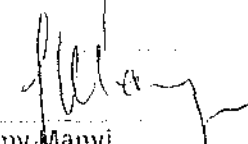
  
 \_\_\_\_\_  
 Mr Jimmy Manyi  
 CEO: GCIS

26/4/11  
 \_\_\_\_\_  
 Date

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
43 (a)	Treasury regulation 17 2 1	<p><b>Availability of financial information</b></p> <p>Accounting officers of institutions must, subject to the provisions of the National Archives of South Africa Act, 1996 (Act 43 of 1996), retain all financial information in its original form, as follows</p> <ul style="list-style-type: none"> <li>• information relating to one financial year – for one year after tabling in parliament or the provincial legislature of the audit report for the financial year in question</li> <li>• information relating to more than one financial year – for one year after the date of the audit report for the last of the financial years to which the information relates</li> </ul>	CFO	
43 (b)	Treasury regulation 17 2.2	<p>After the expiry of the above retention periods, the information may, if required, be secured in an alternative form that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law</p>	CFO	
<b>MONTHLY AND ANNUAL REPORTS</b>				
<b>Monthly reports</b>				
44 (a)	Treasury regulation 18 1 1	<p>In addition to the reporting requirements of section 40(4)(b) and (c) of the Act, the Accounting Officer must also comply with the reporting requirements of the annual Division of Revenue Act, 2006</p> <p>Annual financial statements</p>	CFO	
45 (a)	Treasury regulation 18.2	<p>For the financial year ending 31 March, the following reporting standards must be adhered to, unless otherwise approved by the National Treasury Annual financial statements must consist of:</p> <ul style="list-style-type: none"> <li>• Appropriation statement</li> <li>• Notes to the appropriation statement</li> <li>• a statement of financial position</li> <li>• a statement of financial performance</li> <li>• a cash flow statement</li> <li>• a statement of changes in equity</li> </ul>	Deputy Director: Financial Administration / Director: Finance	The Deputy Director: Financial Administration / Director: Finance will compile the annual financial statements and submit it to the Accounting Officer through the CFO, for



Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
45(b)		<ul style="list-style-type: none"> <li>• notes to the annual financial statements</li> <li>• disclosure notes</li> <li>• annexures</li> <li>• such other statements as may be determined by the Accounting Standards Board</li> </ul> <p>The statements must be prepared on a modified cash basis of accounting. The annual financial statements must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.</p> <p>Interim financial reporting</p> <p>At the end of each quarter, or as required by National Treasury, the following reporting standards must be adhered to, unless otherwise approved by the National Treasury</p> <p>Quarterly financial reporting must consist of:</p> <ul style="list-style-type: none"> <li>• a statement of financial position</li> <li>• a statement of financial performance</li> <li>• a cash flow statement</li> <li>• a statement of changes in equity</li> <li>• notes to the annual financial statements</li> <li>• disclosure notes</li> <li>• annexures</li> <li>• such other statements as may be determined by National Treasury</li> </ul> <p>The statements must be prepared on a modified cash basis of accounting. The quarterly financial reporting must, by means of figures and a descriptive report, explain any other matters and information material to the affairs of the institution.</p>	Deputy Director, Financial Administration / Director Finance	<p>approval Deadlines as prescribed should be met at all times</p> <p>The Deputy Director, Financial Administration / Director Finance will compile the quarterly interim financial reporting and submit it to the Accounting Officer, through the CFO, for approval Deadlines as prescribed should be met at all times</p>
46 (a)	Treasury regulation 18.3.1	<p><b>Contents of annual reports for the financial year ending 31 March</b></p> <p>In preparing the annual report of an institution, the Accounting Officer must:</p> <ul style="list-style-type: none"> <li>• in the case of a department or trading entity, comply with the requirements prescribed in Chapter 1, Part 11 J of the Public Service Regulations, 2001.</li> </ul>	Not delegated	

Initials   
 Mr Jimmy Manyi  
 Chief Executive Officer

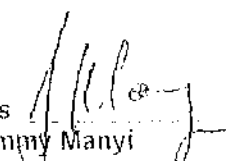
Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
		<ul style="list-style-type: none"> <li>• include, after 1 April 2002, information about the institution's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration</li> <li>• include information on transfer payments per organisation for the entire financial year as well as report on compliance with section 38(1)(j) of the Act</li> <li>• include all information required in terms of the annual Division of Revenue Act, 2006</li> <li>• include any additional information required by parliament or the provincial legislature</li> <li>• report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in rand), performance information on the institution's use of the assistance, and any pending applications for assistance</li> <li>• supply a report from the Audit Committee as required by paragraph 3.1.10</li> </ul>		
47 (a)	Treasury regulation 21.1.1	<p><b>Granting of gifts, donations and sponsorships by the State</b></p> <p>The Accounting Officer may approve gifts, donations and the sponsorship of state money and other movable property in the interest of the State. When such cash amounts exceed R100 000, the approval of the relevant legislature must be sought by including the item separately in the estimates of expenditure.</p>	Not delegated	
48 (a)	Treasury regulation 21.2.1	<p><b>Acceptance of gifts, donations and sponsorships to the State</b></p> <p>The Accounting Officer may approve the acceptance of any gifts, donation or sponsorships to the State, whether such gifts, donations or sponsorships are in cash or in kind.</p>	Not delegated	Responsibility managers must ensure that all cash received is paid into the revenue fund

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
48 (b)	Treasury regulation 21.2.2	All cash gifts, donations or sponsorships must be paid into the relevant revenue fund, except those donations received in terms of Treasury regulation 21.2.5.	Responsibility managers	The CFO must ensure that proper records exist of all gifts, donations and sponsorships. Responsibility managers will provide the CFO with full detail of such cases.
48 (c)	Treasury regulation 21.2.4	All gifts, donations or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of an institution.	Director Finance	
49 (a)	Treasury regulation 21.4.1	<p><b>Identity of donors and sponsors</b></p> <p>When a donor or sponsor requests to remain anonymous, the Accounting Officer must submit to the relevant treasury a certificate from both the Public Protector and the Auditor-General, which states that the identity of the donor or sponsor has been revealed to them, that they have noted it and that they have no objection.</p>	DCEO, CS	
50 (a)	Treasury regulation 22.1.1	<p><b>Payments and remissions as an act of grace</b></p> <p>Where no legislative authority exists, the Accounting Officer may approve an amount up to R100 000 as an act of grace of favor for:</p> <ul style="list-style-type: none"> <li>• the remission of money due to a revenue fund</li> <li>• payments from a revenue fund.</li> </ul>		All relevant documentation is to be made available to the Director Finance for inclusion in the quarterly interim financial reporting and annual financial statements.
50 (b)	Treasury regulation 22.1.2	Where more than R100 000 is involved, parliamentary or provincial legislature approval must be sought by including the item separately in the estimates of expenditure.		
50 (c)	Treasury regulation 22.1.4	All remissions, refunds or payments made as an act of grace during the financial year must be disclosed as a note to the annual financial statements of the institution.		

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
		<p><b>GOVERNMENT PAYROLL DEDUCTIONS</b></p> <p>Persal deductions</p>		
51 (a)	Treasury regulation 23.2.1	Subject to Treasury regulation 23.3, no official or employee of an entity contracted to operate Persal may, whether for paying a debt or any other purpose, process a discretionary deduction as from 1 April 2001.	State Accountant and equal grading	
51 (b)	Treasury regulation 23.2.2	Before a benefit, collective agreement, or state or statutory deduction is processed on Persal, the Accounting Officer must certify that the deduction is due and that no portion of it is a discretionary deduction.	State Accountant and equal grading	
51 (c)	Treasury regulation 23.2.3	<p>Where such certification is for an emoluments attachment order issued against an official in terms of section 65J of the Magistrates' Court Act, 1944 (Act 32 of 1944), the Accounting Officer must be satisfied that:</p> <p>a the documentation presented by the judgment creditor or his/her attorney inter alia reflects, as contemplated in this Act:</p> <ul style="list-style-type: none"> <li>• that the official was given written consent to the issuing of the order or that a court has authorised it (on application or otherwise), and that this authorisation has not been suspended</li> <li>• that the official has first been sent a registered letter advising him/her of the amount of the judgment debt and costs, and warning that an emoluments attachment order will be issued if this amount is not paid within 10 days of the date of its posting</li> </ul> <p>b after deduction, the official will have sufficient means for maintenance for himself/herself and any dependants.</p>	State Accountant and equal grading	

MR JIMMY MANYI  
CHIEF EXECUTIVE OFFICER (ACCOUNTING OFFICER)



Initials   
Mr Jimmy Manyi  
Chief Executive Officer



## SUPPLY CHAIN MANAGEMENT DELEGATIONS

A. General delegations				
NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.1	Approve the procurement of supplies or services, the hiring or letting of anything, the acquisition or granting of any right or the disposal of movable state property, resulting from the invitation and acceptance of price quotations.	<p>Directors: R80 000 within SCM process</p> <p>Chief directors: R150 000 within the SCM.</p>	SCM 2 of 2005	<ul style="list-style-type: none"> <li>• Price quotations must be accepted before expiry of validity by means of a telegram, telex, facsimile followed or an order.</li> <li>• For all procurement in excess of R30 000, the preferential procurement regulations 2001 will be applied.</li> <li>• Quotations should be requested in writing from the suppliers</li> <li>• When quotations are obtained from suppliers who are not listed on the departmental database, the new supplier should be requested to complete the application form by the requesting section.</li> <li>• Those who fail to submit their application will be considered to have not claimed preferences in accordance with the said regulations.</li> <li>• Preferably the list of prospective service-providers on the departmental database must be used.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.3	<p>Approve, in emergency cases, that supplies and/or services may be procured where immediate action is necessary to avoid a dangerous or risky situation, misery or want. The principle of competition should, however, be adhered to as far as possible.</p>	<p>Departmental Bid Adjudication Committee: R900 000</p> <p>Above R900 000: recommendation by the Departmental Bid Adjudication Committee.</p> <p>Approval: CEO</p>	Treasury Regulation 16A6.4	<ul style="list-style-type: none"> <li>Approval will be granted upon receipt of written motivation, indicating the reason for the emergency and the losses or consequences that will follow if action is not taken.</li> <li>Motivation to be signed at director's level and approved by the relevant Chief Director.</li> <li>In instances where deviations to be approved by the Bid Adjudication Committee are from a particular branch, the DCEO and CD of the relevant branch, whom the request comes from, will be recused from the decision making of the particular request. In this instance the quorum will be reduced one.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.4	<p>Acquisition of conference facilities</p> <p>Approval thereof</p> <p>Approval thereof</p>	<p>Director: relevant section: R500 000</p> <p>Chief Director: relevant section and CFO: R500 000</p> <p>Bid Adjudication Committee Above R500 000</p>	<p>Treasury Regulation 16A6.4 16A8.3 (a-f) 16A9.1 (a)</p>	<ul style="list-style-type: none"> <li>• There must be a letter of engagement between GCIS and the venue finder</li> <li>• There must be an original valid tax clearance certificate</li> <li>• Quotations must reflect service fee / commission separately from the cost of the service itself</li> <li>• Closed bid process. Detailed motivation indicating, purpose background, timelines as well as service providers that will be approached.</li> </ul> <p>• CONCURRENCE with GEO PRIOR TO FINALISATION</p>

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer



## B. Consideration and acceptance of bids

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.5	Determine contract period.	Director: end-user: not exceeding the MTEF period (three years)		• For rental of equipment, the rental period should not exceed a maximum of three years.
1.6	Compile the specification or terms of reference that will be used for inviting competitive bids or request for quotes.  Approval of the terms of reference / specification  Approval of the terms of reference / specification.	Director: relevant section Bid Specification Committee  Chief Director: relevant section under R500 000  DCEO: relevant section above R500 000		

CHAPTER 5  
DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS  
*Part 1: Appointment of accounting officers*

**36. Accounting officers.**—(1) Every department and every constitutional institution must have an accounting officer.

(2) Subject to subsection (3) —

- (a) the head of a department must be the accounting officer for the department; and
- (b) the chief executive officer of a constitutional institution must be the accounting officer for that institution.

(3) The relevant treasury may, in exceptional circumstances, approve or instruct in writing that a person other than the person mentioned in subsection (2), be the accounting officer for—

- (a) a department or a constitutional institution; or
- (b) a trading entity within a department.

(4) The relevant treasury may at any time withdraw in writing an approval or instruction in terms of subsection (3).

(5) The employment contract of an accounting officer for a department, trading entity or constitutional institution must be in writing and, where possible, include performance standards. The provisions of sections 38 to 42, as may be appropriate, are regarded as forming part of each such contract.

**37. Acting accounting officers.**—When an accounting officer is absent or otherwise unable to perform the functions of accounting officer, or during a vacancy, the functions of accounting officer must be performed by the official acting in the place of that accounting officer.

*Part 2: Responsibilities of accounting officers*

**38. General responsibilities of accounting officers.**— 1) The accounting officer for a department, trading entity or constitutional institution—

- (a) must ensure that that department, trading entity or constitutional institution has and maintains—
  - (i) effective, efficient and transparent systems of financial and risk management and internal control;
  - (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;
  - (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
  - (iv) a system for properly evaluating all major capital projects prior to a final decision on the project;
- (b) is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;
- (c) must take effective and appropriate steps to—
  - (i) collect all money due to the department, trading entity or constitutional institution;

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.7	<p>Co-ordination of the collection of all relevant documents, including specifications / TOR, bid and contract conditions, and the allocation of bid numbers. This includes checking that specifications / TOR are compliant to the SCM framework.</p> <p>Approval thereof.</p> <p>Approval thereof.</p>	<p>Senior SCM clerk / officer Unlimited</p> <p>Assistant Director: SCM R500 000</p> <p>Above R500 000 Deputy Director: SCM.</p>	Treasury Regulation 16A6.3	<ul style="list-style-type: none"> <li>• Only for bids where specification / TOR has been received and signed off by the relevant Director or Chief Director.</li> </ul>
1.8	Determine the validity period of bids.	Assistant Director: SCM		<ul style="list-style-type: none"> <li>• Activities of the organisation, e.g. GCF, State of the Nation Address, etc. should be considered when allocating validity period.</li> <li>• Validity period of all bids should not exceed 90 days.</li> </ul>
1.9	<p>Determine the period for the submission of bids.</p> <p>Approval thereof</p>	<p>ASD: SCM</p> <p>Deputy Director: SCM</p>	Treasury Regulation 16A6.3 (C)	

Initials: *JLany*  
 Mr Jimmy Lany  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.10	Shorten the closing date.	Departmental Bid Adjudication Committee	Treasury Regulation 16A6.3 (C)  Treasury Regulation 16.A.6.4	<ul style="list-style-type: none"> <li>If in a specific case, if it is impractical to invite bids for a longer period.</li> <li>A detailed motivation indicating the implications should the bid be advertised for the full period should be presented to the Bid Adjudication Committee.</li> </ul>
1.11	Approve the notification (advertising) of bid invitations and the issuing of bid documents.	Deputy Director: SCM		<ul style="list-style-type: none"> <li>In specific cases where a panel of service-providers were screened through the bidding process.</li> </ul> <p>Upon receipt of a signed terms of reference / specification by a delegated official</p>
1.12(a)	Approve the invitation of bids / quotes from selected/sole service-providers for specific brand or trade mark only.	Director: relevant section: R500 000	Treasury Regulation 16A6.4 16A8.3 (a-f) 16A9.1 (a)	<ul style="list-style-type: none"> <li>If in a specific case, it is impractical to invite bids.</li> <li>A detailed motivation indicating the implications, signed at director level and approved by the relevant Chief Director should be provided. The motivation should also be signed by the CFO.</li> </ul>
(b)	Approve that services be sourced from a single or sole service-providers in case of training, workshops, conference facilities, translation, research or seminars.	Director: relevant section: R500 000	<i>Mak</i> <i>R10 000</i>	<ul style="list-style-type: none"> <li>In cases where the amount exceeds R500 000, a presentation on the deviation should be made to the Bid Adjudication Committee</li> </ul>
(c)	Grant approval in instances where it is considered essential that requirements are obtained from one source of supply, e.g. where	Chief Director: relevant section and CFO R500 000		<ul style="list-style-type: none"> <li>Motivation should be submitted to the Head: SCM with the rest of the documents.</li> <li>Provisions of Treasury Regulation</li> </ul>

Initials: *JM*  
Mr Jimmy Manyi  
Chief Executive Officer

design, colouring, compatibility or continuity, is a critical factor

Approval thereof.

Departmental Bid  
Adjudication  
Committee: R1,5  
million.

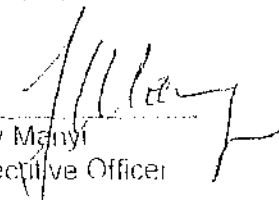
Accounting  
Officer: to approve  
any amount  
exceeding R1,5  
million on  
recommendation  
from the Bid  
Adjudication  
Committee

16A8 3 (a-f) and 16A9.1 (a) should be observed


- Media services are addressed under specific delegations
- In instances where deviations to be approved by the Bid Adjudication Committee are from a particular branch, the DCEO and CD of the relevant branch, whom the request comes from, will be recused from the decision making of the particular request. In this instance the quorum will be reduced one,

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.13	Extend the closing dates of bids.  Approval thereof.	Deputy Director: SCM  Director: SCM	Treasury Regulation 16A.8.3  Treasury Regulation 16A3.2 (a)	<ul style="list-style-type: none"> <li>In a specific case where there are minor adjustment to the specification.</li> <li>• Amended documents should be sent to service-providers who might have collected the bid documents.</li> <li>• The extension will be applicable in cases where there is enough time left before the bid closes to allow service-providers to see the amendments.</li> </ul>
1.14	Grant approval that, in the event of serious mistakes and amendments to the bid documents, fresh bids are invited or amendments to the bid invitation are issued.	DCEO: relevant section: unlimited	<ul style="list-style-type: none"> <li>• Treasury Regulation 16A.8.3</li> <li>• Treasury Regulation 16A.32 (a)</li> </ul>	<ul style="list-style-type: none"> <li>• In a specific case where it is not possible to extend the closing period of the bid.</li> <li>• A detailed motivation indicating the implications, should the bid not be withdrawn, should be provided by all relevant parties involved</li> <li>• In cases where the bid was already closed, the bidders who submitted proposals should be informed.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.15	<p>Approve that early delivery of goods or services be requested from a service-provider after the bid has been awarded.</p> <p>Approval thereof.</p>	<p>Director: end-user: unlimited</p> <p>Relevant Chief Director</p>		<ul style="list-style-type: none"> <li>• Clear timelines must be provided and the end-user must adhere to timelines that are relevant to the department.</li> <li>• The capacity of the service-provider to deliver on the specified timelines should be considered.</li> <li>• The timelines must be reasonable.</li> <li>• Financial implications due to request of early delivery should be taken into account.</li> <li>• Supplier performance should be monitored. In the event of non-performance, deviations should be documented and provided to the service-provider to respond. Information should also be forwarded to SCM.</li> </ul>
1.16	<p>Supervise the receiving and processing of bids.</p> <p>Relevant section.</p> <p>Internal Audit.</p>	<p>Assistant Director: SCM: unlimited</p>	<p>Treasury Regulation 16A9.1(d)</p>	<ul style="list-style-type: none"> <li>• All bids are to be recorded.</li> <li>• Late bids should be recorded, indicating the time they were received.</li> </ul>

Initials:   
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.17	Consider bids for admission (or non-admission (late bids).	Deputy Director: SCM: unlimited	Treasury Regulation 16A8.3 (a-f) Treasury Regulation 16A9.1(d)	<ul style="list-style-type: none"> <li>• Bids will be classified as late if they are received at the address given in the bid documents, after the closing time specified.</li> <li>• Late bids will be considered where no acceptable bids were received.</li> <li>• Late bids will be filed unopened until it has been determined whether acceptable bids have been received.</li> <li>• In cases where acceptable bids were received, the late bids are to be returned unopened to the service providers.</li> </ul>
1.18	Approve that communication with bidders may take place in cases where information is incomplete or where a lack of clarity exists about technical aspects of the offer.	Assistant Director: SCM: unlimited		<ul style="list-style-type: none"> <li>• The following provisions should be observed:  Treasury Regulation 16A3.2 (a)  Treasury Regulation 16A8.3 (a-f).</li> </ul>
1.19	Approve that contact with bidders may be made to obtain confirmation of prices or preference claims, in cases where it is obvious that a written, typed or transcription error or an error in the unit price has been made.	Director: SCM in consultation with the CFO		<ul style="list-style-type: none"> <li>• Provisions of Treasury Regulation 16A3.2 (a) and</li> <li>• Treasury Regulation 16A8.3 (a-f).</li> </ul>

Initials:   
 Mr Jimmy Mandy  
 Chief Executive Officer



NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.20	<p>Approval that contact with bidders may be made with regard to the increase / decrease of quantities.</p> <p>Approval thereof</p>	<p>Director: 15% of original contract quantity/value.</p> <p>Relevant Chief Director and CFO.</p> <hr/> <p>Departmental Bid Adjudication Committee: 40%.</p> <p>Above 40%: CEO after recommendation from the Bid Adjudication Committee</p>	SCM 4 of 2003 Treasury Regulation 16A9.1 (a)	<ul style="list-style-type: none"> <li>• A detailed motivation signed by a Director and approved at Chief Director level and the CFO should be submitted to SCM.</li> <li>• For any amount above 15%, a detailed motivation should be submitted and presented to the Bid Adjudication Committee.</li> <li>• Provisions of Treasury Regulation 16A3.2 (a) and</li> <li>• Treasury Regulation 16A8 3 (a-f) should be observed</li> <li>• Where goods and or services were acquired through the RFQ process, the increase requirements should not exceed the threshold of R500 000 00</li> </ul>
1.21	Approve the extension of the validity of bids in the prescribed manner, in cases where it is expected that contracts cannot be awarded prior to the expiry of the initial validity period.	Deputy Director: SCM: unlimited		<ul style="list-style-type: none"> <li>• Provisions of Treasury Regulation 16A3.2 (a) and Treasury Regulation 16A8.3 (a-f) should be observed.</li> <li>• There should also be a review of the timelines if any were specified in the task directive.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.22	Consider the escalation of prices when the validity period is extended.	Departmental Bid Adjudication Committee: unlimited		<ul style="list-style-type: none"> <li>• Availability of the budget to fund the project should be taken into consideration.</li> </ul>
1.23	Accept quantities other than those specified in the task directive.  Approval thereof.	Relevant director: 15% of original contract quantity/value.  Relevant Chief Director  Departmental Bid Adjudication Committee: 40%.		<ul style="list-style-type: none"> <li>• The capacity of the service- provider to deliver on the specified timelines should be considered</li> <li>• The timelines must be reasonable</li> <li>• The total cost of the service/goods should be considered.</li> <li>• The items being provided/proposed should not be of inferior quality</li> <li>• Should the quantities be less than what was specified in the task directive/specification, the relevant Responsibility Manager must ascertain or evaluate value for money for the organisation.</li> <li>• Supplier performance should be monitored. In the event of non performance, deviations should be documented and provided to the service-provider to respond. Information should also be forwarded to SCM.</li> </ul>

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.24	Approval or rejection of a bidders own conditions.	Departmental Bid Adjudication Committee: unlimited		<ul style="list-style-type: none"> <li>• If it contradicts the regulations.</li> <li>• If it contradicts the task directive and special conditions indicated in the bid documents.</li> </ul>
1.25	<p>Verify the ability of a bidder to carry out a contract successfully.</p> <p>Approval thereof.</p>	<p>Departmental Bid Evaluation Committee: unlimited.</p> <p>Departmental Bid Adjudication Committee: unlimited</p>		<ul style="list-style-type: none"> <li>• The size of the contract should be considered.</li> <li>• Bidder's financial position should be considered.</li> <li>• Previous contracts carried out by the bidder should be considered.</li> <li>• Availability of skills or knowledge and resources should be considered</li> <li>• References may be sought from previous clients</li> <li>• However, the circumstances should be fully motivated to the Bid Adjudication Committee.</li> </ul>
1.26	<p>Recommend the acceptance of a bid with acceptable deviation from the specification / TOR or alternative offers.</p> <p>Approval thereof.</p>	<p>Departmental Bid Evaluation Committee: unlimited</p> <p>Departmental Bid Adjudication Committee: unlimited</p>	Treasury Regulation 16A3.2(a)	<ul style="list-style-type: none"> <li>• In specific cases where the bid offers an improvement to the specification / terms of reference.</li> <li>• The improvements should be recorded.</li> <li>• Provisions of Treasury Regulation 16A3.2 (a) and Treasury Regulation 16A8.3 (a-f) should be observed.</li> </ul>

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.27	Finalise all bids up to an unlimited amount by accepting the bid, which is in accordance with the specification/task directive / TOR and has the highest points.	Departmental Bid Adjudication Committee: unlimited	SCM 4 of 2003 SCM 2 of 2005	
1.28	Sign a letter of acceptance after the Departmental Bid Adjudication Committee has granted approval that the bid be awarded.	Director: SCM.	Treasury Regulation 16A9.1 (c) and 16A9.1(e)	<ul style="list-style-type: none"> <li>• Letter of acceptance to be sent together with the order to the service-provider (if possible).</li> </ul>
1.29	Cancel bids in cases where: <ul style="list-style-type: none"> <li>• no offer is received</li> <li>• the items are no longer required</li> <li>• there are errors in the bid invitation documents</li> <li>• the bid price is certified as being exorbitant</li> <li>• the bids were accidentally not advertised in the Government Tender Bulletin</li> <li>• funds are not available.</li> </ul>	Relevant Chief Director or CFO: unlimited	SCM 4 of 2003	<ul style="list-style-type: none"> <li>• A motivation indicating why bids are to be cancelled, signed by the relevant director, should be submitted.</li> <li>• Service-providers who submitted the bids should be informed.</li> <li>• Should service-providers require debriefing on the action from the department, SCM will facilitate the meeting between the service-provider and the relevant section.</li> </ul>

Initials:   
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 Chief Executive Officer

(2) Both the accounting officer for the transferring department and the accounting officer for the receiving department or other institution must sign the inventory when the transfer takes place.

(3) The accounting officer for the transferring department must file a copy of the signed inventory with the relevant treasury and the Auditor-General within 14 days of the transfer.

**43. Virement between main divisions within votes.—**(1) An accounting officer for a department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the relevant treasury directs otherwise.

(2) The amount of a saving under a main division of a vote that may be utilised in terms of subsection (1) may not exceed eight per cent of the amount appropriated under that main division.

(3) An accounting officer must within seven days submit a report containing the prescribed particulars concerning the utilisation of a saving in terms of subsection (1), to the executive authority responsible for the department and to the relevant treasury.

(4) This section does not authorise the utilisation of a saving in—

- (a) an amount specifically and exclusively appropriated for a purpose mentioned under a main division within a vote;
- (b) an amount appropriated for transfer to another institution; and
- (c) an amount appropriated for capital expenditure in order to defray current expenditure.

(5) A utilisation of a saving in terms of subsection (1) is a direct charge against the relevant Revenue Fund provided that, in the case of a province, that province enacts such utilisation as a direct charge.

(6) The National Treasury may by regulation or instruction in terms of section 76 regulate the application of this section.

*Part 3 Other officials of departments and constitutional institutions*

**44. Assignment of powers and duties by accounting officers.—**(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;

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.30	<p>Cancellation of bids after award</p> <p>Recommendation thereof</p> <p>Approval thereof</p>	<p>Relevant Director</p> <p>Chief Director</p> <p>Bid Adjudication Committee</p>		<ul style="list-style-type: none"> <li>• If the supplier committed any corrupt or fraudulent act during the bidding process or execution of the contract</li> <li>• If any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited the supplier</li> <li>• The service provider failed to perform on any previous contract, and there is documented proof where the supplier was requested to remedy the non performance and there was no improvement</li> <li>• A detailed motivation signed by delegated officials and attached proof should be submitted.</li> </ul>

Initials:   
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.31	<p>Cancellation of RFQ after award</p> <p>Approval thereof</p> <p>Where fraud is involved, Approval thereof</p>	<p>Relevant Director</p> <p>Relevant Chief Director and CFO</p> <p>Bid Adjudication Committee</p>		<ul style="list-style-type: none"> <li>• If the supplier committed any corrupt or fraudulent act during the bidding process or execution of the contract</li> <li>• If any official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited the supplier</li> <li>• The service provider failed to perform on any previous contract, and there is documented proof where the supplier was requested to remedy the non performance and there was no improvement</li> <li>• A detailed motivation signed by delegated officials and attached proof should be submitted.</li> </ul>

Initials:   
 Mr. Jimmy Mahyi  
 Chief Executive Officer

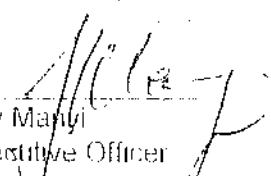
**C. Administration of contracts**

NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.32	Approve requests received from contractors for the extension of delivery periods, provided the price remains unchanged.	Director: relevant section and Deputy Director: SCM		<ul style="list-style-type: none"> <li>• Supplier should make the request in writing.</li> <li>• End-user should be informed of the decision.</li> <li>• Extension should be made in writing.</li> <li>• The 0-9 file should be updated accordingly with the new delivery date.</li> <li>• In case of projects, the implications of the extension should be taken into consideration and reported.</li> <li>• Provisions of Treasury Regulation 16A3.2 (a) and Treasury Regulation 16A8.3 (a-f) should be observed.</li> </ul>
1.33	Approve that contract payments may be transferred under certain circumstances.	CFO: unlimited		<ul style="list-style-type: none"> <li>• This should be upon receipt of a written letter signed by the transferor, the transferee and two witnesses.</li> <li>• The parties must complete the entity maintenance form.</li> <li>• For amounts exceeding R30 000 per case, both parties are to arrange a meeting with the department.</li> </ul>

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer



NO.	Description of the authority	Delegate	Reference	Conditions applicable
1.34	Approve amendments to the specifications/deliverables.	Departmental Bid Adjudication Committee: unlimited		<ul style="list-style-type: none"> <li>• If a binding contract has been concluded but only after negotiation between the contractor and the department and at no additional cost.</li> <li>• Should additional cost be involved, this should be dealt with in accordance with delegations 1.21 and 1.22.</li> </ul>
<b>2. Procurement and asset management</b>				
2.1	Approve that an order number may be given, telephonically, to the supplier.	Senior SCM Officer: R10 000 -- Assistant Director: SCM: R30 000  Deputy Director: SCM: R200 000		<ul style="list-style-type: none"> <li>• When supplies or services are urgently required and system problems are experienced.</li> <li>• The official order form must then be forwarded to the service-provider as soon as possible (48 hours).</li> <li>• The documents must have already been submitted to SCM.</li> </ul>
2.2	Approve that equipment or furniture may be transferred to another department/institution.	CFO	Departmental Asset Policy	<ul style="list-style-type: none"> <li>• Approval will be granted upon receipt of a written motivation.</li> <li>• Although the CFO will serve as a confirming authority, he/she will be part of the disposal meeting to avoid rubber stamping.</li> </ul>
2.3	Approve that any movable property be loaned to another institution (private or public).	DCEO: Corporate Services		<ul style="list-style-type: none"> <li>• Approval will be granted upon receipt of a written motivation from a senior manager of the relevant department</li> </ul>

Initials:   
Mr Jimmy Mahyi  
Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
2.4	Approve that a stock item be loaned to another department.	Director: SCM		<ul style="list-style-type: none"> <li>• PAS Manual, paragraph 9.1.2.7.</li> </ul>
2.5	Approve that a stock item be loaned from another department.	Director: SCM		<ul style="list-style-type: none"> <li>• PAS Manual, paragraph 9.1.2.7.</li> </ul>
2.6	Appoint asset holders and sub-asset holders.	Relevant Chief Director in conjunction with Deputy Director: SCM		
2.7	Remove (from the Asset Register) losses or damage to departmental property arising from, among other things, criminal acts or omissions if, after a thorough investigation, it is found that the loss or damage is irrecoverable or written off, etc.	SCM officer after approval by the Theft and Loss Committee	Treasury Regulation 12.5.2 SCM 4 of 2003: 3.4	<ul style="list-style-type: none"> <li>• Removal of items from the register will occur upon receipt of a written motivation/approval from the Loss Control Committee.</li> </ul>
2.8	Approve disposal of obsolete, unserviceable or redundant equipment.  Confirming authority.	Disposal Committee  CFO	Treasury Regulation 10.2.1  PAS Manual, Chapter 18	<ul style="list-style-type: none"> <li>• Approval will be granted upon receipt of a submission signed by the Responsibility Manager on request form.</li> <li>• All requests to be submitted to the Disposal Committee.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
2.9	<p>Approve the disposal of obsolete, redundant stock items.</p> <p>Confirming authority.</p>	<p>Disposal Committee</p> <p>CFO</p>	<p>PAS Manual, Paragraph 22.11.3</p> <p>Departmental Asset Policy</p>	<ul style="list-style-type: none"> <li>Approval will be granted upon receipt of a submission signed by the Responsibility Manager on request form.</li> <li>All requests to be submitted to the Disposal Committee.</li> </ul>
2.10	<p>Approve the storing/usage/keeping of departmental property at a private property (CEO exempted).</p>	<p>DCEO: CS</p>		<ul style="list-style-type: none"> <li>Approval will be granted upon receipt of a written motivation.</li> </ul>
2.11	<p>Approve that an advance payment for goods or services may be made.</p> <p>Approval thereof.</p>	<p>Director: relevant section</p> <p>CD: relevant section and CFO.</p> <p>CD: relevant section and CFO.</p>		<ul style="list-style-type: none"> <li>Approval will be granted upon receipt of a written motivation from the relevant director signed at Chief Director level.</li> <li>The motivation should indicate the risk factors taken into consideration.</li> </ul>

NO.	Description of the authority	Delegate	Reference	Conditions applicable
2.12(a)	Sign contracts on behalf of the department.	CFO: financial commitment.		
2.12(b)	Sign property lease agreements on behalf of the department.	<p>Relevant CD: functional aspects.</p> <p>CFO: financial commitment, R2 million per case.</p> <p>Relevant Chief Director: functional aspects</p> <p>Accounting Officer, above R2 million</p>		

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
<b>3. Authorisation of orders and payments</b>				
3.1	Pre-authorisation of payments on Procurement Integration and BAS.	SCM Clerk: R2 million  SCM Officer: R2,5 million  SCM Officer: R5 million.  Assistant Director: SCM: R10 million  Deputy Director: SCM: above R10 million  Director: SCM above R10 million		<ul style="list-style-type: none"> <li>• Delegations limited to SCM officials.</li> <li>• All relevant documents must be attached to the order/payment batch:               <ul style="list-style-type: none"> <li>o quotations</li> <li>o motivations.</li> </ul> </li> <li>• The invoice, simultaneous receipts and issue or receipt vouchers must be signed/ authorised by the end-user, that the service is satisfactorily rendered before payment can be effected on the Procurement Integration or BAS System</li> <li>• In instances where the invoice is signed and the Responsibility Manager is not available to sign the invoice, the following words should be written on the voucher "see attached invoice for signature"</li> <li>• All amounts from the value of R1 million and above should be processed via the clearing centre.</li> <li>• The option "transfer payments" should be selected on the Logis Integration system</li> <li>• All international payments should be channelled through Financial Administration.</li> </ul>

Initials: *JM*  
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
3.2	Final authorisation of payments on Procurement Integration and BAS system.	SCM Clerk: R1 million.  SCM Officer: R2,5 million.  Assistant Director: SCM: R5 million.  Deputy Director: SCM: R10 million.  Director SCM: above R10 million.  CFO: unlimited.		<ul style="list-style-type: none"> <li>• Delegations limited to SCM officials</li> <li>• All relevant documents must be attached to the order/payment batch:               <ul style="list-style-type: none"> <li>o quotations</li> <li>o motivations</li> </ul> </li> <li>• The invoice, simultaneous receipts and issue or receipt vouchers must be signed/authorised by the end-user, that the service is satisfactorily rendered before payment can be effected on the Procurement Integration or BAS System</li> <li>• In instances where the invoice is signed and the Responsibility Manager is not available to sign the invoice, the following words should be written on the voucher "see attached invoice for signature".</li> <li>• All amounts from the value of R1 million and above should be processed via the clearing centre.</li> <li>• The option "transfer payments" should be selected on the Logis Integration.</li> <li>• All international payments should be channelled through Financial Administration.</li> </ul>

Initials:   
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
3.3	Payments to overseas institutions.	CFO: unlimited.  Director: Finance: R200 000  Director: SCM: R200 000  Deputy Director: Finance Administration: R100 000  Deputy Director: SCM. R100 000		A BAS payment advice approved by the relevant Responsibility Manager should be submitted to SCM. • All the relevant information, including banking details are to be provided by the relevant section.
3.4		Assistant Director: SCM: R150 000  SCM Officer: R50 000		

Initials: *JM*  
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 Chief Executive Officer

## DELEGATION OF POWER BY THE ACCOUNTING OFFICER OF GCIS

2011/12 TO 2012/13 FINANCIAL YEARS

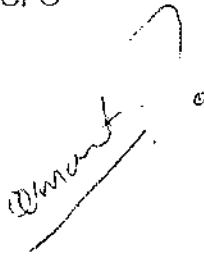
### FINANCIAL DELEGATIONS


Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
1 (a)	Treasury regulation 2.1.1	<p><b>CORPORATE MANAGEMENT</b></p> <p>Unless directed otherwise by the relevant treasury, each institution must have a CFO serving on the senior management team.</p>	Not delegated	CFO has been appointed by the CEO.
		<p><b>INTERNAL CONTROL</b></p> <p>Audit committees</p>		
2 (a)	Treasury regulation 3.1.2	In the case of a non-shared audit committee, the Accounting Officer of an institution must appoint Audit Committee members in consultation with the relevant Executive Authority.	Not delegated	
2 (b)	Treasury regulation 3.1.5	Audit committees must be constituted so as to ensure its independence.	Not delegated	
2 (c)	Treasury regulation 3.1.6	Members of an Audit Committee who have been appointed from outside the public service pursuant to section 77(a)(i) of the Act, must have appropriate experience, be appointed on contract and remunerated in accordance with paragraph 20.2.2 of the regulations. Should it be deemed necessary, such members may be remunerated taking into account tariffs determined by the South African Institute of Chartered Accountants in consultation with the Auditor-General as provided for in paragraph 20.2.3.	Not delegated	



NO.	Description of the authority	Delegate	Reference	Conditions applicable
3.4	Authorisation of orders on Procurement Integration.	SCM: Clerk: R1 million  SCM Officer: R3 million  Senior SCM Officer: R5 million  Assistant Director: SCM: above R5 million		<ul style="list-style-type: none"> <li>• All relevant documents must be attached to the VAS 2 or request for order:               <ul style="list-style-type: none"> <li>o quotations</li> <li>o motivations</li> <li>o approved submissions.</li> </ul> </li> <li>• Relevant documents to be verified for compliance against departmental policy before request for orders is captured or processed.</li> </ul>

4. SPECIFIC DELEGATIONS (ACQUISITION OF MEDIA SPACE)

4.1	Engagement of Media Owner	CD: CSA CFO  	Treasury Regulation 16A3.2 (a) 16A8.3, 4 and 16A9.1(a) (d)	<ul style="list-style-type: none"> <li>• There must be a letter of agreement indicating;               <ul style="list-style-type: none"> <li>o Account limit</li> <li>o How invoicing will be handled</li> <li>o How relationship will be managed including escalation of issues</li> <li>o Details of accounts officials on the GCIS and service provider's side</li> </ul> </li> </ul>
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Initials:   
 Mr Jimmy Mary  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
4.2	<p>Acquisition of print Media directly with sole service providers (e.g. Sowetan, Cape Argus, etc)</p> <p>Approval thereof</p>	<p>Director: R30 000.00 - R2 million per campaign</p> <p>CD: CSA and CFO</p> <p>Chairperson of the BAC: Above R2 million – R5 million per campaign</p>	Treasury Regulation 16A3.2 (a) and 16A9.1 (a)	<ul style="list-style-type: none"> <li>• A detailed motivation indicating; <ul style="list-style-type: none"> <li>o Purpose of the memo and relevant delegations</li> <li>o What resulted in the need</li> <li>o Why this procurement model was followed as well as why other service providers cannot be utilized for the service</li> <li>o What are the benefits for the department / state with this model</li> <li>o The submissions approved by the Chairperson of the Bid Adjudication Committee must be tabled at the following meeting of the Bid Committee.</li> </ul> </li> <li>o At the end of every quarter, a memo will be submitted to MANCO on all bids awarded and submission approved by the Bid Adjudication Committee.</li> </ul>

*Approval from Client.*

Initials: *JM*  
Mr Jimmy Mahyi  
Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
4.3	<p>Acquisition of Radio Space directly with sole service providers (e.g. Community Radio Stations and SABC Stations)</p> <p>Approval thereof</p>	<p>Director: R30 000 - R3 million per campaign</p> <p>CD: CSA and CFO</p> <p>Chairperson of the BAC: Above R3 million - R5 million per campaign</p>	Treasury Regulation 16A3.2 (a) and 16A9.1 (a)	<ul style="list-style-type: none"> <li>• A detailed motivation indicating,               <ul style="list-style-type: none"> <li>o Purpose of the memo and relevant delegations</li> <li>o What resulted in the need</li> <li>o Why this procurement model was followed as well as why other service providers cannot be utilized for the service</li> <li>o What are the benefits for the department / state with this model</li> <li>o The submissions approved by the Chairperson of the Bid Adjudication Committee must be tabled at the following meeting of the Bid Committee</li> </ul> </li> <li>o At the end of every quarter, a memo will be submitted to MANCO on all bids awarded and submission approved by the Bid Adjudication Committee.</li> </ul>

*CD or Higher*


*also consulting*

*- Approval from Client -*  
*→ D.G To Sign of Client*  
*→ Branch to Sign.*

Initials: *[Signature]*  
 Mr Jimmy Manyi  
 Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
4.4	<p>Acquisition of <u>TV Space</u> directly with sole service providers (e.g. SABC and ETV)</p> <p>Approval thereof</p>	<p>Director: R30 000 - R5 million per campaign</p> <p>CD: CSA and CFO</p> <p>Chairperson of the BAC: Above R5 million – R10 million per campaign</p> <p>CEO: Above R10 million on recommendation from the BAC.</p>	Treasury Regulation 16A3.2 (a) and 16A9.1 (a)	<ul style="list-style-type: none"> <li>• A detailed motivation indicating;               <ul style="list-style-type: none"> <li>o Purpose of the memo and relevant delegations</li> <li>o What resulted in the need</li> <li>o Why this procurement model was followed as well as why other service providers cannot be utilized for the service</li> <li>o What are the benefits for the department / state with this model</li> <li>o The submissions approved by the Chairperson of the Bid Adjudication Committee must be tabled at the following meeting of the Bid Committee.</li> <li>o At the end of every quarter, a memo will be submitted to MANCO on all bids awarded and submission approved by the Bid Adjudication Committee.</li> </ul> </li> </ul>

*Approval of Client.*

Initials:   
Mr Jimmy Manyi  
Chief Executive Officer

NO.	Description of the authority	Delegate	Reference	Conditions applicable
4.5	Acquisition of outdoor advertisement directly with sole service providers  Approval thereof	Director: R30 000 - R1 million per campaign  CD: CSA and CFO  BAC: Above R1 million – R3 million per campaign  CEO: Above R3 million on recommendation from the BAC.	Treasury Regulation 16A3.2 (a) and 16A9.1 (a)	<ul style="list-style-type: none"> <li>• A detailed motivation indicating: <ul style="list-style-type: none"> <li>○ Purpose of the memo and relevant delegations</li> <li>○ What resulted in the need</li> <li>○ Why this procurement model was followed as well as why other service providers cannot be utilized for the service</li> <li>○ What are the benefits for the department / state with this model</li> </ul> </li> </ul>

NB: Where powers have been delegated to a holder of a specific rank, that power may be executed by the acting official or the holder of an equivalent or higher rank. The person pre-authorising the payment should at all times not be the final authoriser of the same payment.

The CEO reserves the right to withdraw the delegations given to an official(s), should he/she be of the view that the delegations have been abused and disciplinary proceedings may be instituted against that particular official(s). These delegations will be reviewed on an annual basis.



# PROCUREMENT POLICY

## 1. INTRODUCTION

The GCIS commits itself to the development of a sound procurement/acquisition policy that is consistent with the principles contained in the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), issued by the Minister of Finance. The principles and practices set out in this policy apply to all officials tasked with the procurement of goods and services.

The department's acquisition policy emphasizes accountability and is aimed at achieving the best value for money. This document takes into account the role of Supply Chain Management (SCM), established to provide a procurement service to users and to streamline acquisition within the department. In consultation with staff SCM develops acquisition policies that are aligned to the guidelines as set out by National Treasury, concludes contracts, manages bidding processes and provides support and advice to line functions.

This policy requires all officials in the GCIS, performing duties in relation to the acquisition/procurement of goods and services (e.g., sourcing of quotations, compiling bid terms of reference, etc.), to have regard for these principles and practices, and to keep written records of any actions that are not consistent with these principles and practices and their reason for doing so (motivation for deviations).

Acquisition in the GCIS takes place in terms of the Preferential Procurement Policy Framework Act, 2000, Public Finance Management Act (PFMA), 1999 Treasury Regulations, SCM guidelines and the Broad-Based Black Economic Empowerment (BBBEE) Act, 2003 (Act 53 of 2003).

All officials are required to acquaint themselves with the prescripts underpinning the department's acquisition processes.

## 2. OBJECTIVES

The objective of this policy is to regulate, the Government Communication and Information System (GCIS) acquisition/procurement systems and procedures developed in terms of the Preferential Procurement Policy Framework Act (PPPFA), 2000 as amended; PFMA, 1999; BBBEE Act, 2003; Framework for Supply Chain Management, December 2003; and Treasury Regulations 16A.

## 3. REGULATORY FRAMEWORK

3.1 Section 38 of the PFMA, 1999 sets out the general responsibilities of accounting officers, one of which is to ensure that the department has and maintains an appropriate supply chain management system, which is fair, equitable, transparent, competitive and cost-effective.

3.2 For the GCIS to meet these requirements it will observe fully Treasury Regulation 16A9 and the five pillars of procurement as set out in the General Procurement Guidelines, which are incorporated in this document.

3.3 This policy sets out ethical and sound acquisition practices to be followed by all officials involved in acquiring goods and services within the GCIS. The Accounting Officer is authorized to amend these procedures should the need arise.

## 4. CORE PRINCIPLES

4.1 The objective is supported by the following core principles of SCM:

- obtaining value for money
- open and effective competition
- business ethics and integrity
- accountability and reporting
- procurement/acquisition from historically disadvantaged individuals (HDIs)/BEE/BBBEE compliant suppliers.

### 4.1.1 Value for money

4.1.1.1 All GCIS officials should at all times strive for good value for money when they procure goods or services.

4.1.1.2 Value for money involves comparing alternative goods/services available in the specific market prior to a specific choice being made. This means comparing the costs against the benefits to be obtained in that specific service. The benefits should compare favourably with the price the department would be paying for those goods/services.

4.1.1.3 Value for money is an essential test against which the department must justify any procurement / acquisition outcome. It is, however, not the only factor to be considered when comparing the alternative solution.

4.1.1.4 Other factors would include the goods or service offered meeting the requirements of the department; HDI representatives and BEE status of the company bidding; the capacity of the company to deliver the required product/service within the specified period.

### 4.1.2 Open and effective competition

Open and effective competition will be the central operating principle of the entire department's acquisition process. Officials are required to ensure that:

- the requirements of Treasury Regulation 16A63, the PPPFA, 2000 are observed and where industry charters are in existence, their scorecard(s) should be adhered to, based on guidelines issued by National Treasury and DTI.
- adequate and timely information is provided to all suppliers to enable them to bid/quote



- content of information on the specifications/task directives should be uniform to all the potential suppliers
- a fair and open process of evaluating the bids or quotations should be communicated in the bid specification/task directive or request for quote (RFQ) documents when they are issued
- officials should seek ways of providing new entrants/suppliers an opportunity to bid, especially the companies owned by HDIs; small, medium and micro-enterprises (SMMEs); or companies that are BEE compliant.

#### 4.1.3 Ethics and fair dealing

4.1.3.1 The GCIS is committed to ensuring its officials adhere to the Public Service Code of Conduct in the execution of acquisition. The Public Service Code of Conduct C5.3, C.5.4 and C.4.6 respectively states that:

- an employee does not use her or his official position to obtain private gifts or benefits for herself or himself during the performance of her or his official duties nor does she or he accept any gift or benefits when offered, as these may be construed as bribes
- an employee does not use or disclose any official information for personal gain or the gain of others
- an employee will recuse herself/himself from any official action or decision-making process, which may result in improper personal gain and this should be properly declared by the employee.

4.1.3.2 It is therefore the requirement of every employee of the GCIS to ensure that:

- acquisition is conducted in accordance with high ethical and moral standards
- employees must observe recognised standards of fair dealing and personal integrity
- employees should neither condone nor approve any known illegal or unethical act for any reason willfully
- confidentiality of information must be adhered to at all times
- officials involved in the acquisition process should at all times disclose any possible conflict of interest and/or fraud to the CFO or Head of SCM, i.e. with regard to acquisitions relating to bids or quotations
- impartiality in the conduct of bid evaluations.

#### 4.1.4 Acquisition from HDI/BEE suppliers

To fulfil the Government's objectives in acquisition, the following will be considered when procuring goods/services for the GCIS:

- Purchasing will strive to promote the usage of SMMEs.
- The GCIS' employees should strive to source quotations from the service-providers on the database. Where service-providers on the database are not able to provide the required service or item, the person requiring the service must ensure that the service-providers being approached

complete the necessary database registration forms.

- The service-provider database is available on the intranet for obtaining quotations. The database is maintained by the SCM Unit.
- Service-providers on the database should be used on a rotational basis.

SCM Management will monitor the constant use of the same service-provider.

## **5. ACQUISITION AUTHORISING STRUCTURES**

5.1 Accounting officers are expected to ensure that their departments apply the principles of sound acquisition prescribed in the PFMA, 1999; PPPFA, 2000; Treasury Regulations; and the Constitution of the Republic of South Africa, 1996.

5.2 Section 38 (iii) of the PFMA, 1999 stipulates that the "Accounting Officer must ensure that the department, trading entity or constitutional institution has and maintains: an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective".

## **6. ROLE OF SCM**

6.1 SCM is responsible for the development, coordination, efficient operation and maintenance of the acquisition chain policy and procedures.

6.2 To ensure that all acquisition matters are dealt with in accordance with the set out prescripts.

6.3. To maintain and update the prospective list of suppliers (database).

6.4 To manage and administer transversal contracts issued by National Treasury.

6.5 To ensure that bid procedures are adhered to at all times.

6.6 In consultation with the DCEO: CS facilitate the appointment of members of the Bid Adjudication Committee by the Accounting Officer (CEO).

6.7 To facilitate the convening of the Bid Adjudication Committee meetings and serve as its Secretariat.

6.8 To serve as an observer for all bid evaluation meetings.

6.9 Ensure all the GCIS creditors are paid timeously once advised by the relevant Responsibility Manager that the services have been rendered and after receipt of a certified invoice by the relevant Responsibility Manager.

6.10 Together with line functions, monitor the service rendered to the GCIS by the suppliers and reconsider their usage in the event they cease to provide expected benefits.

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
2 (d)	Treasury regulation 3.1.8	An audit committee must establish an audit charter to guide the audit approach, as well as its operating procedures, which must spell out the rules that govern the audit relationship	Chairperson Audit Committee	Charter to be discussed with the Accounting officer prior to the charter
2 (e)	Treasury regulation 3.1.9	An audit committee must report and make recommendations to the Accounting Officer, but the Accounting Officer retains responsibility for implementing such recommendations.	Audit Committee	
2 (f)	Treasury regulation 3.1.13	An Audit Committee must, in the annual report of the institution, comment on: <ul style="list-style-type: none"> <li>• the effectiveness of internal control</li> <li>• the quality of in year management and monthly reports submitted in terms of the Act and the Division of Revenue Act; 2006 (Act 2 of 2006)</li> <li>• its evaluation of the annual financial statements.</li> </ul>	Audit Committee	
2 (g)	Treasury regulation 3.1.14	Should a report to an audit committee, whether from internal audit unit or any other source, implicate the Accounting Officer in fraud, corruption or gross negligence, the chairperson of the Audit Committee must promptly report this to the relevant executive authority.	Chairperson Audit Committee	
2 (h)	Treasury regulation 3.1.15	The Audit Committee may communicate any concerns it deems necessary to the Executive Authority, the relevant treasury and the Auditor General.	Chairperson Audit Committee	
<b>Internal controls and internal audit</b>				
3 (a)	Treasury regulation 3.2.1	The Accounting Officer must facilitate a risk assessment to determine the material risks to which the institution may be exposed and to evaluate the strategy for managing these risks. Such a strategy must include a fraud prevention plan. The strategy must be used to direct internal audit effort and priority, and to determine the skills required to manage these risks.	Chief Audit Executive	Risk assessment to be discussed with Manco. Fraud prevention plan to be drawn up and

## 7. ROLE OF CHIEF DIRECTORATES AND DIRECTORATES

7.1 Asset management, goods and services decisions regarding acquisition within GCIS will be driven by a needs analysis. With respect to assets, evaluation of existing assets, taking into consideration the assets' physical condition, functionality (is the asset suitable for the activities it supports?), utilisation (is the asset used effectively?) and operating costs/financial performance should be taken into consideration.

The department will consider alternatives to asset ownership on some assets taking into account life cycle cost (all costs associated with acquiring, controlling, operating and disposing of the asset), risk and benefits.

The business plans approved by the Budget Lekgotla will inform the asset-acquisition plan of the department.

7.2. Ensuring that quotations have delivery dates and are valid before submitting to SCM.

7.3 Ensuring that correct allocation attachments are submitted with all requests for orders.

7.4 Ensuring that requisitions are signed by the Responsibility Manager or delegated person. In cases where documents are signed by a delegated person, the letter of appointment should be forwarded to SCM for record-keeping. A specimen signature of the delegated person must appear on the appointment letter.

7.5 Ensuring that requests/quotes/bids for requirements are submitted timeously to facilitate adherence to the core principles of SCM, including the rotation of suppliers.

7.6 Ensuring that funds are available before quotations are sourced or bids advertised.

7.7 Monitoring supplier performance by following up with service-providers when delivery dates are exceeded or invoices are outstanding.

7.8 Ensuring that agreement on the extension of delivery dates is communicated in writing to the supplier and SCM. The impact of this extension on other timelines, for example, projections, etc. should be analysed carefully.

7.9 Poor performance by service-providers should be well documented and brought to their attention. Copies of the letters sent to service-providers as well as their response should at all times be submitted to SCM.

7.10 Ensuring that service level agreements are signed by delegated officials as per the departmental acquisition delegations. Monitor the service level agreements entered into with service-providers strictly according to the original terms and conditions. Any deviation must be taken up in writing with the service-provider and a copy sent to SCM.

7.11 Ensuring that service level agreements are concluded preferably within a month from the

date of the award. This should also be guided by the type of services, e.g. once-off, etc.

7.12 The cancellation of orders for goods or services with service-providers should at all times be in writing. Copies of the letter should be sent to SCM to remove the said order(s) from the commitment file or attach to the relevant order.

7.13 Ensuring that they adhere to the bid schedule issued by SCM to ensure that bids are finalised timeously

7.14 In case of flights, ensure that unused tickets are submitted for refund before their expiry dates and also inform SCM of any tickets submitted for refund to ensure the funds are recovered from the travel agent.

## **8. COMPOSITION OF THE DEPARTMENTAL BID ADJUDICATION COMMITTEE**

8.1 The Departmental Bid Adjudication Committee will comprise of members appointed by the Accounting Officer or his/her delegate through the acquisition policy and delegations. The composition of the committee will be as follows:

Chairperson – DCEO: Corporate Services  
Members – DCEO: Government and Stakeholder Engagement, CFO; the chief directors of Media Engagement, Communication Service Agency, , Policy and Research and CD: Corporate Services; the Director: SCM (technical adviser) and the Deputy Director: SCM (scribe).

8.2 Other officials may be co-opted onto the Bid Adjudication Committee on account of their specialised knowledge. If the committee is divided in the awarding of a bid, the members will vote. In the event of an equal vote, the chairperson's decision will be final.

8.3 The DCEO: Communication & Content Management will serve on the Bid Adjudication Committee as ad hoc members. At least two DCEOs will be required to attend adjudication meetings where transversal campaigns and bids above R3 million are to be adjudicated.

8.4 Committee members who are not available for the meeting must send representatives. These delegations can not be delegated lower than the level of director. The person who is being delegated should be given the documents timeously. Should the chairperson not be available, the person acting in his/her capacity will serve as chairperson.

8.5 Should a member of the Bid Adjudication Committee participate in the evaluation of a bid in the evaluation committee, he/she will be exempted from participating in the adjudication of that specific bid. He/she may send a representative.

8.6 For transparency and fairness, in instances where deviations to be approved by the Bid Adjudication Committee are from a particular branch, the DCEO and the CD of the relevant branch will be recused from the decision making of the particular request.

## **9. FUNCTIONS OF THE DEPARTMENTAL BID ADJUDICATION COMMITTEE**

9.1 The Bid Adjudication Committee adjudicates the recommendations of the Evaluation Committee on all acquisitions done through the bid process.

9.2 It approves regular processes on acquisition and recommends requests for *ex-post facto* approval before submitting to National Treasury.

9.3 It ensures that supply chain prescripts and procedures are adhered to and that bidding submissions comply with agreements and conditions specified in bid documents.

9.4 It ensures that minutes are taken of all the decisions of the committee. The signatures of the chairperson and secretary must confirm the minutes. The minutes must be filed in the relevant bid files that are held at SCM.

9.5 The Bid Adjudication Committee must record their decisions and the reasons for any deviations from the General Procurement Guidelines as issued by National Treasury.

9.6 In the event that the committee does not agree on appointment, the CEO will serve as arbitrator.

9.7 The chairperson of the Bid Adjudication Committee will approve all submissions for media buying, which are above the threshold delegated to the CFO and relevant Chief Director. The submissions approved by the Chairperson of the Bid Adjudication Committee must be table at the following meeting of the Bid Committee.

9.8 At the end of every quarter, a memo will be submitted to MANCO on all bids awarded and submission approved by the Bid Adjudication Committee.

## **10. MEETINGS OF THE DEPARTMENTAL BID ADJUDICATION COMMITTEE**

10.1 The meetings of the Bid Adjudication Committee will take place as per schedule issued by SCM.

10.2 SCM must ensure that the schedule for the adjudication of bids is compiled for the entire year. The schedule must be e-mailed to all committee members and their personal assistants.

10.3 A schedule for the evaluation of bids must be compiled and e-mailed to the person who commissioned the advertising of the bid.

## **11. SUBMISSION OF THE MINUTES OF THE EVALUATION COMMITTEE TO THE BID ADJUDICATION COMMITTEE**

11.1 A submission capturing the recommendations of the Evaluation Committee to the Departmental Bid Adjudication Committee should contain the following information:

- list of panel members
- declaration of interest

- introduction (reason for requesting the bid)
- background relating to the bid
- the strengths and weaknesses of each bidder that was evaluated
- the points scored by each bidder
- recommendation.

## **12. QUORUM OF THE BID ADJUDICATION COMMITTEE**

12.1 Half (50%) plus one member of the Bid Adjudication Committee must always be present. If member(s) are not available, the relevant committee member(s) must send a representative(s).

12.2 Representatives will not be accepted for adjudication of bids exceeding R3 000 000. Exceptions will be made where the Chief Director was sitting in the Evaluation Committee of that specific bid.

12.3 As far as possible, delegation should be limited up to director level. Other cases, in instances where officials lower than director is delegated to the Adjudication Committee, will be treated on their merit.

## **13. RISK MANAGEMENT**

13.1 It is incumbent on all officials of the GCIS to address the issue of procurement risks at all times. This should be read in conjunction with GCIS' departmental Risk Management Policy Document.

13.2 Advance payments will only be made under certain conditions to service-providers. Should a need arise for such advances, payment will be processed as per pro forma invoice received. Advance payments will be considered for the following services: research, training, conference facilities, video production.

13.3 It is however, the responsibility of the relevant Responsibility Manager to assess the risk and ensure that proper systems are in place to monitor the execution of services or delivery of goods after advance payments are made. Importantly, ensure that the original invoice is received by SCM.

13.4 For amounts exceeding R500 000 per case, the Chief Directorate or Directorate should preferably enter into a service level agreement with the service-provider (refer to par. 7.10 & 11).

13.5 Where advance payments were made, it remains the sole responsibility of the relevant Responsibility Manager to ensure that the service is fully rendered as the documents would have been removed from the commitment file (0-9) kept at SCM.

13.6 Where pro forma invoices were submitted, it is the responsibility of the relevant Responsibility Manager to ensure that the original invoices are submitted to SCM.

13.7 In cases of bulk buying, the Chief Directorate, Directorate or Subdirectorate should consider splitting the requirements among different service-providers. However, this must not be applied to

circumvent bidding procedures but to manage risk. For instance, a section cannot split the order for the same goods/services so as to circumvent the bidding process.

13.8 On completion of the service or delivery of the goods, the section that made the request must ensure an invoice is forwarded to the Head of SCM.

13.9 Payments must not be effected on photocopied or fax copies. Should a copy be used, it should be certified by the company as a true copy (not certified by the section itself).

13.10 However, should a double payment for the same goods or services occur as a result of the copied invoice, the Chief Directorate, Directorate or Sub-directorate will be held accountable.

13.11 Electronic invoices will be accepted provided they are on PDF format.

13.12 VAT registration numbers should be reflected on all invoices and quotations where suppliers are claiming VAT.

13.13 Orders must not be made prior to a written quotation being obtained from the service-provider. Where telephonic quotations were obtained, the signed quotation form should be attached.

13.14 Bulk purchasing in the last three months of the financial year should be avoided. This may result in roll-overs, which are subject to National Treasury approval.

13.15 All payments over the value of R500 000 should be captured on the clearing centre. All new suppliers should also be captured on the clearing centre.

13.16 No finance documents should be shredded unless they are duplicate copies.

13.17 All bid evaluation meetings must be chaired by officials at Director level and above. Should the relevant director not be available, a director from another directorate or chief directorate must be requested to chair the evaluation

13.18 In managing the procurement risks, all officials within GCIS must ensure that they observe all legislation governing procurement, including Treasury Regulation 16A9.

## **14. ACCOUNTABILITY AND REPORTING**

To ensure that officials are answerable to their plans, actions and outcomes, the following aspects of reporting within the procurement framework should be observed:

### **14.1 Accountability**

14.1.1 The Accounting Officer is accountable to the minister for the overall management of procurement activities.

14.1.2 The Bid Adjudication Committee is accountable to the Accounting Officer for the



adjudication of acquisition done through the bidding process.

14.1.3 SCM, the Bid Adjudication Committee, directorates and subdirectorates are accountable to the Accounting Officer and to their clients, both internally and externally for the services they provide.

14.1.4 All officials' exercising supply chain functions must adhere to these guidelines.

#### 14.2. Reporting – database

14.2.1 SCM will generate a quarterly report through the database system to determine the extent of the use of BEE suppliers in line with the BEE Act, 2003. This will be reviewed once the new guidelines on empowerment of service-providers have been issued by National Treasury.

14.2.2 The GCIS will keep one service-provider database.

14.2.3 It is the responsibility of all responsibility managers to spread expenses among different suppliers to avoid the use of only one supplier.

#### 14.3 Sole suppliers

14.3.1 In instances where a service-provider is the sole supplier of a recurring service within the organisation, the department will test the market by calling for bids. If twice in a row (year one and two), only one compliant proposal was received from the same service-provider, the bid may be renewed for the third time (year three) for a period not exceeding two years. If the bid was renewed for a period of two years, the bid will be advertised in the middle of the second year to test the market once more.

14.3.2 The proposal for the renewal or extension of the contract/bid will be presented to the Bid Adjudication Committee before any communication is sent to the service-provider.

14.3.3 The recommendation of the Bid Adjudication Committee will, however, be adhered to at all times.

14.3.4 All other requests relating to the use of sole suppliers will be dealt with in line with National Treasury Regulation 16A.

### 15. AUDIT QUERIES/RECOMMENDATIONS

15.1 Responsibility managers will be responsible to answer all relevant audit queries where there were deviations from the departmental guidelines and delegations as well as in the event where the resolution(s) of the Bid Adjudication Committee are not being adhered to.

#### 15.2 Irregular expenditure/transactions

15.2.1 Irregular transactions/expenditures are incurred as a result of non-compliance to Treasury Regulations; PFMA, 1999; as well as departmental policies and delegations when transactions are

concluded.

The following serves as examples:

- acquisitions of goods or services before an official order is generated
- goods or services are procured by means of price quotations where the value of the purchase exceeds the threshold values determined by National Treasury
- goods or services are procured without following the competitive route, and reasons for deviation are not recorded and approved by the delegated officials/authority
- procurement of goods and services is authorised by an official who is not delegated to approve the expense (all acting officials should be appointed in writing).

15.2.2 Deviations resulting in irregular expenditure are to be submitted and fully motivated to SCM. The motivation must be signed by the relevant Director and recommended by the Chief Director. The submission will then be tabled at the Departmental Bid Adjudication Committee for approval and/or recommendation to National Treasury.

15.2.3 SCM will keep a register of all irregular expenditure per financial year.

## 16. DELEGATIONS

The thresholds will be amended on receipt of an update circular from National Treasury. The core principles of procurement should be observed at all times.

16.1 R0,01 – R2 000 (VAT included)

16.1.1 An official can use petty cash to purchase goods/services to the value of R2 000. It should, however, be noted that petty cash is not meant to be used to procure assets/equipment.

16.2 R 2000,01 – R10 000 (VAT included)

16.2.1 Officials should obtain at least three verbal or written quotations prior to making an official order for the service.

16.3 R10 000, 01 – R30 000 (VAT included)

16.3.1 Officials must strive to ensure that acquisition of goods and services up to R200 000 are sourced from the list of suppliers on the database. Where there are no suitable suppliers available from the database, quotations may be obtained from other possible suppliers. Application forms (to be added to the database) need to be completed by the service-provider and forwarded to SCM to add the service-provider to the database.

16.3.2 At least three written quotations must be obtained prior to the choice being made on the service-provider to supply the services. If it is not possible to obtain at least three written price quotations, the reasons should be recorded and approved by the Responsibility Manager.

16.4 R30 000,01 – R500 000 (VAT included)

16.4.1 At least three written quotations should be obtained for services/goods exceeding R30 000,01. The principles of preferential procurement regulations/BBBEE will apply for all procurement in this category.

16.4.2 Quotes must be sourced from suppliers in writing (Terms of Reference / specification). Quotation numbers must be acquired from SCM. The request for quotations must indicate how the quotations will be evaluated. Weight/scores must be put on the requirements.

16.4.3 The preferential procurement goals that will be considered during the evaluation of the quotes are to be indicated on the request for quotes.

16.4.4 The relevant Request for Quotation documents should be sent to service-providers for completion with the request for quotations. These are to be obtained from SCM together with a quotation number.

16.4.5 The written request for quotes should indicate the closing date of submitting quotations.

16.4.6 The quotations will be evaluated by the relevant section/cross-functional evaluation teams where possible, with SCM as observers.

16.4.7 The relevant section must draw a submission for the appointment of the successful bidder/service-provider.

16.4.8 Awarding of the quote/selection of bidder is to be approved by the relevant Chief Director and the CFO, after ensuring that the correct processes were followed.

16.4.9 An original copy of the approval of the selection of the bidder will be kept in the file of the relevant bid in SCM.

16.5 R500 000,01 and above – bid process (this must be read in conjunction with the departmental acquisition delegation document).

16.5.1 The requests within these limits are subject to bidding procedures. The specification/ task directive / terms of reference, approved by the Chief Director or delegated official, must be submitted to the Deputy Director: SCM for input and advertising through the Tender Bulletin, the GCIS website and/or other relevant media.

16.5.2 The weight for price and the functional requirements will differ per bid depending on what aspect is critical for the Chief Directorate, Directorate or Sub-directorate at that particular time. The practice note issued by National Treasury on the appointment of consultants can be used as a guideline.

16.5.3 A task directive/ terms of reference / specification must be compiled by an ad hoc committee for that particular requirement. The committee can comprise the relevant Directorate or Sub-directorate, SCM and, where possible, people from other sections who are knowledgeable of the requirement/services required.

16.5.4 A week from the date of submission of the task directive / terms of reference / specification to SCM must be allowed for finalization of the document.

16.5.5 At least 21 days must be allowed for the bid to be advertised. Deviations in terms of the advertising period are to be approved by the Bid Adjudication Committee.

16.5.6 The Departmental Bid Adjudication Committee will, through its adjudication process, conclude the bids within the stipulated time frame.

16.5.7 The section requesting the advertising of the bid is to confirm in writing that funds are available. The confirmation must be submitted together with the task directive / terms of reference / specification.

16.5.8 Accommodation and/or conference facilities for conferences, workshops and seminars must be obtained by means of price quotations.

## **17. URGENT CASES – UP TO AN ESTIMATED VALUE OF R 600 000 (VAT INCLUDED)**

17.1 This delegation will be applicable to services/goods that are urgently required, and where going through the bidding process may result in critical services/goods being compromised.

17.2 The request must be thoroughly motivated at director's level and the recommendation approved by the relevant Programme Manager before being submitted to the Head of SCM. Goods/services are to be procured by making use of the list of suppliers on GCIS' database, unless the service is not available on the database.

17.3 This delegation should only be used in exceptional circumstances, and not as a matter of course. The chairperson of the Bid Adjudication Committee will approve the motivation for the urgent cases.

## **18. EMERGENCY CASES – UP TO THE VALUE OF R900 000.00 (VAT INCLUDED)**

18.1 This delegation will be applicable where immediate action is necessary to avoid a dangerous or risky situation.

The same conditions are applicable as with urgent cases.

18.2 The chairperson of the Bid Adjudication Committee will approve the motivation.

18.3 The motivation will be reported in the subsequent Bid Adjudication Committee meeting for endorsement and recording.

18.4 The Accounting Officer will approve any emergency acquisitions above R650 000, after the submission has been recommended by the Bid Adjudication Committee.

## **19. ACQUISITION OF TRAVEL AND CONFERENCE FACILITIES**

- 19.1 Government Communications will utilise the services of multiple travel agents for the procurement of flight and accommodation services. GCIS will compile a letter of engagement outlining how the relationship between GCIS and the relevant travel agent will be managed. The letter must be given to the travel agent.

When submitting quotations, travel agents must indicate the cost of the service (cost for accommodation / flight) and service fee separately.

Travel Agents must submit an original valid tax clearance certificate before they can be utilised by GCIS.

- 19.2 Government Communication will utilise the services of multiple venue finders for the procurement of conference facilities to the value of R500 000.00. GCIS will compile a letter of engagement outlining how the relationship between GCIS and the relevant venue finder will be managed. The letter must be given to the venue finder.

For transparency, when submitting quotations, venue finders must indicate the cost of the service (conference facilities) and service fee / commission separately.

Venue finders must submit an original valid tax clearance certificate before they can be utilised by GCIS.

- 19.3 Conference facilities exceeding the value of R500,000.00 must be handled through the bidding process. The Departmental Bid Adjudication Committee must be approached for approval of a closed and shortened bid process to ensure a quicker turnaround time,

## **20. ACQUISITION OF MEDIA SPACE (SPECIFIC DELEGATIONS)**

### **20.1 Engagement of media owners**

The following processes and delegations must be observed when procuring advertorial space with media owners.

- There must be a letter of engagement or agreement indicating how the relationship between the media owner and GCIS will be managed. The letter or agreement must clearly indicate how the process of acquiring advertorial space will be handled, how late bookings will be addressed as well as the invoicing and payment

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
3 (b)	Treasury regulation 3.2.6	Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.	Chief Audit Executive	approved by Manco
3 (c)	Treasury regulation 3.2.7	<p>The internal audit unit must be prepared, in consultation with and for approval by the Audit Committee:</p> <ul style="list-style-type: none"> <li>• a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the institution, with regard to its current operations, those proposed in its Strategic Plan and its risk management strategy</li> <li>• an annual internal audit plan for the first year of the rolling three-year strategic internal audit plan</li> <li>• plans indicating the proposed scope of each audit in the annual internal audit plan</li> <li>• operating procedures, with management inputs, to guide the audit relationship</li> <li>• a quarterly report to the Audit Committee detailing its performance against the annual internal audit plan, to allow for effective monitoring and possible intervention.</li> </ul>	Chief Audit Executive	
3 (d)	Treasury regulation 3.2.8	An internal audit must assess the operational procedures and monitoring mechanisms on all transfers made and received, including transfers in terms of the annual Division of Revenue Act, 2006	Chief Audit Executive	
4 (a)	Treasury regulation 4.1.1	<p><b>FINANCIAL MISCONDUCT</b></p> <p><b>Investigation of alleged financial misconduct</b></p> <p>If an official is alleged to have committed financial misconduct, the Accounting Officer of the institution must ensure that disciplinary proceedings are carried out in accordance with the relevant prescripts.</p>	CFO	The CFO in consultation with the Accounting

terms.

- The letter of engagement should also indicate the details of officials who are responsible for payments and booking of media space on the side of the media owner and GCIS.
- The process of escalation of issues on the side of the media owner and GCIS should be clearly outlined.
- The details with respect to the ownership or HDI / BBBEE status of the media owner should be provided on the GCIS database form, to enable the department to capture the information on relevant systems.

## **20.2 Acquisition of print media - R30 000.00 – R2 million per case**

This specific delegation applies when booking print media space directly with media owners. A motivation indicating the following should be approved by the relevant chief director and CFO after input from SCM practitioners;

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts  
(Refer to Annexure II of the best practice guidelines for procurement of media and advertising)
- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?
- **Recommendation**
  - Indicate proposed recommendation

### **20.2.1 The process post signing of the submission / motivation**

Supply Chain Management (SCM) will keep a register and a file of all motivations

that are approved using the specific delegation. A reference number will be allocated to each campaign by SCM after receipt of an approved motivation. A motivation with the original signatures will be filed at SCM bid administration unit. The reference number allocated to the campaign must be indicated on all the VAS 2 (requisitions) related to the campaign and media owners identified in the submission.

Should an additional media owner be identified after approval was granted, a separate motivation and approval stating all aspects indicated under 19.2 must be submitted.

Only D: SCM, DD:SCM & Security or delegated official will be responsible for allocating reference numbers.

SCM will develop a register for allocating numbers. The register must contain the following;

- Date (entry to the register)
- Campaign name
- SCM delegation number (from the policy and SCM delegation number)
- Reference number (allocated by SCM)
- Approval date (by delegated officials)

#### **20.2.2 Acquisition of print media - above R2 million – R5 million per case**

The approval within this category must be submitted to the Bid Adjudication Committee through SCM.

This specific delegation applies when booking print media space directly with media owners. A motivation indicating the following must be recommended by the relevant director after input from SCM practitioners and approved by the BAC;

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts

**(Refer to Annexure II of the best practice guidelines for procurement**



of media and advertising)

- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?
- **Recommendation**
  - Indicate proposed recommendation

### **20.3 Acquisition of radio space - R30 000.00 – R3 million per case**

This specific delegation applies when booking radio space directly with media owners. A motivation indicating the following should be approved by the relevant chief director and CFO after input from SCM practitioners;

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts  
(Refer to Annexure II of the best practice guidelines for procurement of media and advertising)
- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?
- **Recommendation**
  - Indicate proposed recommendation

#### **20.3.1 The process post signing of the submission / motivation**

Supply Chain Management (SCM) will keep a register and a file of all motivations that are approved. A reference number will be allocated to each campaign by

SCM after receipt of an approved motivation. A motivation with the original signatures will be filed at SCM bid administration unit. The reference number allocated to the campaign must be indicated on all the VAS 2 (requisitions) related to the campaign and media owners identified in the submission.

Should an additional media owner be identified after approval was granted, a separate motivation and approval stating all aspects indicated under 19.2 must be submitted.

Only D: SCM, DD: SCM & Security or delegated official will be responsible for allocating reference numbers.

SCM will develop a register for allocating numbers. The register must contain the following;

- Date (entry to the register)
- Campaign name
- SCM delegation number (from the policy and scm delegation number)
- Reference number (allocated by SCM)
- Approval date (by delegated officials)

### **20.3.2 Acquisition of radio space - above R3 million – R5 million per case**

The approval within this category must be submitted to the Bid Adjudication Committee through SCM.

This specific delegation applies when radio space directly with media owners. A motivation indicating the following must be recommended by the relevant chief director after input from SCM practitioners and approved by the BAC;

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts

**(Refer to Annexure II of the best practice guidelines for procurement of media and advertising)**

- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?
- **Recommendation**
  - Indicate proposed recommendation

#### **20.4 Acquisition of TV space - R30 000.00 – R5 million per case**

This specific delegation applies when booking TV space directly with media owners. A motivation indicating the following should be approved by the relevant chief director and CFO after input from SCM practitioners;

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts  
(Refer to Annexure II of the best practice guidelines for procurement of media and advertising)
- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?
- **Recommendation**
  - Indicate proposed recommendation

##### **20.4.1 The process post signing of the submission / motivation**

Supply Chain Management (SCM) will keep a register and a file of all motivations that are approved. A reference number will be allocated to each campaign by SCM after receipt of an approved motivation. A motivation with the original

signatures will be filed at SCM bid administration unit. The reference number allocated to the campaign must be indicated on all the VAS 2 (requisitions) related to the campaign and media owners identified in the submission.

Should an additional media owner be identified after approval was granted, a separate motivation and approval stating all aspects indicated under 19.2 must be submitted.

Only D: SCM, DD:SCM & Security or delegated official will be responsible for allocating reference numbers.

SCM will develop a register for allocating numbers. The register must contain the following;

- Date (entry to the register)
- Campaign name
- SCM delegation number (from the policy and scm delegation number)
- Reference number (allocated by SCM)
- Approval date (by delegated officials)

#### **20.4.2 Acquisition of TV space - Above R5 million to R10 million per case**

This special delegation applies when booking TV space directly with media owners. A motivation indicating the following should be approved by the relevant chief director after input from SCM practitioners and submitted to the BAC.

- **Purpose**
  - What needs to be approved – quote the relevant delegation
- **Background**
  - What resulted in the need?
  - When was the department approached?
  - What media will be utilized for the campaign and why?
  - Does this process reflect fairness, competitiveness, cost effectiveness and transparency?
  - How is the department benefiting from this process (e.g) proposed discounts  
(Refer to Annexure II of the best practice guidelines for procurement of media and advertising)
- **Financial implications**
  - What is the cost of the campaign?
  - Are funds available to finance the campaign and where?

- Recommendation
  - Indicate proposed recommendation

#### **20.4.3 The process post signing of the submission / motivation**

Supply Chain Management (SCM) will keep a register and a file of all motivations that are approved. A reference number will be allocated to each campaign by SCM after receipt of an approved motivation. A motivation with the original signatures will be filed at SCM bid administration unit. The reference number allocated to the campaign must be indicated on all the VAS 2 (requisitions) related to the campaign and media owners identified in the submission.

Should an additional media owner be identified after approval was granted, a separate motivation and approval stating all aspects indicated under 19.2 must be submitted.

Only D: SCM, DD: SCM & Security or delegated official will be responsible for allocating reference numbers.

SCM will develop a register for allocating numbers. The register must contain the following;

- Date (entry to the register)
- Campaign name
- SCM delegation number (from the policy and scm delegation number)
- Reference number (allocated by SCM)
- Approval date (by delegated officials)

#### **20.5 Outdoor bookings with other service providers - R1 million per case**

When booking outdoor advertising space, a database of approved service providers will be utilized. Officials must ensure that the principles of PFMA, section 38, PPPFA and Treasury regulations 16A98.4, 16A9.85 and 16A9.1(a) (d) are adhered to.

**All acquisition of media space above the delegated amounts, will be recommended by the GCIS departmental Bid Adjudication Committee and ratified by the CEO.**

**Officials must ensure that the principles of PFMA, section 38, PPPFA and Treasury regulations 16A98.4, 16A9.85 and 16A9.1(a) (d) are adhered to when booking all media space.**

## **21. FINANCIAL MISCONDUCT**

21.1 The GCIS subscribes to the approved list of acts of misconduct as approved in the Public Service Act, 1994, Resolution No. 2 of 1999, as amended. The following specific acts of misconduct relating to SCM within the GCIS are emphasised:

21.2 an employee cannot use her or his official position to obtain private gifts or benefits for herself/himself during the performance of her/his official duties

20.3 an employee cannot use or disclose any official information for personal gain or the gain of others

21.4 an employee will recuse herself/himself from any official action or decision-making process, which may result in improper personal gain and this should be properly declared by the employee

21.5 an employee should declare any business, commercial and financial interest or activities for financial gain that may raise a possible conflict of interest

21.6 failure to comply with Treasury Regulations.

## **22. CONCLUSION**

This policy will be subject to reviewing every two years.

Item No.	Reference to Power	Description of authority	Lowest rank Delegated to	Execution
4 (b)	Treasury regulation 4.1.2	The Accounting Officer must ensure that disciplinary proceedings are instituted within 30 days from the date of discovery of the alleged financial misconduct.	CFO	Officer appoints an investigating officer to investigate
4 (c)	Treasury regulation 4.1.3	If an Accounting Officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant Executive Authority and/or the Department of Public Service and Administration initiates appropriate disciplinary proceedings against the accounting officer.	Chairperson Audit Committee	such alleged financial misconduct
5 (a)	Treasury regulation 4.2.1	<p><b>Criminal Proceedings</b></p> <p>The Accounting Officer must advise the Executive Authority, relevant treasury and the Auditor-General of any criminal charges he/she has laid against any person in terms of section 86 of the Act.</p>	Not delegated	
6 (a)	Treasury regulation 4.3.1	<p><b>Reporting</b></p> <p>The Accounting Officer must, as soon as the disciplinary proceedings are completed, report to the Executive Authority, the Department of Public Service and Administration and the Public Service Commission on the outcome, including:</p> <ul style="list-style-type: none"> <li>- the name and rank of the official against whom proceedings were instituted</li> <li>- the charges, indicating the financial misconduct the official is alleged to have committed</li> <li>- the findings</li> <li>- any sanction imposed on the official</li> <li>- any further action to be taken against the official, including criminal charges or civil proceedings.</li> </ul>	DCEO CS	
6 (b)	Treasury regulation 4.3.3	The institution must inform the Executive Authority, the relevant treasury, the Department of Public Service and Administration and the Public Service Commission of the outcome of any criminal proceedings instituted against any person for financial misconduct in terms of section 86 of the Act.	DCEO: CS	