



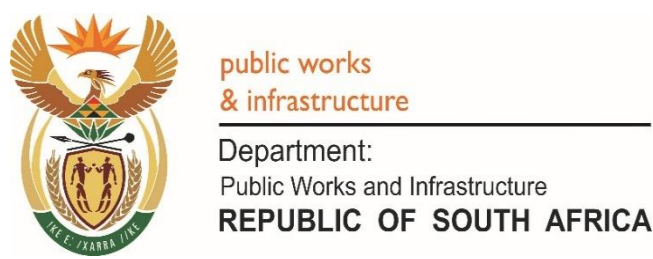
6.3 Financial Management: Expenditure and Liabilities Management

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
STANDARD OPERATING PROCEDURE



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA



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SOP AUTHORISATION AND SIGNOFF

I, the undersigned, in my capacity as indicated below at the National Department of Public Works, herewith approve this Standard Operating Procedure for implementation in accordance with the mandate granted to me in terms of the Public Finance Management Act, 1999 (Act No 1 of 1999) and any other relevant Acts and Regulations.

NAME AND DESIGNATION	SIGNATURE	DATE APPROVED
TBA	TBA	TBA

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1. DEFINITION AND ACRONYMS

1.1 DEFINITIONS

TERM	FULL DESCRIPTION
Asset Register	A record of asset information including inventory, historical, condition, technical and financial information.
Authorisation	The amount authorised on the system that will allow the project manager to make payments. This will include the contract amount, CPAP, approved variation order / site instructions, other additions as approved by the relevant authority.
Centralised Supplier Database	A single database hosted by National Treasury to serve as the source of all supplier information for all spheres of government wherein suppliers self-register as prospective suppliers to government.
Constitution	The Constitution of the Republic of South Africa, 1996
Construction	Everything that is constructed or results from construction operations regarding the building of infrastructure.
Consultant	A person, company or close corporation that provides expert or specialised advisory skills / services. A consultant does not supply the ultimate end product, but provides a recommendation of the best solution/s to a specific need based on his / her / their expertise.
Contract	Agreement (explicit or implied) legally binding two or more parties to the terms of the agreement.
Contractor	A generic term to include any person/entity with whom DPW enters into a contract for professional design services, construction or supply of goods and services.
Custodian	<p>A National or Provincial Department referred to in section 4 of GIAMA represented by the Minister of such national department, Premier of a Province or MEC of such provincial department, so designated by the Premier of that Province.</p> <p>A Custodian acts as the caretaker in relation to an immovable asset of which it is the custodian; (b) may— (i) in the case of a national department, acquire and manage an immovable asset as contemplated in section 13 and, subject to the State Land Disposal Act, 1961 (Act No. 48 of 1961), or any other Act regulating the disposal of state land, dispose of that immovable asset.</p>
Delegated Authority	A person or committee delegated by the Accounting Officer to perform specific powers or duties as contemplated in terms of section 44 of the Public Finance Management Act (No 1 of 1999 as amended).
Disposal	Any disposal contemplated in the State Land Disposal Act, 1961 (Act No. 48 of 1961) or a provincial land administration law
Entity	An Organ of State that is mandated to procure on behalf of itself or another Organ of State as delegated in terms of GIAMA and/or the PFMA.

TERM	FULL DESCRIPTION
Feasibility Study	<p>A Feasibility Study (as performed by the Investment Analysis team) considers the following aspects in order to conduct an option analysis and to find the recommended delivery method:</p> <ul style="list-style-type: none"> (a) Qualitative Non-Financial: This considers the appropriateness of a facility in terms of non-financial aspects to align with the User Department's needs; (b) Quantitative Financial Cost Analysis: The use of related costs to determine the financial investment opportunity of a project and to determine which option / delivery method will be the most financially feasible. The <u>Capital Budgeting Technique</u> is employed to indicate the best financial investment when the Option Analysis is considered; and (c) Financial Affordability Analysis: This determines the User Charges a User Department will have to pay DPW in order to use a facility and how does it relate to the what is available in the open market.
Financial Statements	<p>Statements consisting of at least:</p> <ul style="list-style-type: none"> (a) A balance sheet, (b) An income sheet, (c) A cash-flow statement (d) Any other statements that may be prescribed, and <p>Any notes to these statements.</p>
Framework	A set of guidelines from which a programme and/or project is developed.
Framework Agreement	An agreement between an organ of state and one more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Fruitless and Wasteful Expenditure	Expenditure which was made in vain and would have been avoided had reasonable care been exercised.
IDMS	Refers to the Infrastructure Delivery Management System implemented by National Treasury to align the delivery in infrastructure to the MTSF and MTEF.
Infrastructure Delivery Management System	Also known as IDMS. This National Treasury standard establishes an infrastructure delivery management system comprising processes, procedures and methods within an institution for the delivery or maintenance of infrastructure in a staged, systematic, disciplined, uniform integrated and auditable manner. It covers the manner in which projects involving the construction, refurbishment, rehabilitation, extension, alteration or day-to-day, routine, scheduled and emergency maintenance of infrastructure are conceived, budgeted for and delivered.

TERM	FULL DESCRIPTION
Irregular Expenditure	Expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including: <ul style="list-style-type: none"> a) Public Finance Management Act, 1999 (No. 1 of 1999); b) State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or Any provincial legislation providing for procurement procedures in that provincial government.
Lease	Both a Landlord/Lessor and a Tenant/Lessee can lease the property and where a Landlord/Lessor leases the property, it means that it rents it out to the Tenant/Lessee.
Lessor	<p>A party or its duly authorised representative, its successor-in-title and/or its duly authorised employees, agents, intermediaries and if and to the extent applicable, who makes the property available to the Lessee, irrespective of owning the property.</p> <p>A party to a lease agreement who conveys to the lessee the right to use an asset in return for a payment or series of payments for an agreed period of time.</p>
National Treasury	The National Treasury or Provincial Treasury, as defined in section 1 of the PFMA.
Operation	Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Policy	Principles used to guide good decision-making.
Portfolio	The total extent of immovable assets controlled or used by a National or Provincial Department.
Programme	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
Quality	The totality of features and characteristics of a product or service that bears on the ability of the product or service to satisfy stated or implied needs.
Safety Net/ Bankserv	<p>Safety Net is the web Interface for Bankserv. It performs Supplier banking details Verification. Check Safety Net for verified or rejected banking details.</p> <p>BankServe is a payment system. Utilised for bank reconciliations. Printout of day end report or bank statement which will contain all the invoices paid by Clients into the Pay Master General (PMG) account.</p>
SAGE	Accounting Software used for Financial Transactions such as Accounting, Payroll, HR, ERP, CRM and payments.
Service Level Agreement	An agreement between two or more Organs of State setting out the terms, conditions, roles, and responsibilities that promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination. This is also called a Service Delivery Agreement.

TERM	FULL DESCRIPTION
Standard	The latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury.
Standard Operating Procedure	Detailed written instructions to achieve uniformity of the performance of a specific function.
User	A national or provincial department that uses or intends to use an immovable asset in support of its service delivery objectives and includes a custodian in relation to an immovable asset that it occupies or intends to occupy, represented by the Minister of such national department, Premier of a province or MEC of such provincial department, so designated by the Premier of that province.
Working Day	Any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa.

1.2 ACRONYMS

ACRONYM	FULL DESCRIPTION
APP	Annual Performance Plan
AUC	Assets Under Construction
CIDB	Construction Industry Development Board
CSD	Centralised Supplier Database
DPW	National Department of Public Works
ERP	Enterprise Resource Planning system
EXCO	Executive Committee
GL	General Ledger
GRAP	Generally Recognised Accounting Practise
HO	Head Office
ICT	Information and Communication Technology
ID	Identification Document
IDMS	Infrastructure Delivery Management System
IS	Information Services
IT	Information Technology
KPI	Key Performance Indicator
NDPW	National Department of Public Works
NT	National Treasury
PMG	Pay Master General
SLA	Service Level Agreement
SOP	Standard Operating Procedure

2. DOCUMENT PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a standardised procedure for the Department of Public Works (DPW) when providing accommodation and built environment services to National Government User Departments.

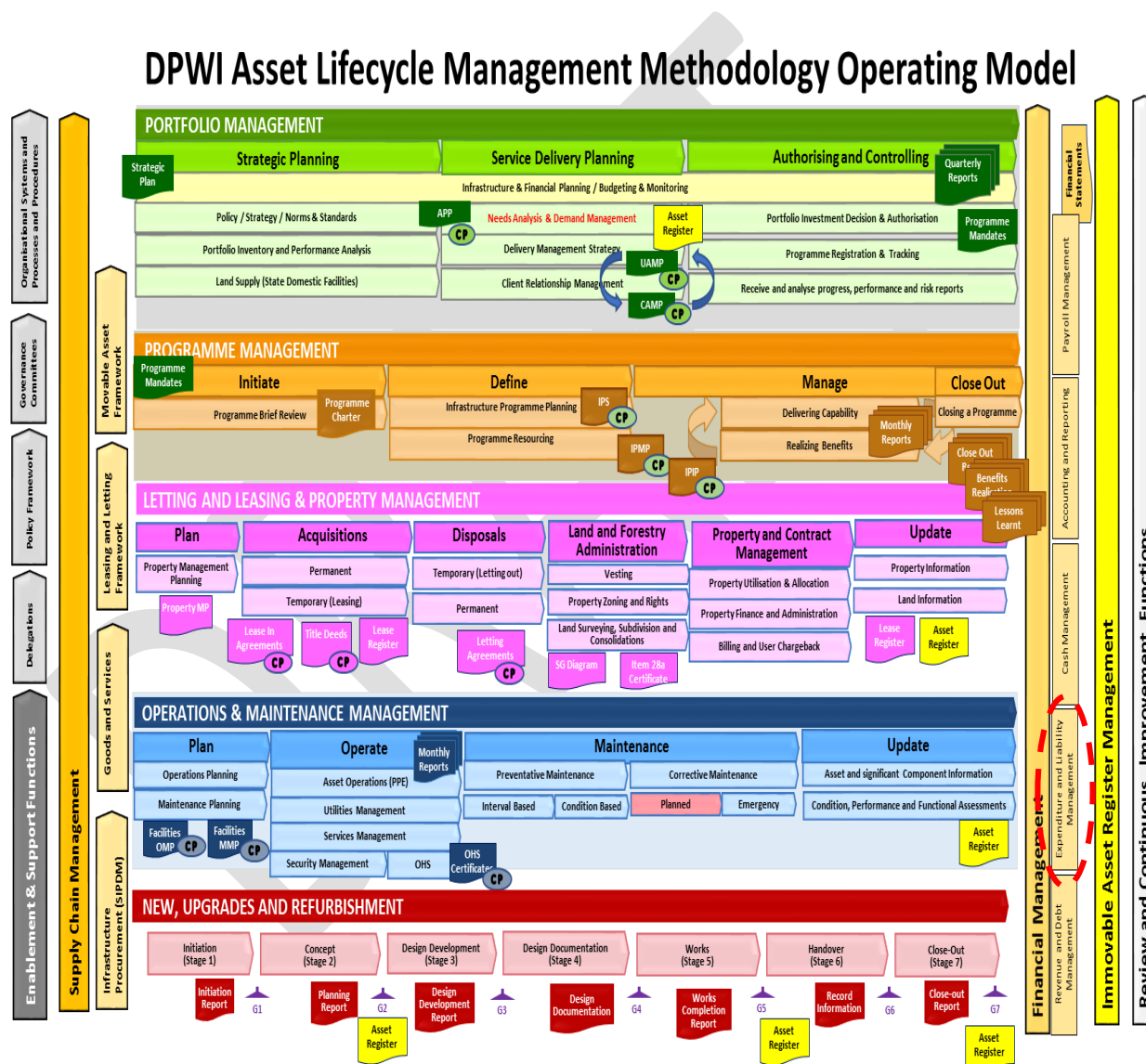
This document contains a set of step-by-step process instructions, called procedures, to direct staff members, contractors and consultants when executing routine operations. The SOPs aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and ensuring compliance and consistency with all relevant Regulations, Policies and Guidelines.

3. SCOPE AND OBJECTIVE

3.1 THE OPERATING MODEL

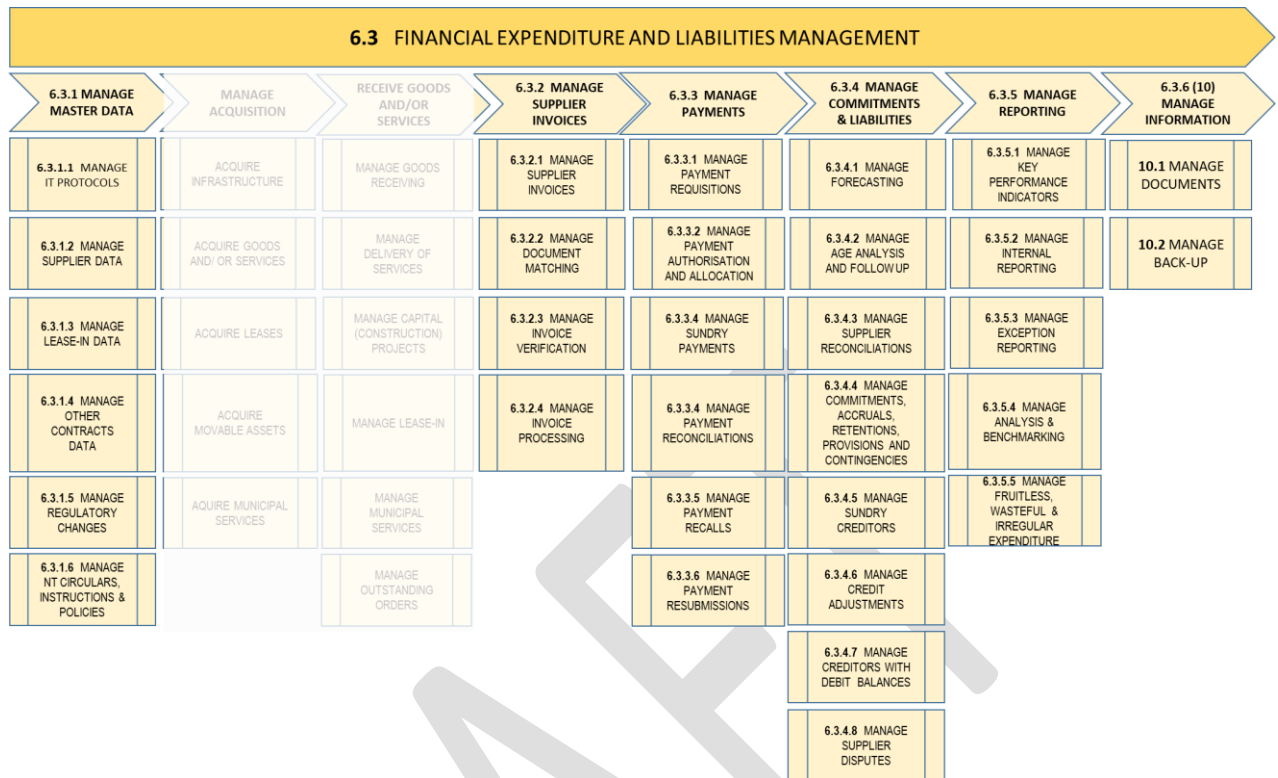
The placemat is a set of primary and support activities that DPWI performs to provide accommodation and built environment services to National Government User Departments. Each Value Chain Activity in turn, decomposes into a lower level of processes and sub-processes.

Figure 1: DPWI Operating Model



3.2 PROCESS SCOPE

The following process flow and sub-processes are documented in this SOP.



4. PROCESS EXECUTION ENABLERS

4.1 EQUIPMENT REQUIRED

The following equipment is required to execute this SOP:

EQUIPMENT TYPE	DESCRIPTION
IT INFRASTRUCTURE AND HARDWARE	<ul style="list-style-type: none"> All users implementing this SOP require access to basic IT infrastructure and hardware to support basic computer, information and telecommunication requirements.
IT SOFTWARE AND SYSTEMS	<ul style="list-style-type: none"> All users implementing this SOP require access to all basic IT software required to produce e-mails and Microsoft documents. All users involved with the construction and registration of projects also require access to the Works Control System (WCS). All users involved with property management require access to the PMIS System. All users involved with finance and payments require access to the LOGIS System, in line with their financial delegations and segregation of duty roles. All users involved with property documentation require access to the Paper Trail system. All users involved with the asset register require access to the Archibus System. All users implementing this SOP require access to GIS. All users involved with town planning require access to Windeed.
OFFICE EQUIPMENT	<ul style="list-style-type: none"> All users implementing this SOP require access to all basic office equipment e.g. telephone, computer, printer and charging points for all mobile devices. All users require appropriate and secure facilities for the storage and maintenance of hard copy confidential documents and contract documentation. All users require adequate hard drive storage facilities for the storage and maintenance of electronic documentation. All users require an adequate and externally located backup facility to ensure safeguarding of all process related material.
OTHER EQUIPMENT	<ul style="list-style-type: none"> All users involved in Construction, Cleaning Services, Horticultural Services, and Facilities Maintenance require access to specialised construction related equipment, which includes Occupational Health and Safety (OHS) personal safety equipment.

4.2 ROLES

All personnel, departments, groups, contractors and/or subcontractors involved in the management, execution and/or monitoring of the processes set out in this SOP should familiarise themselves with the detailed contents thereof.

The following roles and impacted divisions are specifically identified within this SOP:

ROLES
TBA

* The above list is in alphabetical order.

4.3 REFERENCE DOCUMENTATION

The referenced documents listed below are indispensable for the knowledgeable application of this SOP. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced documents (including any amendments) apply.

REFERENCE DOCUMENTATION
POLICIES
SCM Policy
DPW Immovable Asset Disposal Policy, 2013
LEGISLATION, STANDARDS AND REGULATIONS
Architectural Professional Act (Act No. 44 of 2000)
Broad Based Black Economic Empowerment Act (Act No. 53 of 2003)
Built Environmental Professions Act (Act No. 43 of 2000)
Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) [CIDBA]
Construction Sector Transformation Charter, 2006 (Charter 2006)
Council for the Built Environment Act, 2000 (Act No. 43 of 2000) [CBEA]
Disaster Management Act (Act No. 57 of 2002)
DPW Broad-based Black Economic Empowerment Strategy, 2006 (DPW BBEEES 2006)
Engineering Professions Act (Act No. 46 of 2000)
Environmental Conservation Act (Act No. 73 of 1989)
Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007) [GIAMA]
Green Building Framework, 2011
Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)
Land Affairs Act, 1987 (Act 101 of 1987)

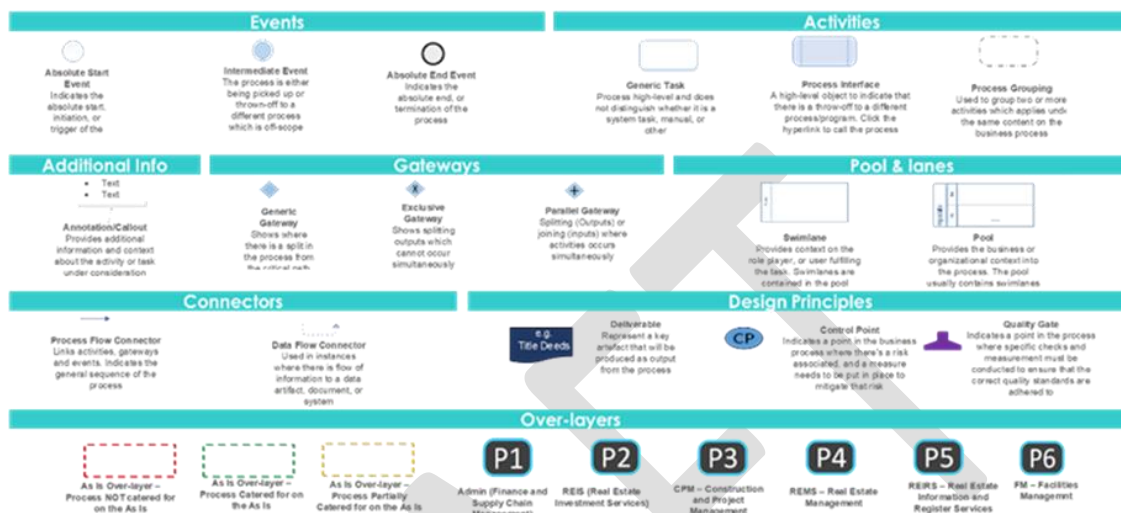
REFERENCE DOCUMENTATION	
Landscape Architectural Professional Act (Act No. 45 of 2000)	
Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)	
MTEF Guidelines (distributed annually)	
National Treasury, <i>Occupational Health and Safety Specification for Construction Works Contracts</i> , National Treasury and Construction Industry Development Board	
National Treasury, <i>Standard for a Construction Procurement System</i> , National Treasury and Construction Industry Development Board.	
Occupational Health and Safety Act, 1993 (Act 85 of 1993)	
Preferential Procurement Policy Framework Act (Act No. 5 of 2000)	
Professional Council Acts that regulate the six Built Environment Professions (BEPs)	
Project and Construction Management Profession Act (Act 48 of 2000)	
Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007)	
Property Sector Transformation Charter, 2007 (Charter 2007)	
Public Service Act, 1994 (Proclamation R103 of 1994)	
Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA]	
National Environmental Management Act (Act No. 107 of 1998)	
National Environmental Management Waste Act (Act No. 59 of 2008)	
National Infrastructure Maintenance Strategy (NIMS)	
National Railway Safety Regulator Act (Act No. 16 of 2002)	
National Spatial Development Perspective, 2006	
National Treasury, <i>Standard for Infrastructure Delivery Management System</i> ,	
National Veld Fire Act (Act 101 of 1998)	
Property Sector Charter Codes gazetted in June 2012 in terms of section 9(1) of the BBBEE Act 53 of 2003	
Property Valuers Profession Act (Act 47 of 2000)	
Quantity Surveying Profession Act (Act 49 of 2000)	
State Land Disposal Act, 1961 (Act No. 48 of 1961)	
Supply Chain Management Framework as published in Gazette No. 25767 dated 5 December 2003	
The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [Constitution]	
Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) [CIDBA]	
DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1999)]	
White Paper – Public Works: Towards the 21 st Century (1997) [White Paper (1997)]	
GUIDELINES, DOCUMENTS, PROGRAMMES, MANUALS AND HANDBOOKS	
Association of local Government Engineering NZ and National Asset Management Steering (NAMS) Group. International Infrastructure Management Manual – South African Edition 2006. ISBN No 0-473-10685-X	
Department Co-operative Government and Traditional Affairs. Municipal Infrastructure - An Industry Guide to Infrastructure Service Delivery Levels and Unit Costs. January 2010	
IDM Toolkit. Delivery Management Guidelines: Delivery Process 1 - Portfolio Management. www.cidb.org.za/_layouts/toolkit/index.html	
Interim Business Process for Planning and Precinct Development (PPD), version 1	
Interim Guidelines for Investment Analyst, August 2007	
Investment Analysis Checklist	
KAM Regional Office Processes: signed on 07/08/2008	

REFERENCE DOCUMENTATION
National Department of Public Works. Guidelines for Users - User Asset Management Plans (UAMPs) http://toolkit.cidb.org.za/Shared%20Documents/DP2-S10%20Guideline%20for%20U-AMP%20(2008-10-20)%20Version%201.pdf#search=UAMP
National Youth Service, 2007
PMTE Budget Framework Document (issued by Financial Planning)
PW 344 APPROPRIATE DEVELOPMENT OF INFRASTRUCTURE ON DOLOMITE: GUIDELINES FOR CONSULTANTS
Public Works Property Management Strategy (Black Economic Empowerment Guidelines), 2007

5. PROCESS AND PROCEDURE

5.1 PROCESS LEGEND

Notations Dictionary



5.2 EXPENDITURE AND LIABILITIES MANAGEMENT

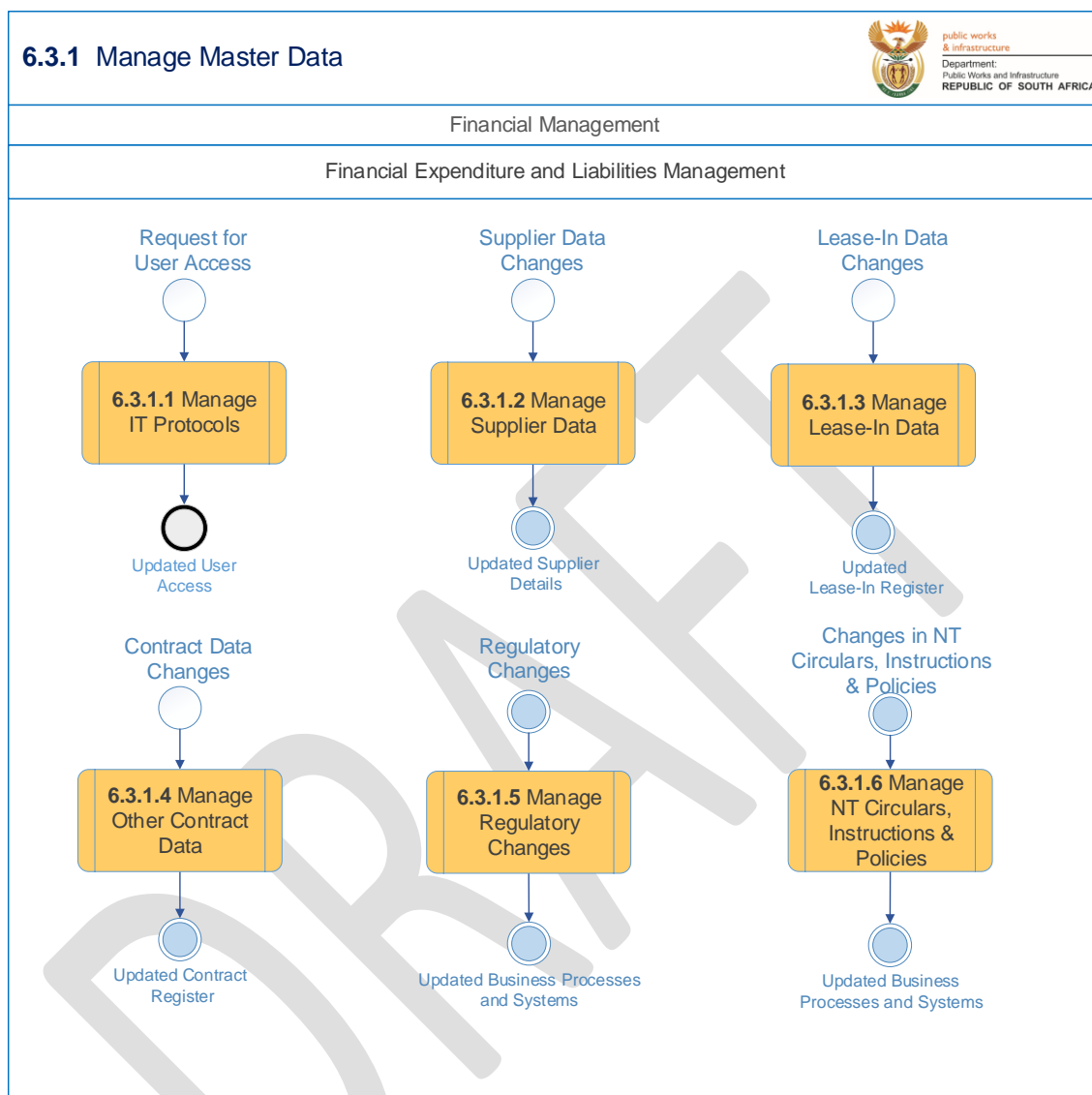
The Expenditure and Liabilities Management processes incorporate the different processes which are involved in ensuring the delivery of cost effective, sustainable, affordable, equitable and quality services, as well the subsequent management of Liabilities, including Creditors and Commitments. This process is sometimes referred to as the Procure to Pay process.

Expenditure management involves management of costs incurred (not only those that have been paid) in sourcing and delivery of Goods, Services and Capital Projects. The Expenditure processes incorporates the different costs incurred by DPWI and includes accruals for costs incurred but not yet billed by the supplier. Expenditure management often includes the use of analytics to analyse spending, in an effort to minimize expenses and curtail any irregular, fruitless and wasteful expenditure.

5.2.1 MANAGE MASTER DATA

PROCESS NAME	Manage Master Data
PROCESS OBJECTIVE	Effective management of standing/master data to be used in the Financial Expenditure and Liabilities Management processes.
INITIATING PARTY / PROCESS	<ul style="list-style-type: none"> ➤ Information Technology (IT) ➤ Financial Management ➤ Legislative/ Regulatory requirements
INITIATING EVENT / TRIGGER	<ul style="list-style-type: none"> ➤ Receipt of Data Amendments or Additions ➤ New User or Changed User Requirements ➤ Regulatory Changes ➤ National Treasury Circulars, Instruction and Policy Changes
OUTPUT / RECORDS PRODUCED	Updated Standing/Master Data
GOVERNANCE	<ul style="list-style-type: none"> ➤ NT Regulations /Instruction Notes and Circulars ➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA] ➤ IDMS ➤ GRAP Standards

Diagram 0: Manage Master Data Processes



5.2.1.1 Manage IT Protocols Process

Diagram 1: Manage IT Protocols Process

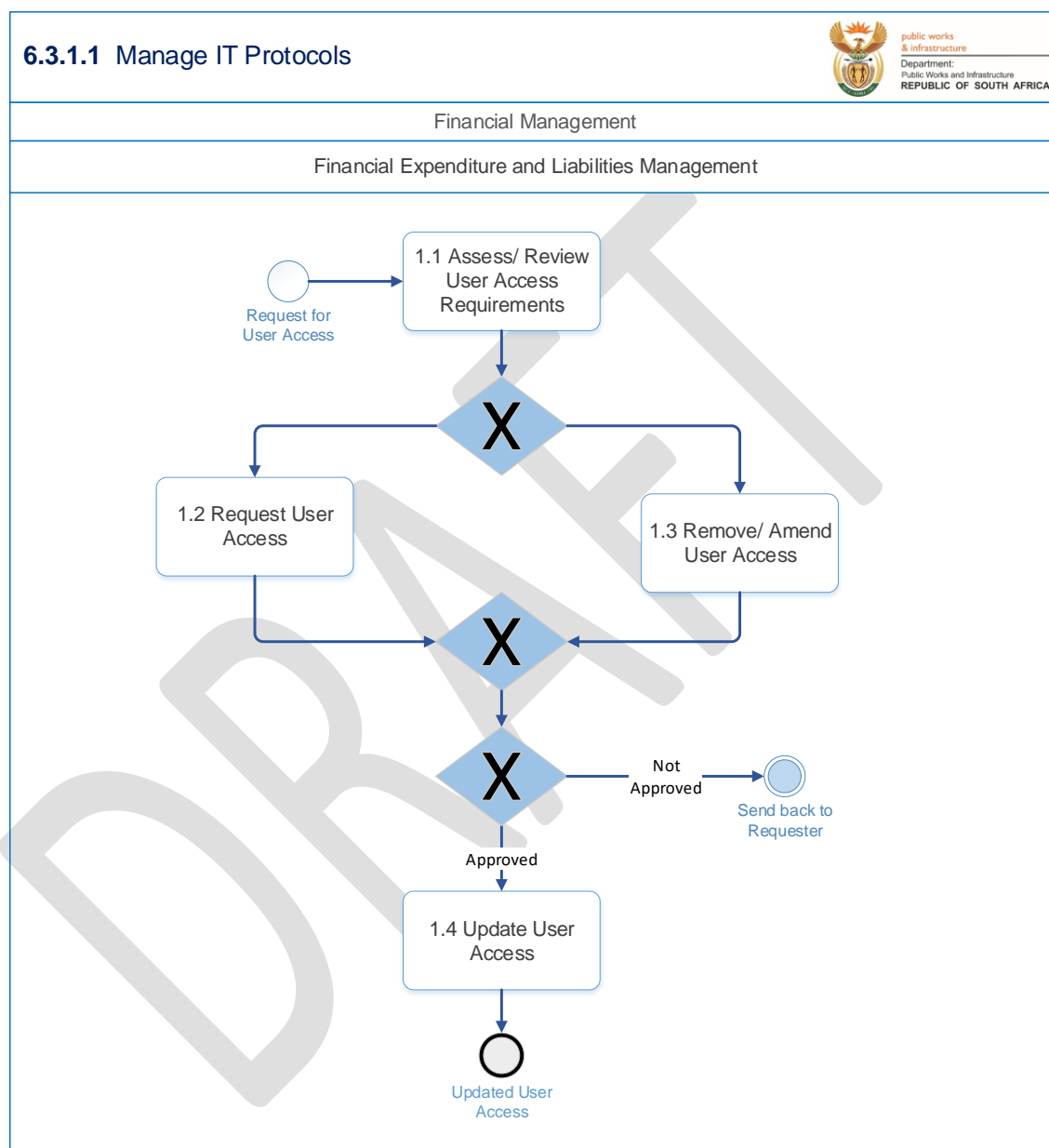


Table 1: Manage IT Protocols Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE IT PROTOCOLS			
1.1.	Assess / Review User Access Requirements	<ul style="list-style-type: none"> Conduct an assessment of User Access requirement for each user needing access to the system. Ensure that assessed privileges are aligned to User work requirements and should be granted on a “need-to-have” basis. Prepare and forward Request for User Access or Access Removal / Amendment. <p>Note: <i>User rights and privileges should be reviewed on a period basis to ensure that IT Access Control is kept up to date.</i></p> <p><i>Once User Requirements have been properly assessed and approved, you will need to either:</i></p> <ul style="list-style-type: none"> <i>Request User Access and allocate Permissions (refer to 1.2 below); or</i> <i>Remove / Amend Access rights of an existing User, whether in part or in whole (refer to 1.3 below).</i> 	TBA	TBA
1.2.	Request User Access	<ul style="list-style-type: none"> Receive User Access Request in line with Assessed User Requirements. Ensure that all User details are completed correctly. Obtain authorisation for user Access Request in line with the Approved Delegations and Approvals Framework. Forward approved request to IT. 	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.3.	Remove / Amend User Access	<ul style="list-style-type: none"> Receive User Access Deactivation (Amendment) in line with Assessed User Requirements. Review request to ensure that all User details are completed correctly. Obtain authorisation for user Access Request in line with the Approved Delegations and Approvals Framework. Forward approved request to IT. 	TBA	TBA
1.4.	Update User Access	<ul style="list-style-type: none"> Amend access/ permission as per approved User Request. Update user privileges on relevant IT system. 	TBA	IT

5.2.1.2 *Manage Supplier Data Process*

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Diagram 2: Manage Supplier Data Process

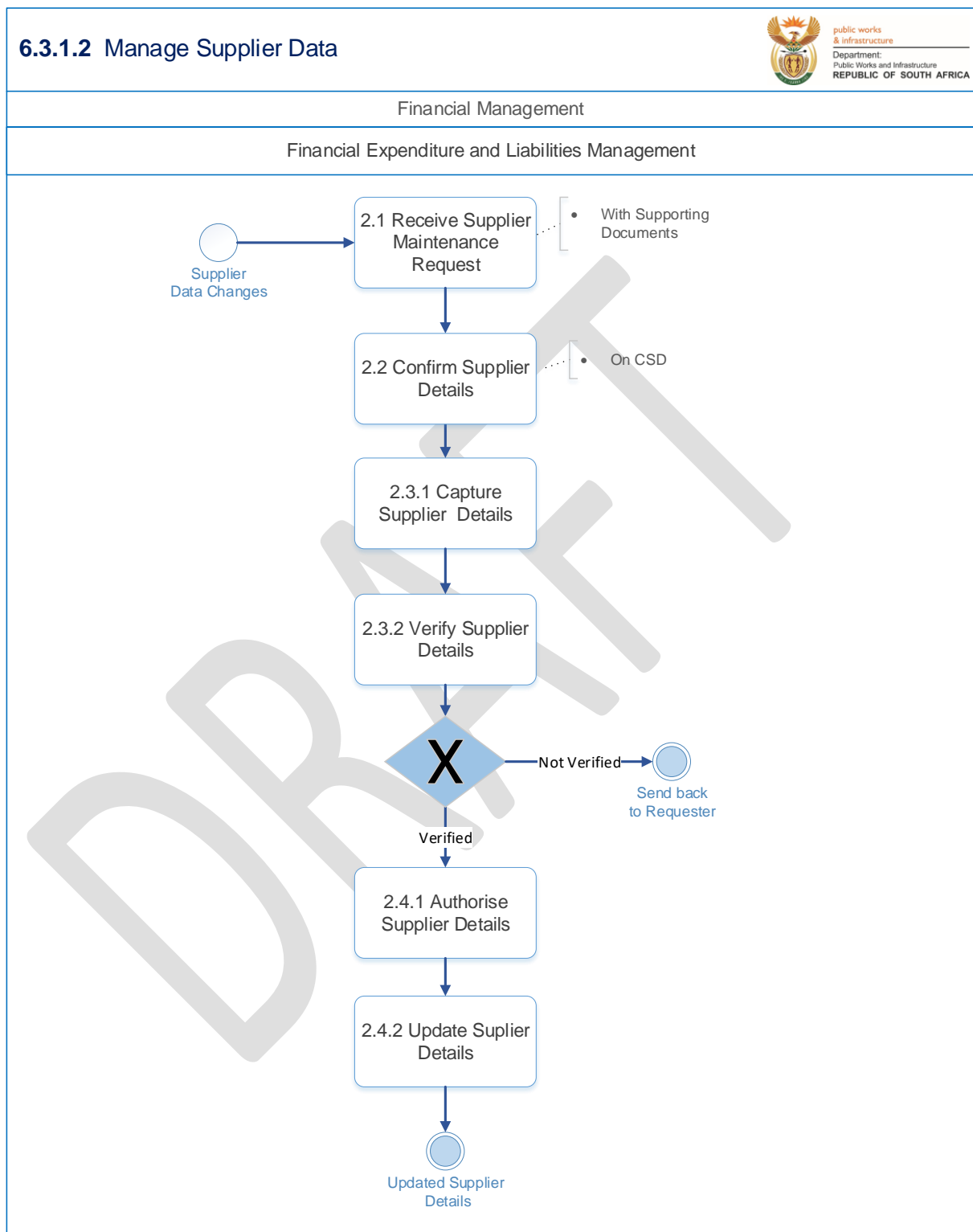


Table 2: Manage Supplier Data Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
2.	MANAGE SUPPLIER DATA			
2.1.	Receive Supplier Maintenance Request with Supporting Document	<ul style="list-style-type: none"> Receive Supplier Maintenance Request with appropriate supporting documents. Ensure that the data on the Maintenance Request is correctly completed and agree to the supporting documents. <p>Note: <i>This includes adding of NEW suppliers or changes to EXISTING suppliers (amendment of details, removal of supplier from database, etc.)</i></p> <p><i>Suppliers include trade suppliers, service providers, lessors in the case of a lease-in arrangement, etc.</i></p> <p><i>Existing Supplier Data should be reviewed on a period basis to ensure that documents with expiry dates are up to date (e.g. BBBEE certificates, Tax Clearance Certificates, etc.). This process can also be triggered by changes to Supplier Details which are normally considered as Standing Data (e.g. Address, Banking Details, etc.).</i></p>	TBA	TBA
2.2.	Confirm Supplier Details	<ul style="list-style-type: none"> Verify the Entity on the National Supplier database (including latest Tax Clearance information) and ensure that: <ul style="list-style-type: none"> Supplier is active on CSD and there is no outstanding documentation All supplier CSD details are up to date Supplier CSD details have been appropriately verified. Extract CSD Report and include with other supporting documents. 	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
		<ul style="list-style-type: none"> Forward / Submit checked Request to appropriate persons for capturing/updating of Supplier Database. 		
2.3.	Capture and Verify Supplier Details	<ul style="list-style-type: none"> Receive Approved Supplier Details / changes to existing supplier details with supporting documents. Capture/Update approved Supplier Details on the system. Verify correctness of captured details by reference to supporting documents. 	TBA	TBA
2.4.	Authorise and Update Supplier Details	<ul style="list-style-type: none"> Obtain Internal Approval for captured Supplier Details / Amended Details, in line with Approved Delegations and Approval Framework. Update Supplier Database with approved Supplier details. <p>Note: For segregation of duties, the person who captures should not be the one authorizing.</p>	TBA	TBA

5.2.1.3 Manage Lease in Data Process

Diagram 3: Manage Lease-In Data Process Flow

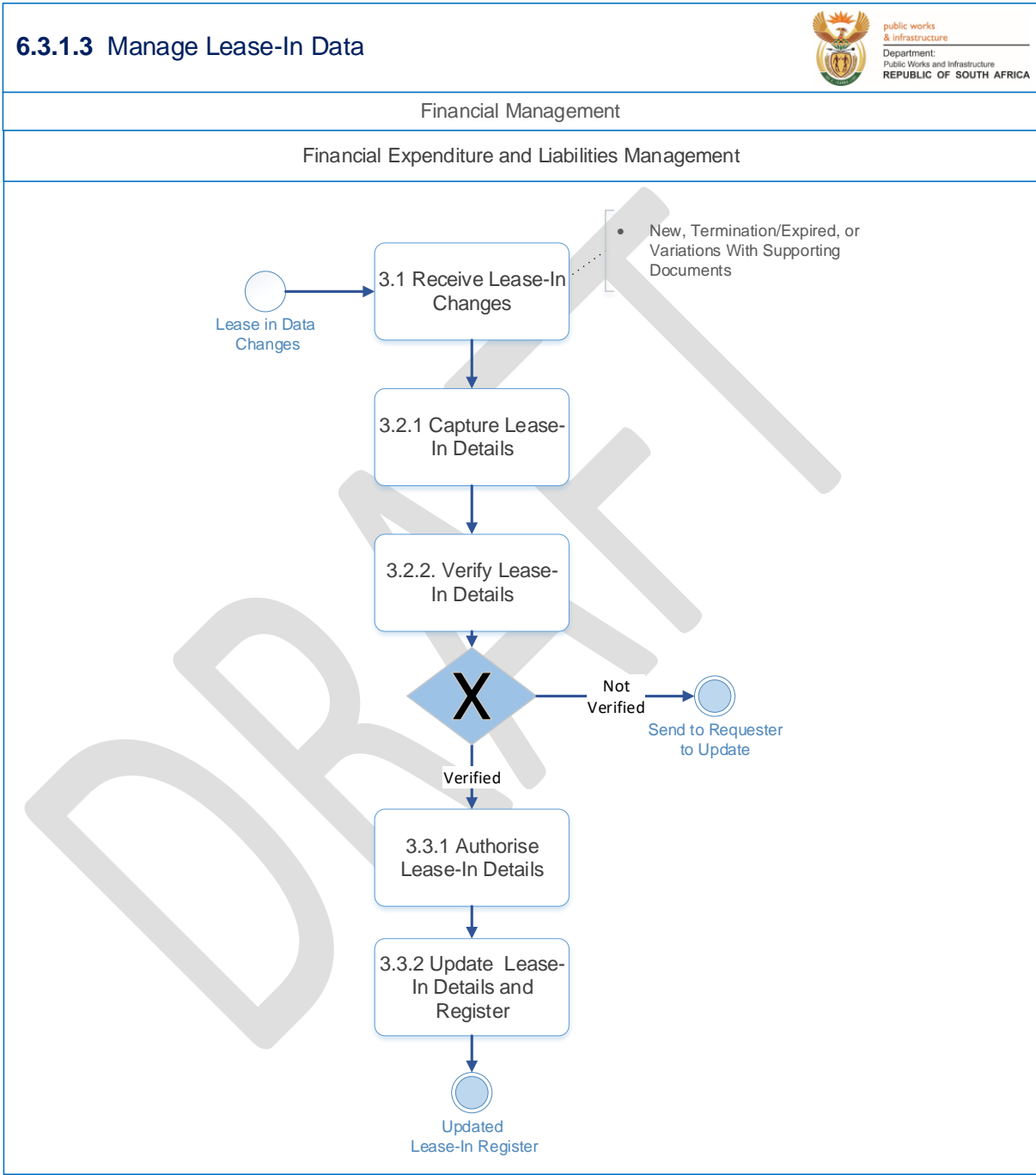


Table 3: Manage Lease-In Data Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
3.	MANAGE LEASE-IN DATA			
3.1.	Receive Lease-in Maintenance Request with Supporting Document	<ul style="list-style-type: none"> Receive Lease-In Maintenance Request with appropriate supporting documents. Ensure that the data on the Maintenance Request is correctly completed and agree to the supporting documents. Ensure that adequate proof of ownership or leasehold right is obtained for the property subject to a leased-in arrangement. <p>Note: This includes adding of NEW leases (lease in) or changes to EXISTING leases (amendment of details, expiry, etc.)</p>	TBA	TBA
3.2.	Capture and Verify Lease-in Details	<ul style="list-style-type: none"> Receive Approved Lease-In Details / changes to existing lease details with supporting documents. Capture/Update approved Lease-In Details on the system. Verify correctness of captured details by reference to supporting documents received from Lessor. 	TBA	TBA
3.3.	Authorise and Update Lease-in Details & Register	<ul style="list-style-type: none"> Obtain Internal Approval for captured Lease-In Details / Amended Details, in line with Approved Delegations and Approval Framework. Update Lease-In Database with approved Lease-In details. <p>Note: For segregation of duties, the person who captures should not be the one authorizing.</p>	TBA	TBA

5.2.1.4 Manage Other Contracts Data Process

Diagram 4: Manage Other Contracts Data Process Flow

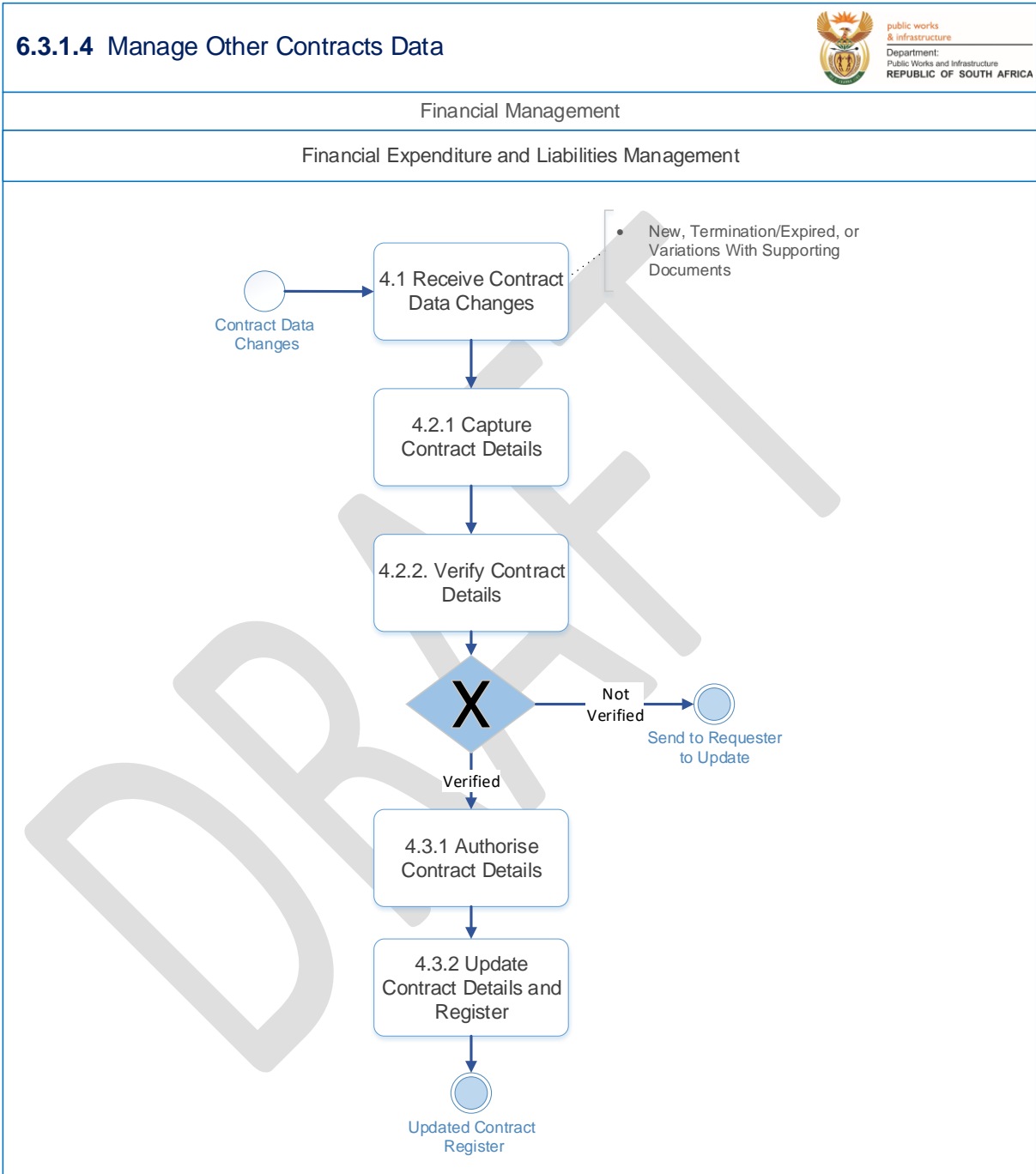


Table 4: Manage Other Contracts Data Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
4.	MANAGE OTHER CONTRACTS DATA			
4.1.	Receive Contract Data Changes (New, Terminated/Expired, or Variations)	<ul style="list-style-type: none"> Receive Contract Data Maintenance Request with appropriate supporting documents. Ensure that the data on the Maintenance Request is correctly completed and agree to the supporting documents. <p>Note: This includes adding of NEW contracts (excluding lease in) or changes to EXISTING contracts (amendment of details, expiry, extension, etc.)</p>	TBA	TBA
4.2.	Capture and Verify Contract Details	<ul style="list-style-type: none"> Receive Approved Contract Data Details / changes to existing lease details with supporting documents. Capture/Update approved Contract Data Details on the system. Verify correctness of captured details by reference to supporting documents received from Lessor. Ensure that all conditions precedent (e.g. 3rd party insurance liability cover, deposit, etc.) are identified, flagged and monitored. 	TBA	TBA
4.3.	Authorise and Update Contracts Details and Register	<ul style="list-style-type: none"> Obtain Internal Approval for captured Contract Data Details / Amended Details, in line with Approved Delegations and Approval Framework. Update Contracts Register Database with approved Lease-In details. <p>Note:</p>	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
		<i>For segregation of duties, the person who captures should not be the one authorizing.</i>		

5.2.1.5 *Manage Regulatory Changes Process*

Diagram 5: Manage Regulatory Changes Process Flow

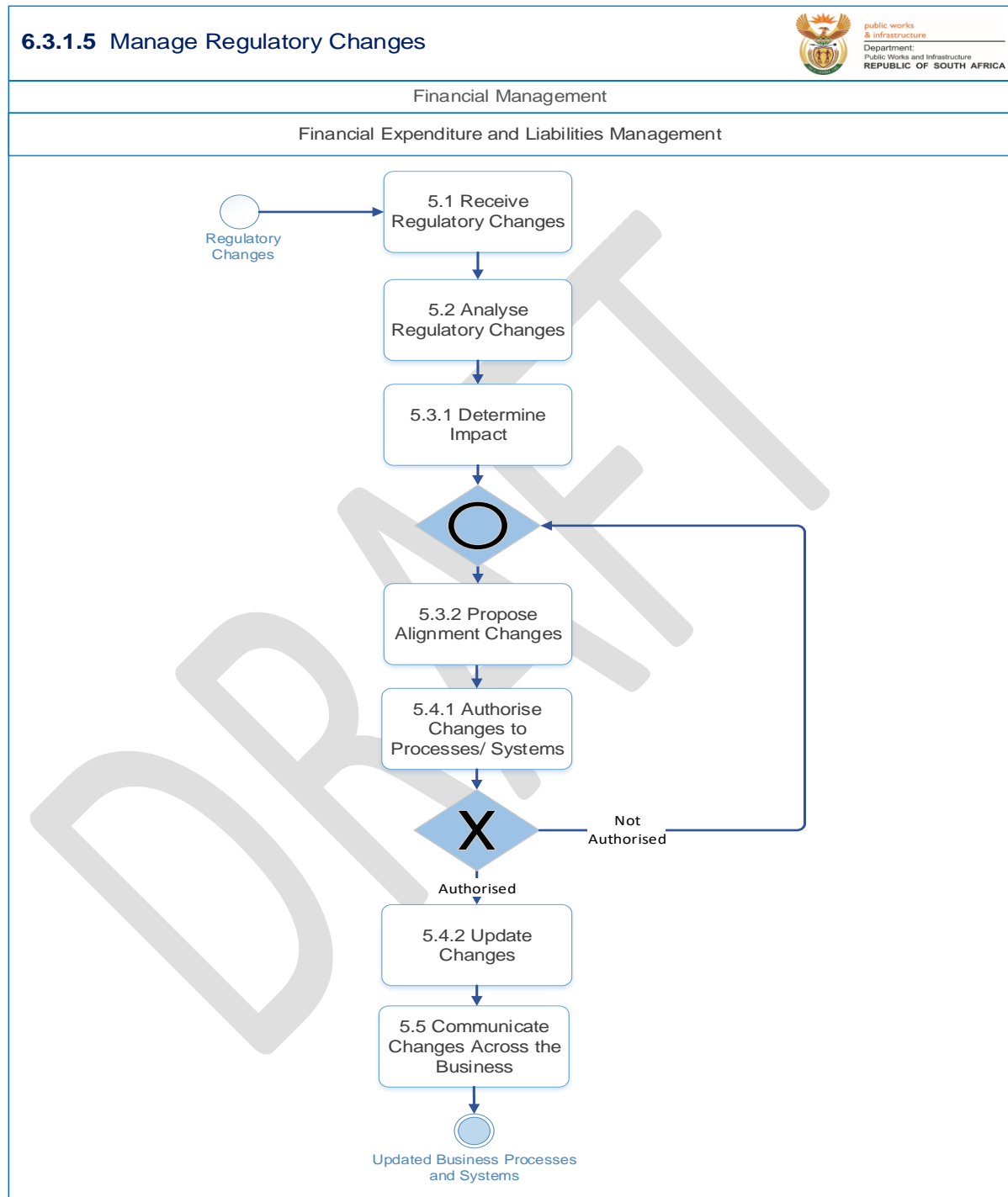


Table 5: Manage Regulatory Changes Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
5.	MANAGE RAGULATORY CHANGES			
5.1.	Receive Regulatory Changes	<ul style="list-style-type: none"> Identify and/or receive communication regarding any REGULATORY CHANGES that could affect the department. <p>Note: This will be limited to Expenditure and Liabilities Management related changes. Each unit is responsible for tracking changes that affect their area of responsibility. Legal Assistance may be required where necessary.</p>	TBA	TBA
5.2.	Analyse Regulatory Changes	<ul style="list-style-type: none"> On identification / receipt, the documents must be carefully analysed to identify areas that are new / changed and that may affect department business from an Expenditure and Liabilities Management compliance or regulatory perspective. 	TBA	TBA
5.3.	Determine Impact and Propose Alignment Changes	<ul style="list-style-type: none"> Determine Impact of Regulatory Changes on existing Expenditure and Liabilities Management Business Processes and Systems that are currently utilised by department. Identify areas within the existing Expenditure and Liabilities Management Business Processes and Systems that are affected by such changes and propose alignment changes. Compile Action Plan, with responsible persons, in order to align the existing Expenditure and Liabilities Management Business Processes and Systems and cascade Regulatory Changes within the business. 	TBA	TBA
5.4.	Authorise and Update Changes to Processes/ Systems	<ul style="list-style-type: none"> Obtain Internal Approval proposed Alignment Changes, and Action Plan, in line with Approved Delegations and Approval Framework. 	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
		<ul style="list-style-type: none"> Receive and implement the approved Expenditure and Liabilities Management Business Processes and Systems Alignment changes in Budget Preparation processes. Update Standard Operating Procedures documents to reflect above changes. 		
5.5.	Communicate Changes Across the Business	<ul style="list-style-type: none"> Ensure that the implemented changes to Expenditure and Liabilities Management Business Processes and Systems are communicated across the business to ensure that they are implemented effectively. 	TBA	TBA

5.2.1.6 Manage NT Circulars, Instructions and Policies Process

Diagram 6: Manage NT Circulars, Instructions and Policies Process Flow

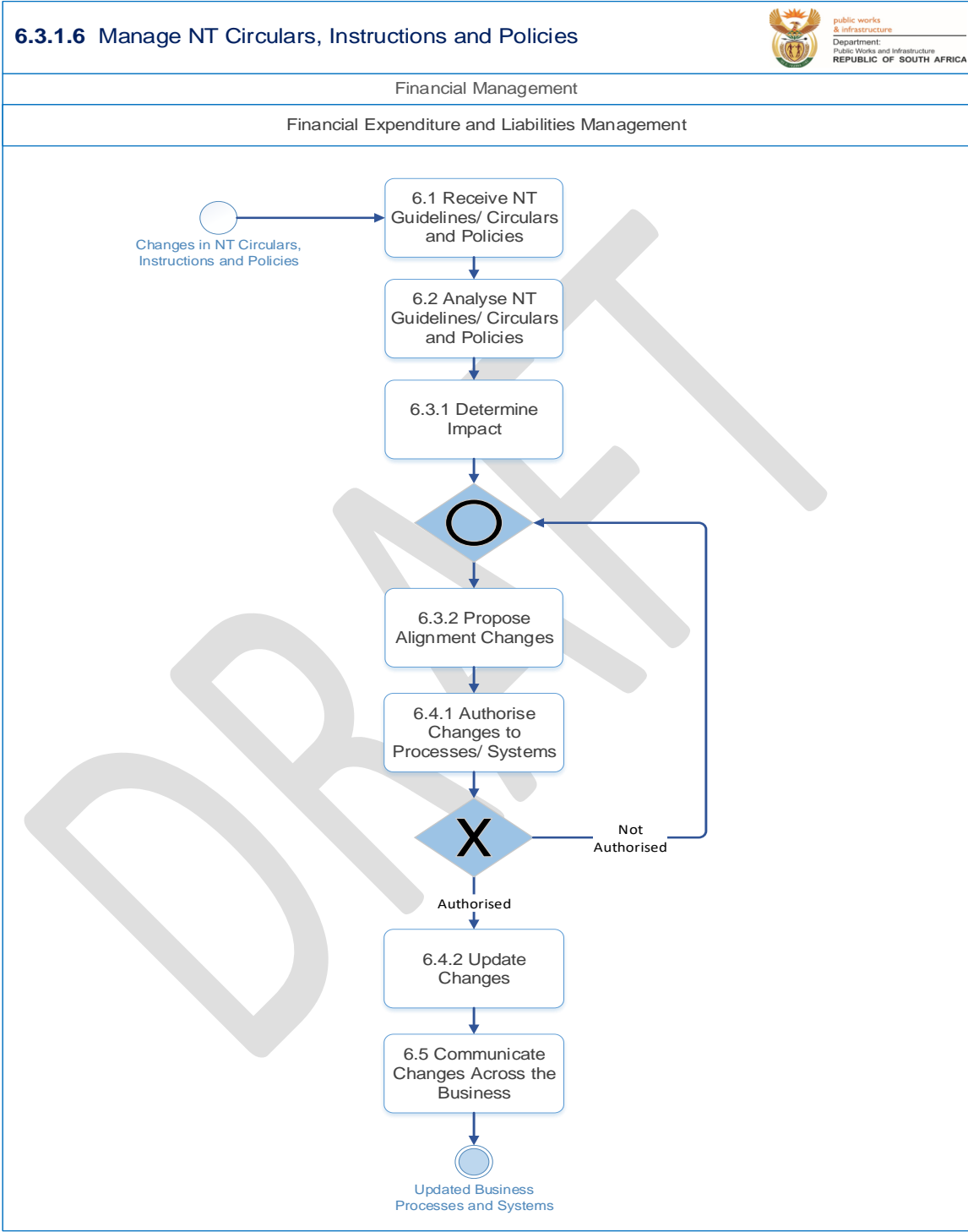


Table 6: Manage NT Circulars, Instructions and Policies Process Activity Detail Table

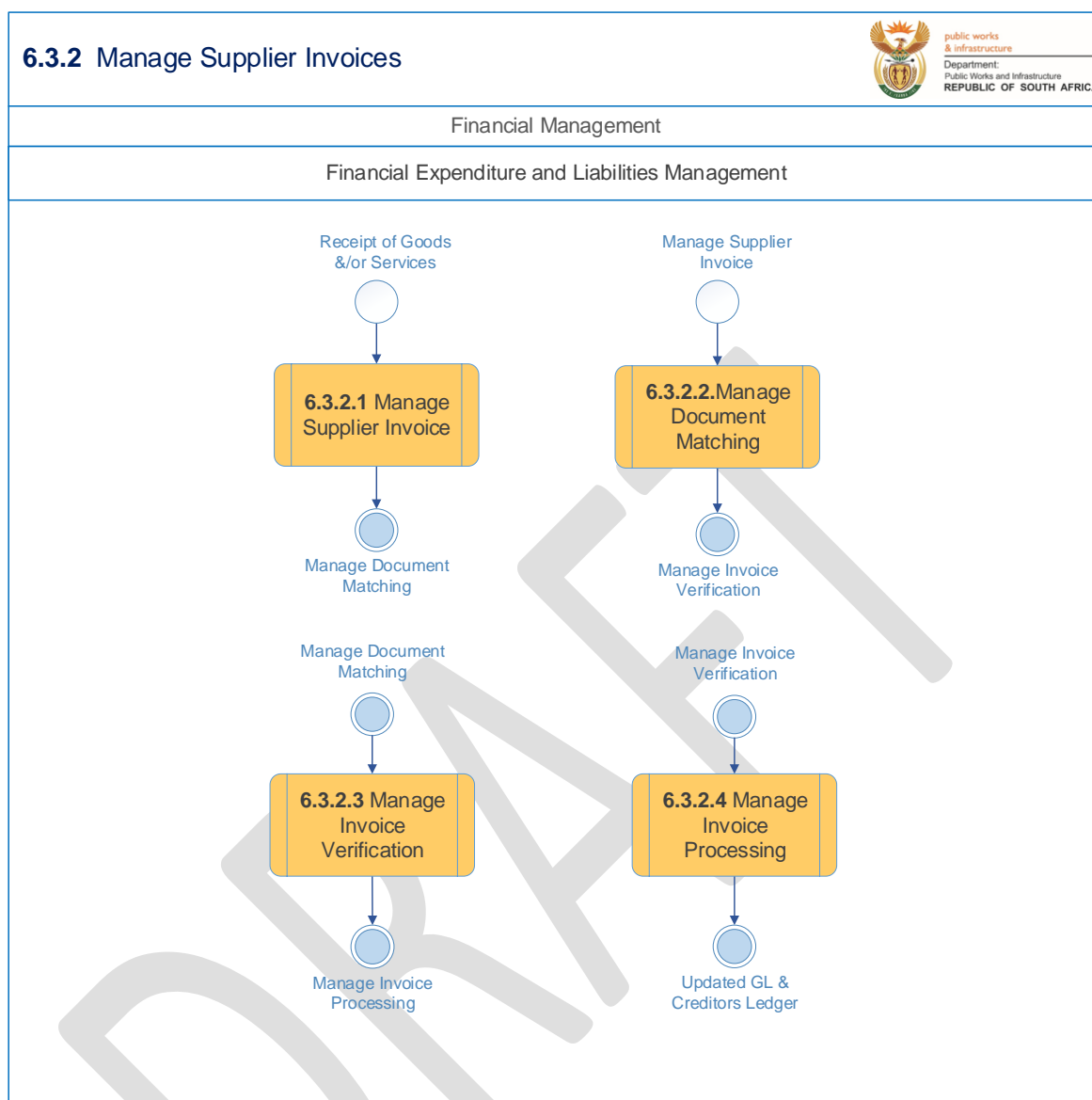
NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
6.	MANAGE NT CIRCULARS, INSTRUCTIONS AND POLICIES			
6.1.	Receive Guidelines/ Circulars and Policies from NT	<ul style="list-style-type: none"> Receive National Treasury communication regarding any new/changes to existing TREASURY CIRCULARS, INSTRUCTIONS & POLICIES that could affect the department. <p>Note: This will be limited to Expenditure and Liabilities Management related changes. Each unit is responsible for tracking changes that affect their area of responsibility. Legal Assistance may be required where necessary.</p>	TBA	TBA
6.2.	Analyse Guidelines/ Circulars and Policies	<ul style="list-style-type: none"> On identification / receipt, the documents must be carefully analysed to identify areas that are new / changed and that may affect department business from an Expenditure and Liabilities Management Regulatory perspective. Where necessary, consult with the responsible person within the National Treasury to obtain clarity on any matters therein. 	TBA	TBA
6.3.	Determine Impact and Propose Alignment Changes	<ul style="list-style-type: none"> Determine Impact of Regulatory Changes on existing Expenditure and Liabilities Management Business Processes and Systems that are currently utilised by department. Identify areas within the existing Expenditure and Liabilities Management Business Processes and Systems that are affected by such changes and propose alignment changes. Compile Action Plan, with responsible persons, in order to align the existing Expenditure and Liabilities Management Business Processes and Systems and cascade Regulatory Changes within the business. 	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
6.4.	Authorise and Update Changes to Processes/ Systems	<ul style="list-style-type: none"> Obtain Internal Approval proposed Alignment Changes, and Action Plan, in line with Approved Delegations and Approval Framework. Receive and implement the approved Expenditure and Liabilities Management Business Processes and Systems Alignment changes in Budget Preparation processes. Update Standard Operating Procedures documents to reflect above changes. 	TBA	TBA
6.5.	Communicate Changes Across the Business	<ul style="list-style-type: none"> Ensure that the implemented changes to Expenditure and Liabilities Management Business Processes and Systems are communicated across the business to ensure that they are implemented effectively. 	TBA	TBA

5.2.2 MANAGE SUPPLIER INVOICES

PROCESS NAME	Manage Supplier Invoices
PROCESS OBJECTIVE	To provide correct and complete invoices for Payment
INITIATING PARTY / PROCESS	Financial Management
INITIATING EVENT / TRIGGER	Receipt of Validated Invoice
OUTPUT / RECORDS PRODUCED	Reconciled Invoice
GOVERNANCE	<ul style="list-style-type: none"> ➤ National Treasury Regulations /Instruction Notes and Circulars ➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA ➤ GRAP Standards

Diagram 0: Manage Supplier Invoices Processes



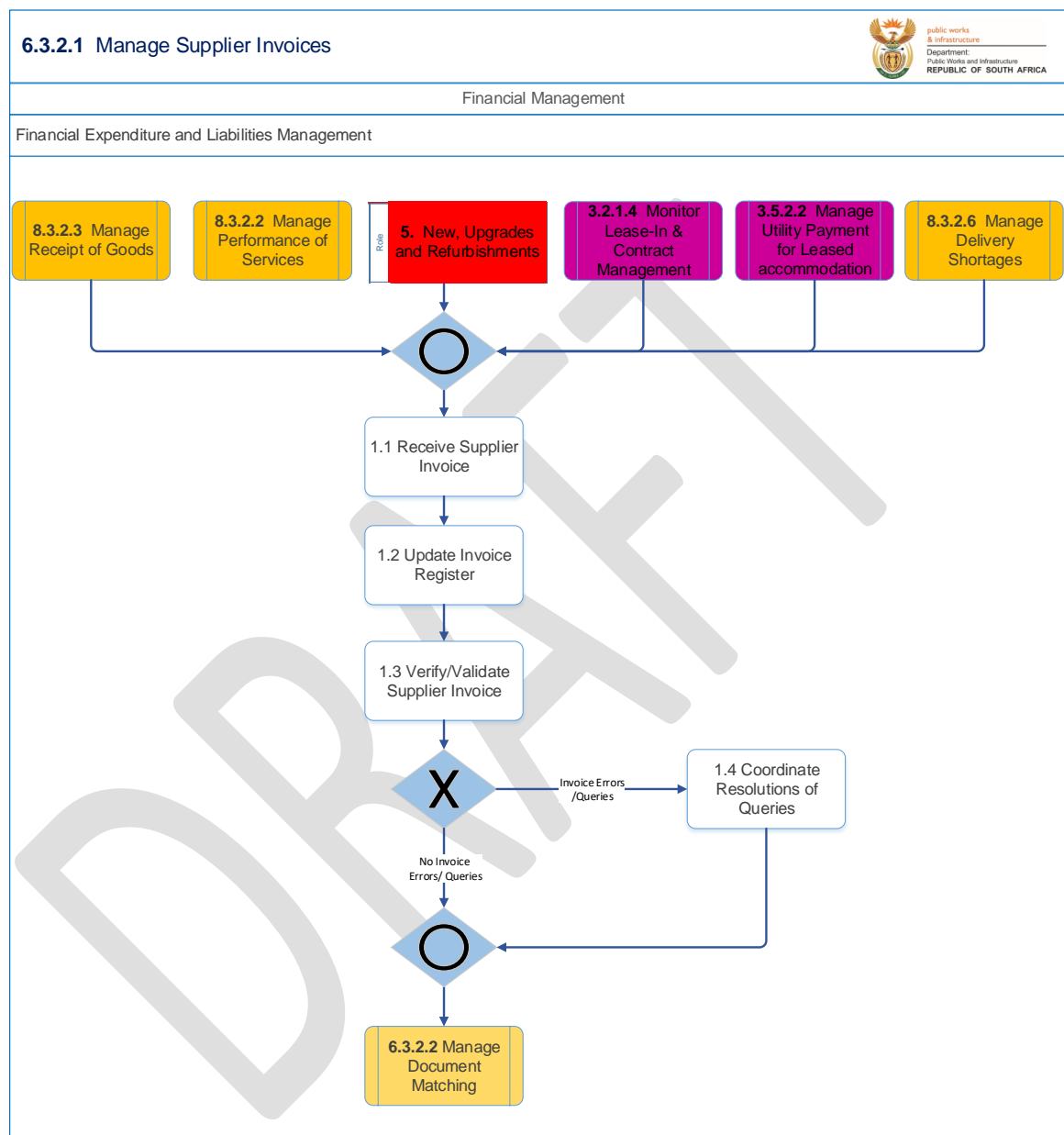
5.2.2.1 *Manage Supplier Invoices Process***Diagram 1: Manage Supplier Invoices Process Flow**

Table 1: Manage Supplier Invoices Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE SUPPLIER INVOICES			
1.1.	Receive Invoice from Supplier	<ul style="list-style-type: none"> Registry to Receive Invoice from supplier with supporting documentation. <p>Note: All Invoices should be received centrally within each geography/unit to ensure that supplier invoices are acknowledged and processed within the stipulated timeframes.</p>	TBA	REGISTRY
1.2.	Update Invoice Register	<ul style="list-style-type: none"> Capture all Invoices received onto the Invoice Register as soon as practically possible upon receipt. Stamp invoice for date of receipt and provide copy of stamp receipt to Supplier with invoice tracking number (where applicable). Ensure that the Invoice is correctly billed to the Department and not to a different customer. Ensure that the Invoice is a valid invoice / tax invoice (where customer is VAT registered) and contains a reference to the project or service being undertaken. Forward invoice to Internal User (i.e. person who requested the service / project manager / responsible department) and update Invoice Register with details of Internal User and date of sending documents. 	TBA	REGISTRY

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.3.	Verify and Validate Invoice	<ul style="list-style-type: none"> Receive logged invoice from Registry with date stamp. Ensure that Invoice Register is updated with date of receipt by Internal User / recipient. Verify details on invoice to project or service undertaken and ensure that the billing entity (supplier) is correct. Verify stage of completion by reference to internal project documentation and agreed billing milestones. Ensure that quantities agree to signed delivery notes and/or project documentation. 	TBA	INTERNAL USER'S DEPARTMENT
1.4.	Coordinate Resolution of Queries (where applicable)	<ul style="list-style-type: none"> Identify query / issue / incorrect details on invoice. Capture / Log the query details onto the Invoice Register. Forward query to Supplier using approved / agreed communication methods. Once Query resolved, update Invoice Register with resolution details and proceed. For updated Invoices, ensure that the relevant Activities included under 1.2 and 1.3 above are repeated for the updated invoice. 	TBA	INTERNAL USER'S DEPARTMENT

5.2.2.2 Manage Document Matching Process

Diagram 2: Manage Document Matching Process Flow

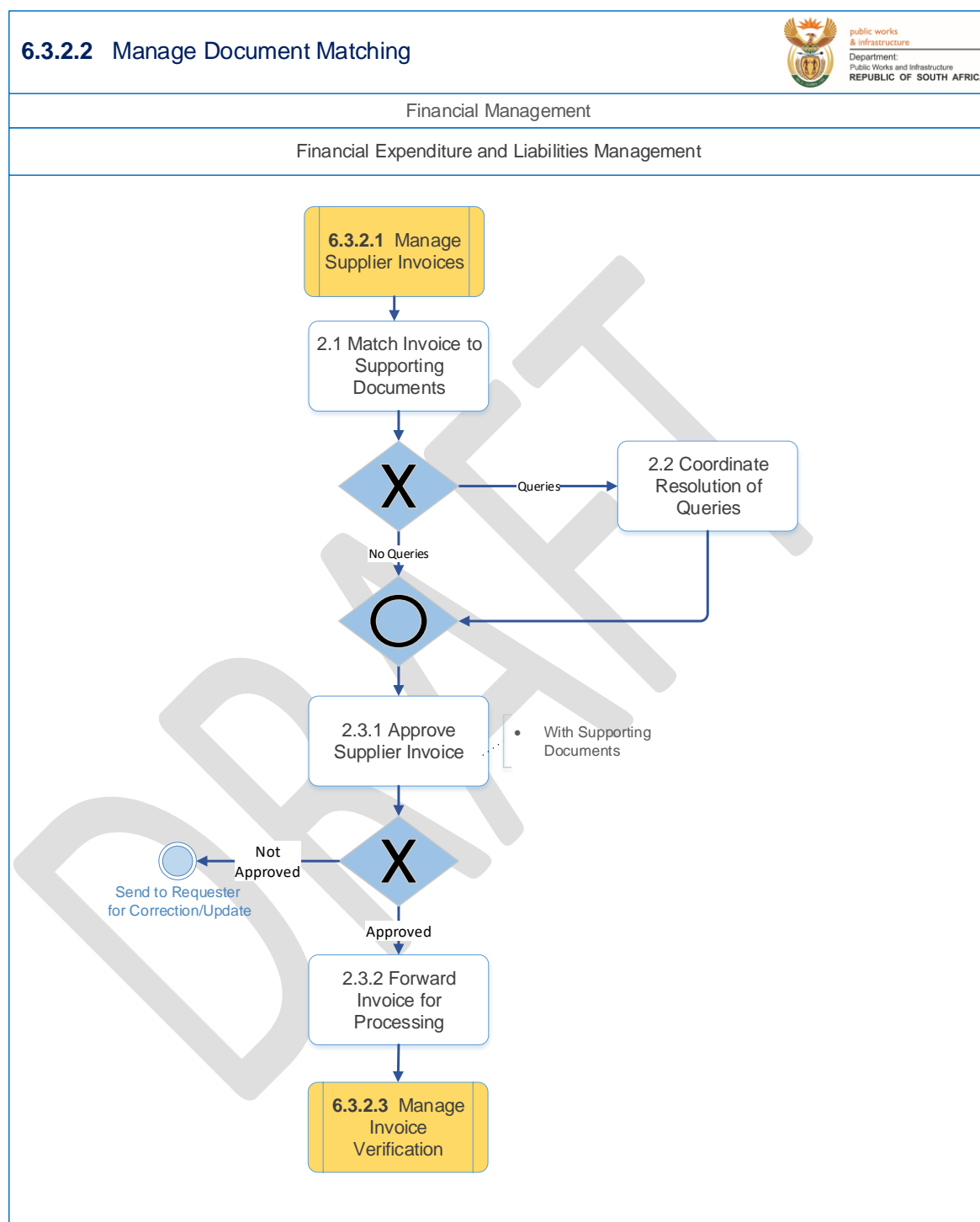


Table 2: Manage Document Matching Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
2.	MANAGE DOCUMENT MATCHING			
2.1.	Match Invoice to Supporting Documents	<ul style="list-style-type: none"> Perform matching of Invoice to Supporting Documents (Supply Chain documents as well as Project documents / Delivery Note). Ensure that reference numbers and supplier details are correct and agree to each other. 	TBA	INTERNAL USER'S DEPARTMENT
2.2.	Coordinate Resolution of Queries (Where Necessary)	<ul style="list-style-type: none"> Identify query / issue / incorrect details based on matching. Capture / Log the query details onto the Invoice Register. Forward query to Supplier or Internal User using approved / agreed communication methods. Once Query resolved, update Invoice Register with resolution details and proceed. For updated Invoices, ensure that the relevant Activities included under 1.2, 1.3 and 2.1 above are repeated for the updated invoice. 	TBA	INTERNAL USER'S DEPARTMENT
2.3.	Approve and Forward Invoice with Supporting Documents for Processing	<ul style="list-style-type: none"> Obtain authorisation for Invoice from appropriate User Department in line with the Approved Delegations and Approvals Framework. Forward approved invoice and supporting documents to Finance for Processing. 	TBA	INTERNAL USER'S DEPARTMENT

5.2.2.3 Manage Invoice Verification Process

Diagram 3: Manage Invoice Verification Process Flow

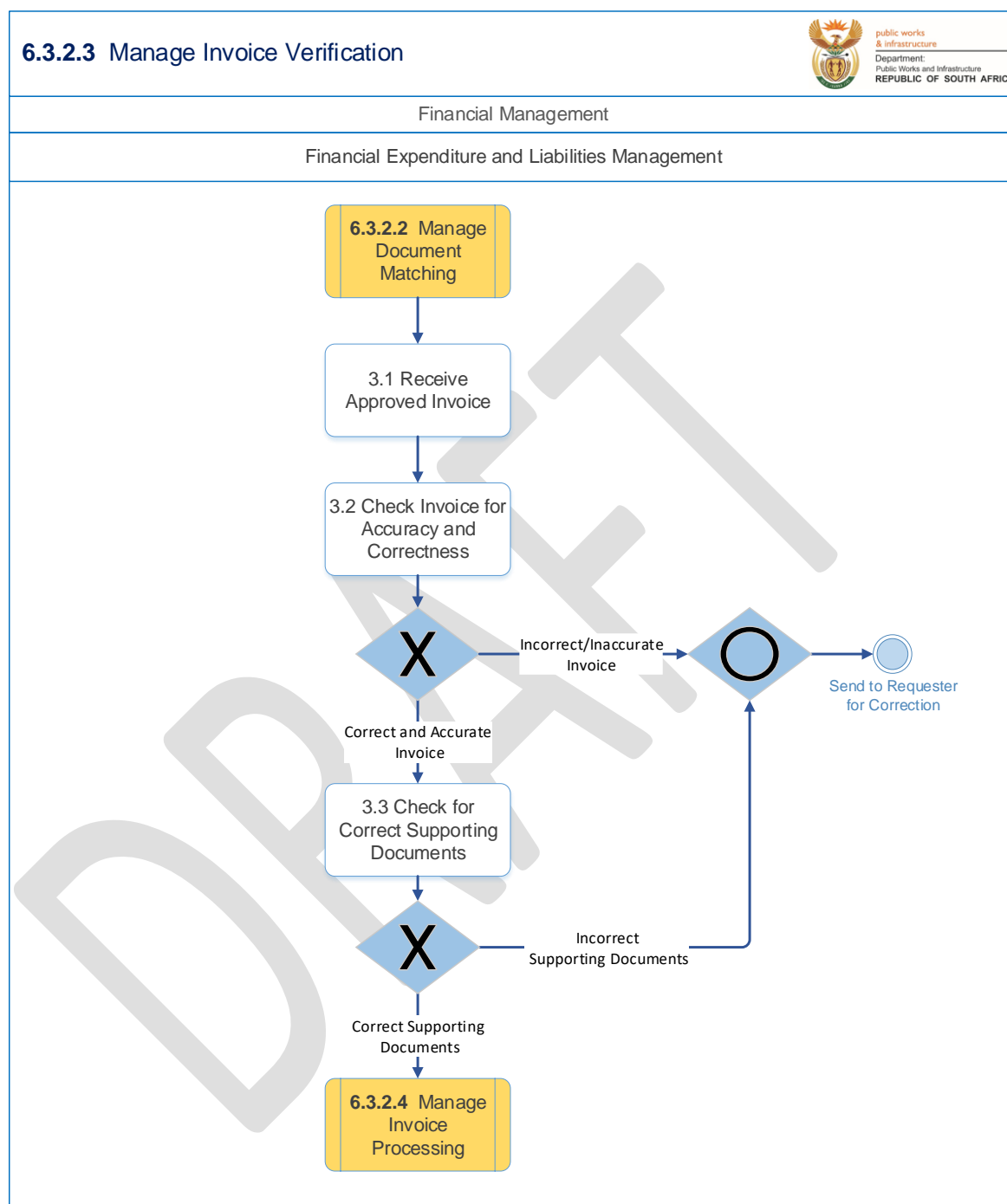


Table 3: Manage Invoice Verification Process Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
3.	MANAGE INVOICE VERIFICATION			
3.1.	Receive Approved Invoice	<ul style="list-style-type: none"> Receive approved Invoice with supporting documentation and update Invoice Register for receipt of documents. Ensure that Invoice has been appropriately signed off by User Department in line with the Approved Delegations and Approvals Framework. 	TBA	FINANCE
3.2.	Check Invoice for Accuracy and Correctness	<ul style="list-style-type: none"> Ensure that Invoice is a Valid Invoice / Tax Invoice (for VAT registered vendors). Re-perform calculations on invoice and check correct application of VAT and VAT rate. 	TBA	FINANCE
3.3.	Check for Correct Supporting Documents	<ul style="list-style-type: none"> Ensure that approved Invoice is supported by the Correct Supporting Documents. Check verified invoice amounts to project certificates and/or documentation / delivery note / order documents / etc. to ensure correct amount is charged. Forward approved invoice for Capturing and updated Invoice Register. 	TBA	FINANCE

5.2.2.4 Manage Invoice Processing Process

Diagram 4: Manage Invoice Processing Process Flow

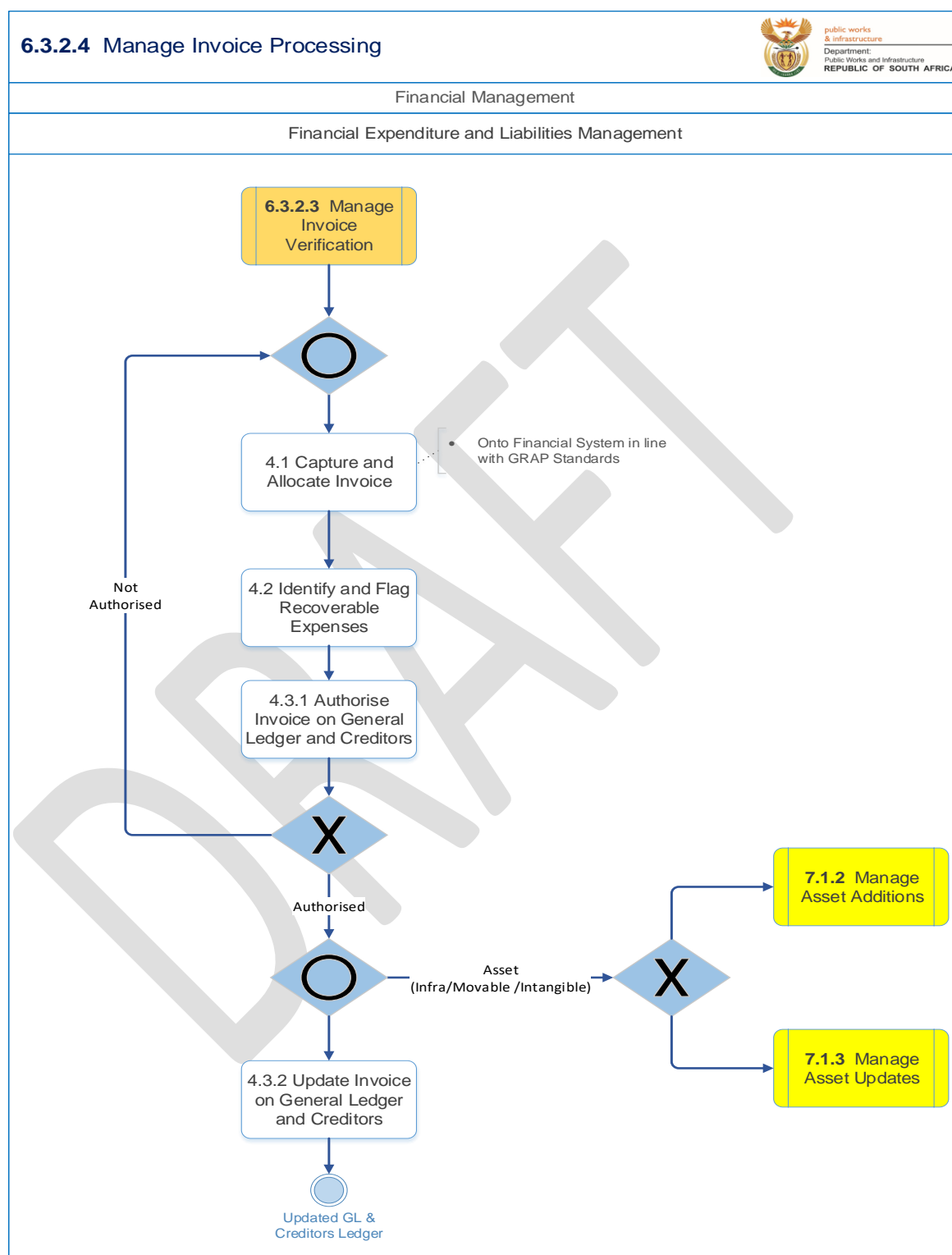


Table 4: Manage Invoice Processing Activity Detail Table

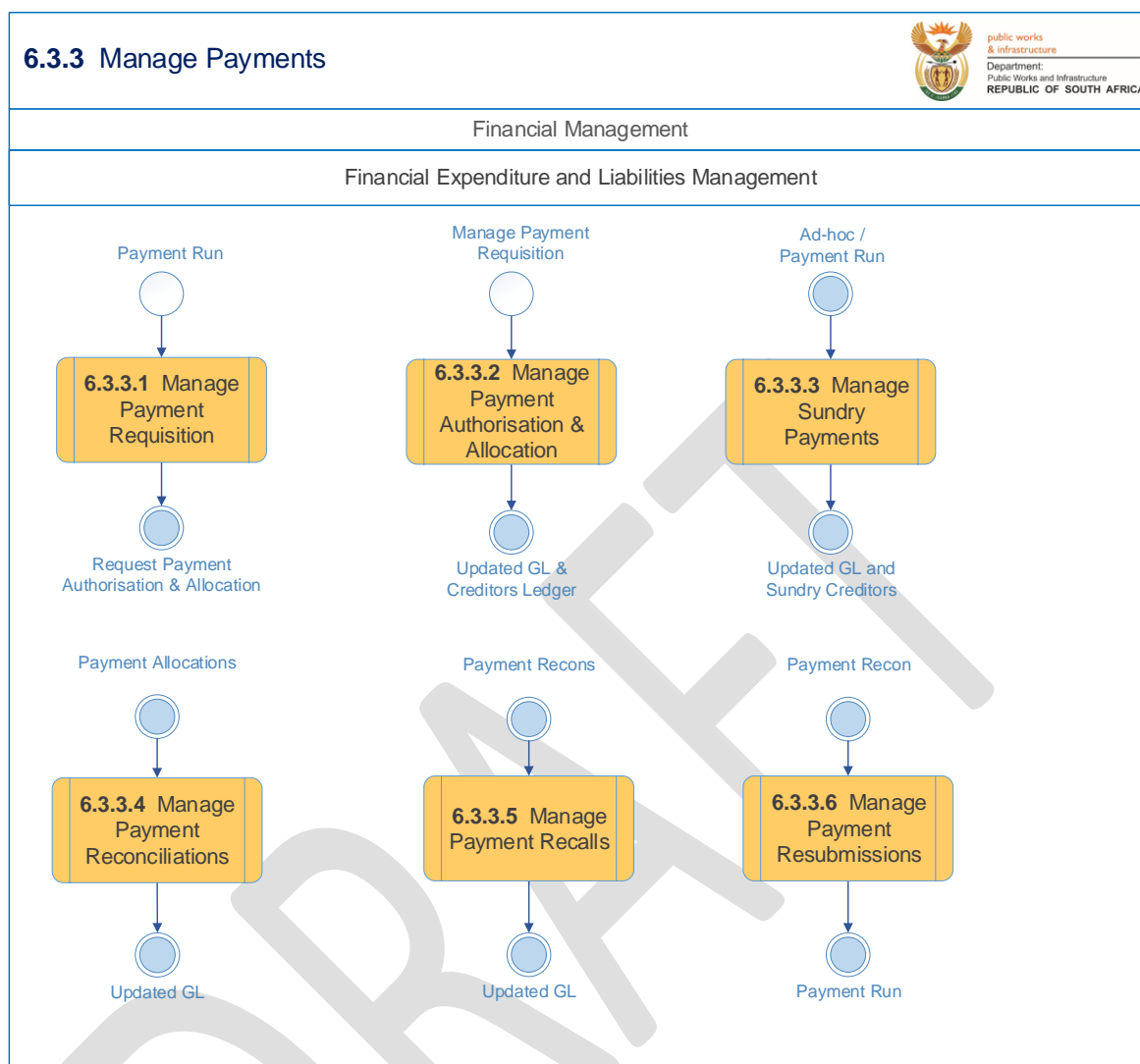
NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
4.	MANAGE INVOICE PROCESSING			
4.1.	Capture and Allocate Invoice onto the Financial System in line with GRAP Standards	<ul style="list-style-type: none"> Receive approved Invoice with supporting documentation and update Invoice Register. Capture and Allocate Invoice onto the Financial System in line with GRAP standards. Ensure correct allocation to VOTE and General Ledger accounts. 	TBA	FINANCE
4.2.	Identify and Flag Recoverable Expenses	<ul style="list-style-type: none"> Identify where the expenditure incurred (invoice) relates to an expense which should be recovered from any other 3rd party (supplier / lessee / client department / employee / etc.). If recoverable, link/flag such invoice to the next bill Run and ensure that it is on-billed to such 3rd party (supplier / lessee / client department / employee / etc.). <p>Note: This activity is critical in ensuring timely recovery of money spent by the Department for the account of others.</p>	TBA	FINANCE
7.1.3 MANAGE ASSET UPDATES (WHERE APPLICABLE)		<ul style="list-style-type: none"> Forward Asset Addition Request, with supporting documents, to appropriate persons. Update Asset Register (Infrastructure Asset Register / Work in Progress Register / Movable Asset Register) in accordance with GRAP Standards. 	TBA	ASSET REGISTER

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
		<p><u>Note:</u> <i>This activity is only applicable to Assets which meet GRAP Asset Definition and Recognition criteria.</i></p>		
	7.1.2 MANAGE ASSET ADDITIONS (WHERE APPLICABLE)	<ul style="list-style-type: none"> Forward Asset Addition Request, with supporting documents, to appropriate persons. Update Asset Register (Infrastructure Asset Register / Work in Progress Register / Movable Asset Register) in accordance with GRAP Standards. <p><u>Note:</u> <i>This activity is only applicable to Assets which meet GRAP Asset Definition and Recognition criteria.</i></p>	TBA	ASSET REGISTER
4.3.	Authorise and Update Invoice on General Ledger and Creditors Ledger	<ul style="list-style-type: none"> Obtain authorisation for Invoice Allocation (incl. Recoverability) in line with the Approved Delegations and Approvals Framework. Update the Invoice on General Ledger and Creditors Sub-Ledger. 	TBA	FINANCE

5.2.2 MANAGE PAYMENTS

PROCESS NAME	Manage Payments
PROCESS OBJECTIVE	Payment of all Invoices within the stipulated regulated timeframes (30 Days as per Regulations).
INITIATING PARTY / PROCESS	Financial Management
INITIATING EVENT / TRIGGER	Processed Invoices
OUTPUT / RECORDS PRODUCED	Supplier Payment
GOVERNANCE	<ul style="list-style-type: none"> ➤ Public Auditors Act (PAA) ➤ National Treasury Regulations /Instruction Notes and Circulars ➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA] ➤ GRAP Standards

Diagram 0: Manage Payments Processes



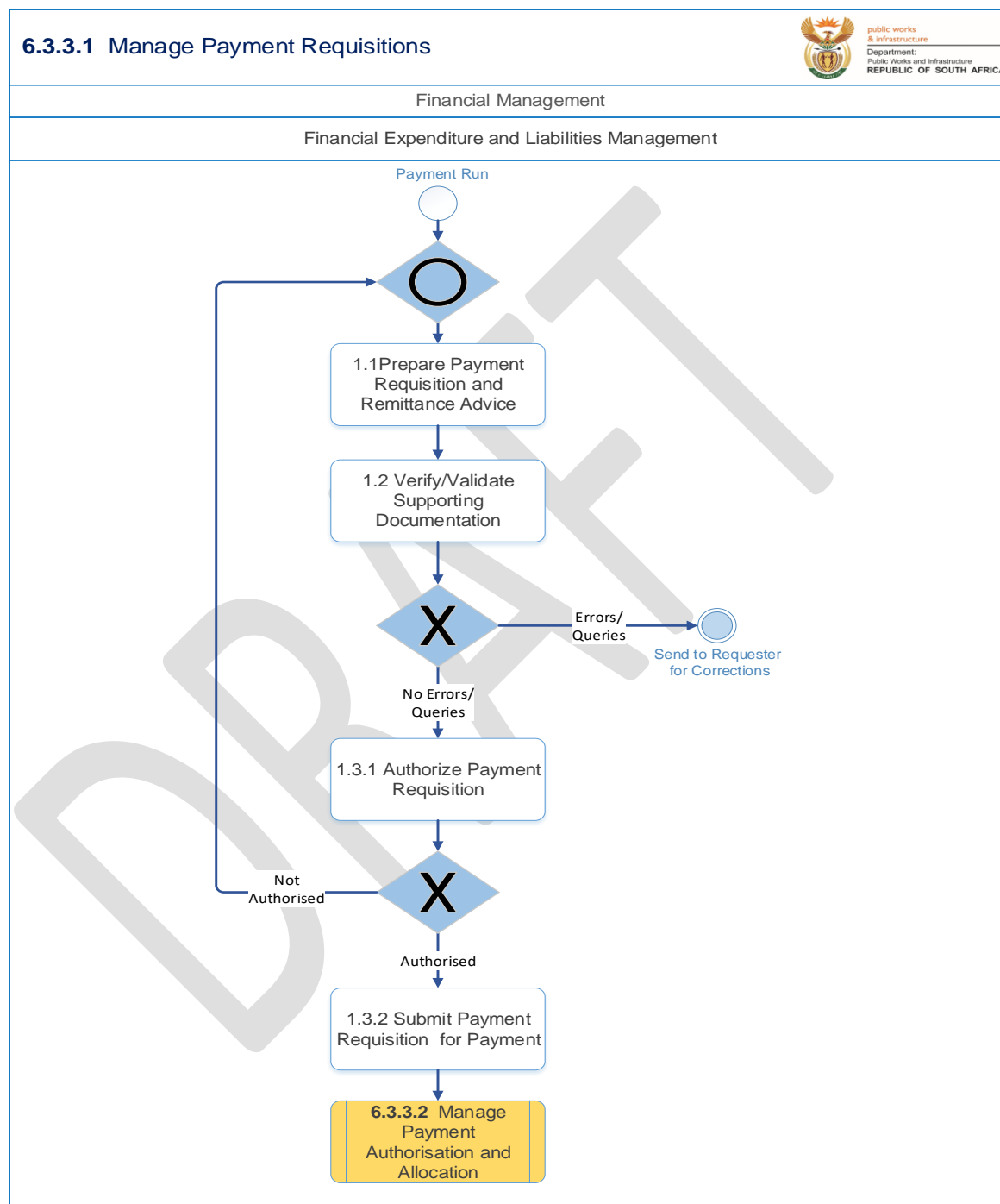
5.2.3.1 *Manage Payment Requisitions Process***Diagram 1: Manage Payment Requisitions Process Flow**

Table 1: Manage Payment Requisitions Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE PAYMENT REQUISITIONS			
1.1.	Prepare Payment Requisition and Remittance Advice	<ul style="list-style-type: none"> Identify Supplier Payments to be made in line with Cash Flow planning / Supplier Statements / Invoice due dates, etc. Prepare Payment Requisition and Remittance Advice for each supplier payment to be made. 	TBA	FINANCE
1.2.	Verify and Validate Supporting Documentation	<ul style="list-style-type: none"> Verify all supporting documentation for the payment and ensure documents are in line with the payment requisition and remittance advice. 	TBA	FINANCE
1.3.	Authorise and Submit for Payment	<ul style="list-style-type: none"> Obtain authorisation for Payment Requisition and Remittance Advice in line with the Approved Delegations and Approvals Framework. Submit approved payment requisition, remittance advice and supporting documents for Payment. 	TBA	FINANCE
6.3.3.2 MANAGE PAYMENT AUTHORISATION AND ALLOCATION		Obtain authorisation for the Payment Requisition and Remittance Advice in line with the relevant Approved Delegations and Approvals Framework.	N/A	N/A

5.2.3.2 Manage Payment Authorisation and Allocation Process

Diagram 2: Manage Payment Authorisation and Allocation Process Flow

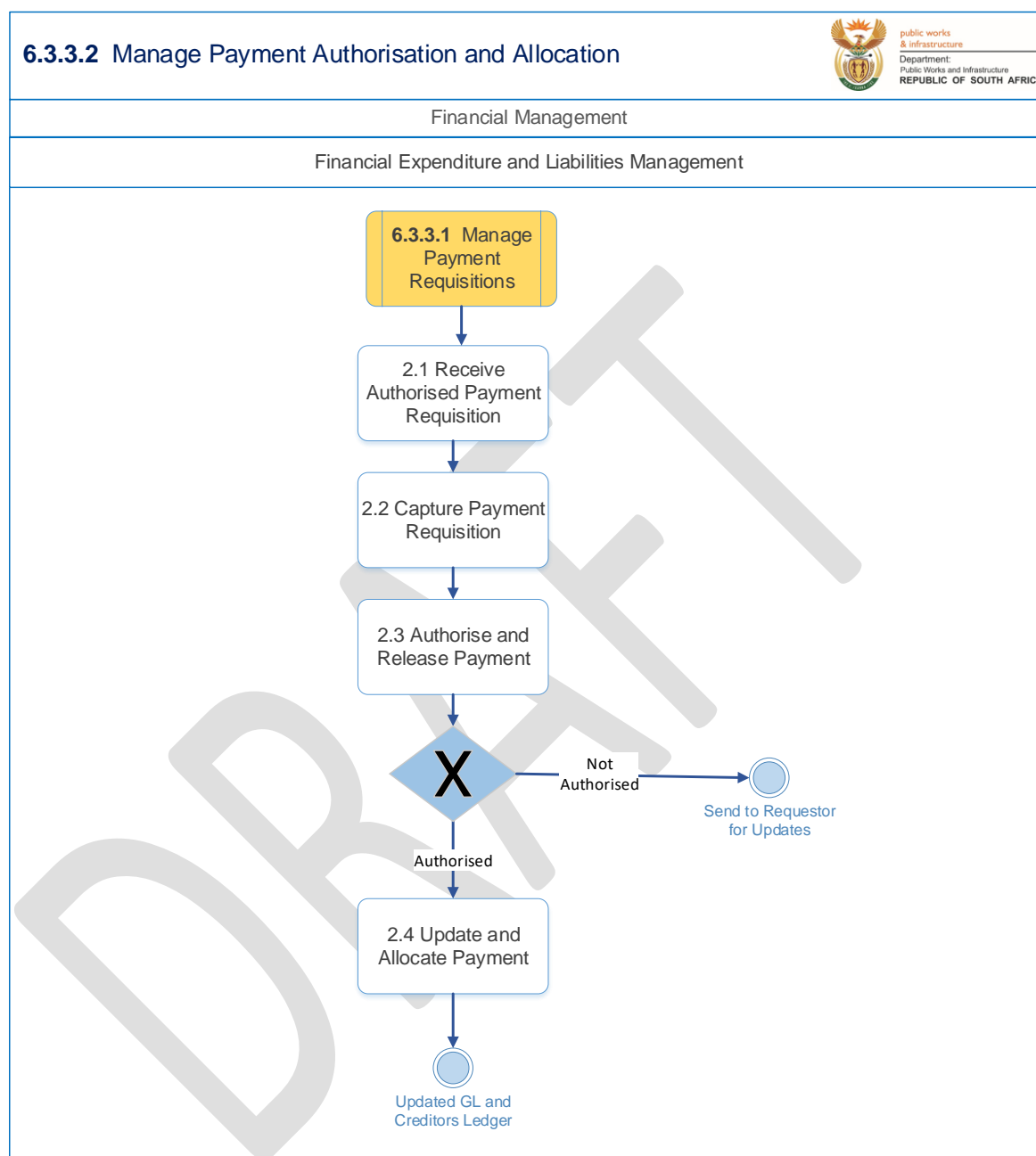


Table 2: Manage Payment Authorisation and Allocation Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
2.	MANAGE PAYMENT AUTHORISATION AND ALLOCATION			
2.1.	Receive Authorised Payment Requisition	<ul style="list-style-type: none"> Receive the approved Payment Requisition, Remittance Advice and supporting documents for processing payment. Ensure that the Payment documents are appropriately approved in line with Approved Delegations and Approvals Framework. 	TBA	FINANCE
2.2.	Capture Payment Requisition on Payment System	<ul style="list-style-type: none"> Capture authorised Payment on the payment system. Verify correctness of captured details with reference to supporting documents. 	TBA	FINANCE
2.3.	Authorise and Release Payment on Payment System	<ul style="list-style-type: none"> Review and authorise the captured Payments in line with Approved Delegations and Approvals Framework. If the captured payment is verified as correct, stamp the documents as "PAID". Release Payment on banking platform(s) using unique log-in details in line with Approved Delegations and Approvals Framework. Forward Remittance Advice to relevant Supplier (and Proof of Payment where requested). 	TBA	FINANCE
2.4.	Update & Allocate Payment on Financial System	<ul style="list-style-type: none"> Obtain payment report and identify all successful payments made. 	TBA	FINANCE

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
		<ul style="list-style-type: none"> Allocate payments onto Financial System including Creditors Sub-Ledger. Review and authorise the Payment Allocations in line with Approved Delegations and Approvals Framework. Update Cash Book, General Ledger and Creditors Sub-Ledger for payment correctly made. 		

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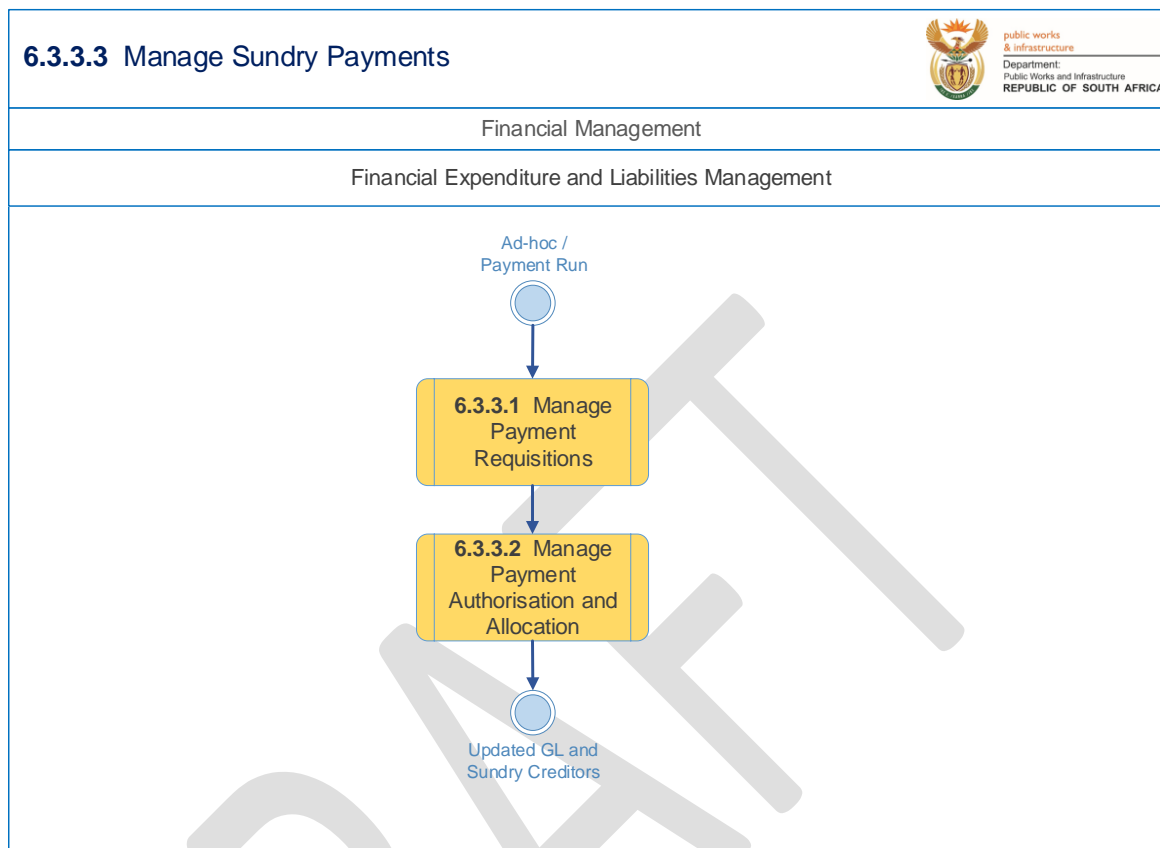
5.2.3.3 *Manage Sundry Payments Process***Diagram 3: Manage Sundry Payments Process Flow**

Table 3: Manage Sundry Payments Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE SUNDRY PAYMENTS			
	6.3.3.1 MANAGE PAYMENT REQUISITION PROCESS	<ul style="list-style-type: none"> Prepare and Authorise Sundry Payment Requisitions and Remittance Advices as per the Manage Payment Requisitions Process. <p>Note: Sundry Payment Requisitions will be processed in line with the same process followed to pay all other Payment Requisitions.</p>	N/A	N/A
	6.3.3.2 MANAGE PAYMENT AUTHORISATION AND ALLOCATION PROCESS	<ul style="list-style-type: none"> Authorise and Capture Sundry Payment as per the Manage Payment Authorisation and Allocation Process. <p>Note: Sundry Payment Requisitions will be processed in line with the same process followed to pay all other Payment Requisitions.</p>	N/A	N/A

5.2.3.4 Manage Payment Reconciliations Process

Diagram 4: Manage Payment Reconciliations Process Flow

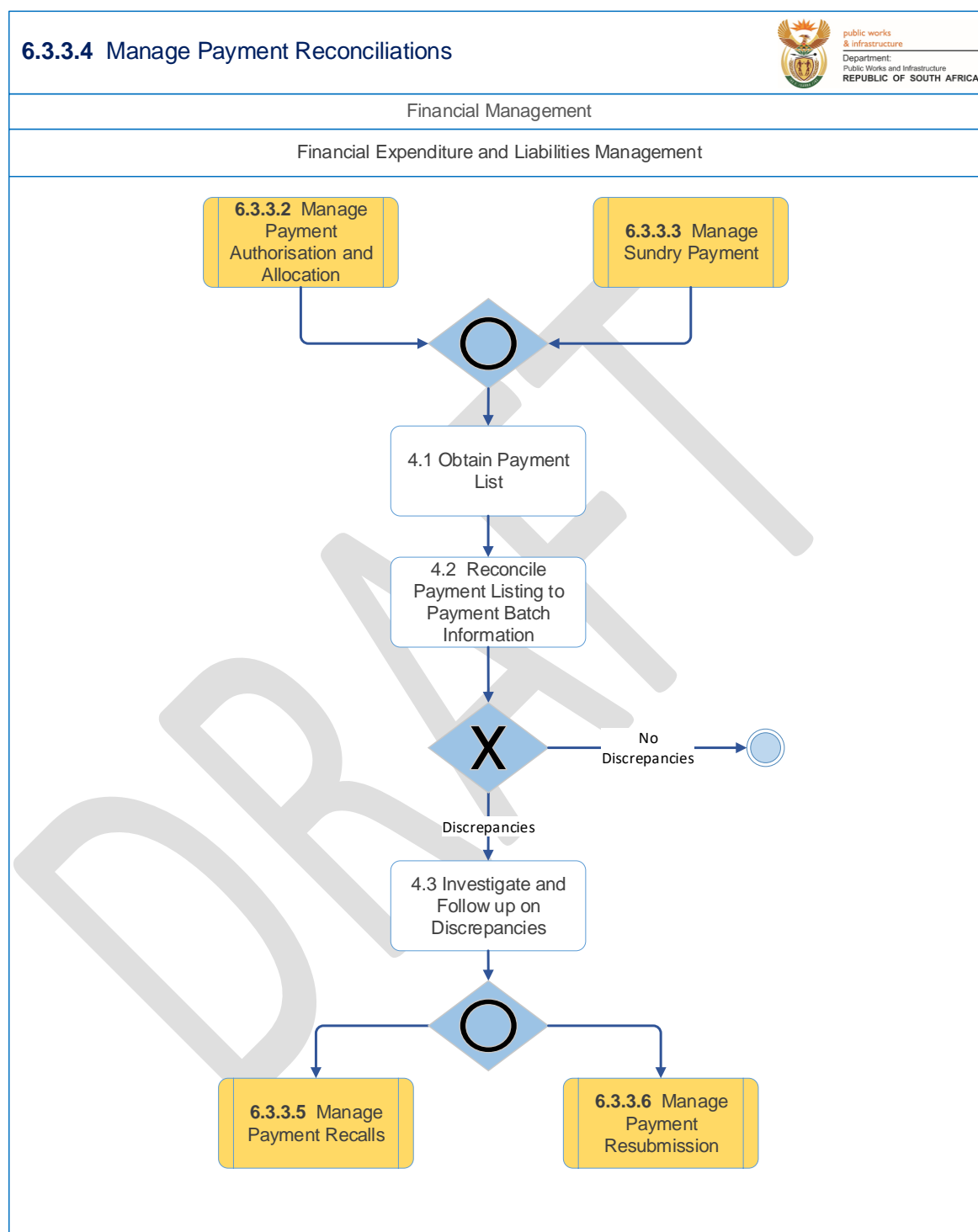


Table 4: Manage Payment Reconciliations Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
4.	MANAGE PAYMENT RECONCILIATIONS			
4.1.	Obtain Payment List	<ul style="list-style-type: none"> Extract the Payment List from the system / banking platform(s). Ensure that the date parameters are correct and agree to the payment run being reconciled. 	TBA	FINANCE
4.2.	Reconcile Payment Listing to Payment Batch Information	<ul style="list-style-type: none"> Reconcile Payment Listing to payments as per the Approved Payment Batch. Identify any exceptions / reconciling items. 	TBA	FINANCE
4.3.	Investigate and Follow up on Discrepancies	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all discrepancies indicating reasons thereof. Review and analyse the nature of the discrepancies to identify any trends (where applicable). Implement corrective action for discrepancies noted. 	TBA	FINANCE
6.3.3.5 MANAGE PAYMENT RECALLS		Manage Payment Recalls in line with Manage Payment Recalls process (where applicable).	N/A	N/A
6.3.3.6 MANAGE PAYMENT RESUBMISSIONS		Manage Sundry payments in line with Manage Payment Resubmissions process (where applicable).	N/A	N/A

5.2.3.5 *Manage Payment Recalls Process*

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Diagram 5: Manage Payment Recalls Process Flow

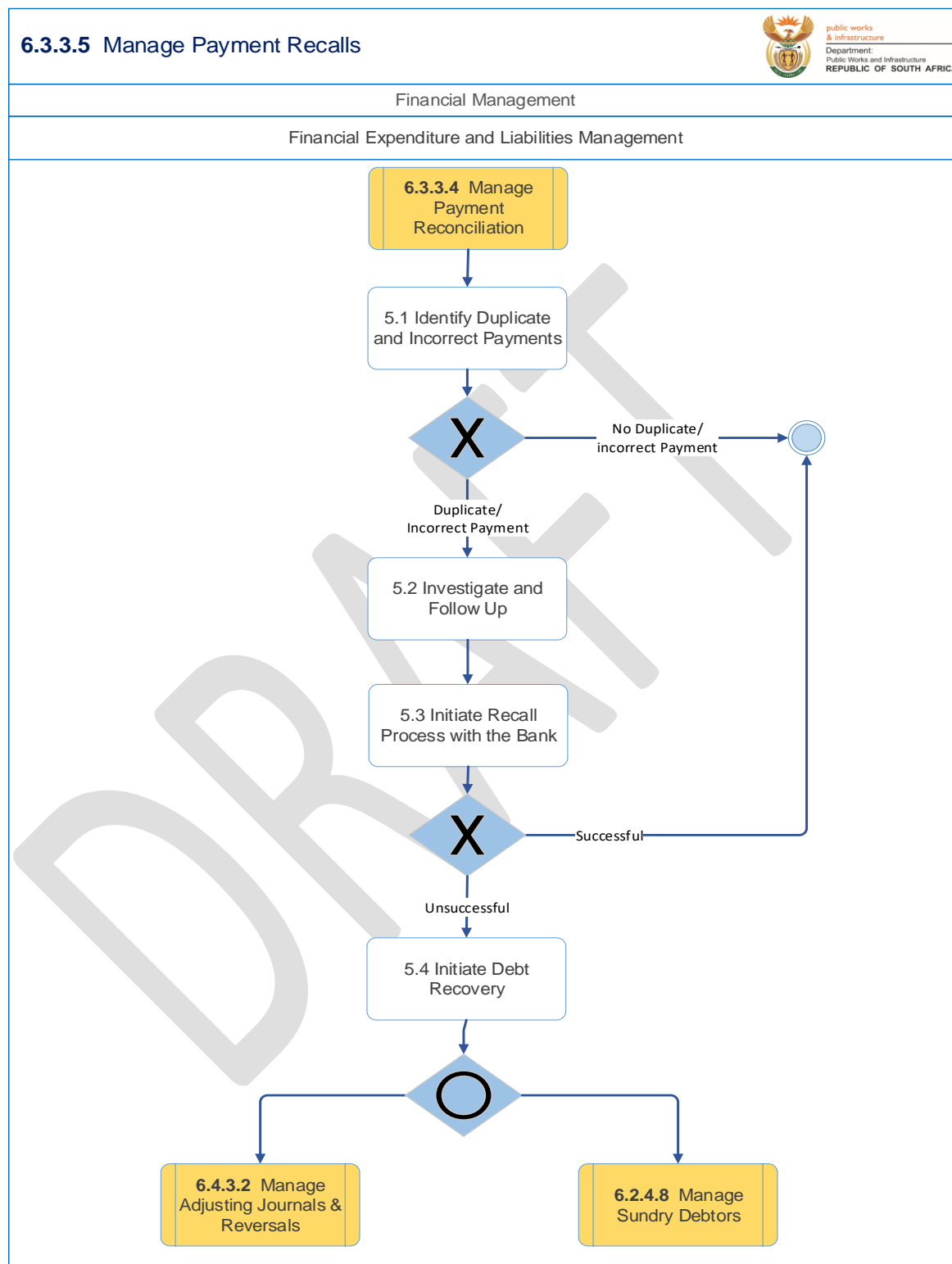


Table 5: Manage Payment Recalls Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
5.	MANAGE PAYMENT RECALLS			
5.1.	Identify Duplicate and Incorrect Payments to be Recalled	<ul style="list-style-type: none"> Identify Duplicate and/or Incorrect Payments with potential to be “Recalled” following performance of the Manage Payment Reconciliations Process. 	TBA	TBA
5.2.	Investigate and Follow up on Recalls	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all Recalls indicating reasons thereof. Review and analyse the nature of the Recalls to identify any trends (where applicable). 	TBA	TBA
5.3.	Initiate Recall Process with the Bank (Where Applicable)	<ul style="list-style-type: none"> Where Recall is appropriate, Initiate Recall Process with the Bank (Where Applicable). Capture successful Recalls and update General Ledger and Creditors Sub-Ledger. 	TBA	TBA
5.4.	Initiate Debt Recovery Process (Where Applicable)	<ul style="list-style-type: none"> Initiate Debt Recovery Process (Where Applicable) in line with Revenue and Debt Management processes. <p>Note:</p> <ul style="list-style-type: none"> <i>This process would be applicable should the Recall process with the bank not be successful for one reason or the other.</i> 	TBA	TBA

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
6.4.3.2	MANAGE ADJUSTING JOURNALS AND REVERSALS	Process journal for recovering the payment in line with the Financial Accounting and Reporting - Manage Adjusting Journals and Reversals process (where applicable).	N/A	N/A
6.2.4.8	MANAGE SUNDRY DEBTORS	Manage Sundry Debtors in line with Revenue and Debt Management - Manage Sundry Debtors process (where applicable).	N/A	N/A

5.2.3.6 Manage Payment Resubmissions Invoice Process

Diagram 6: Manage Payment Resubmissions Invoice Process Flow

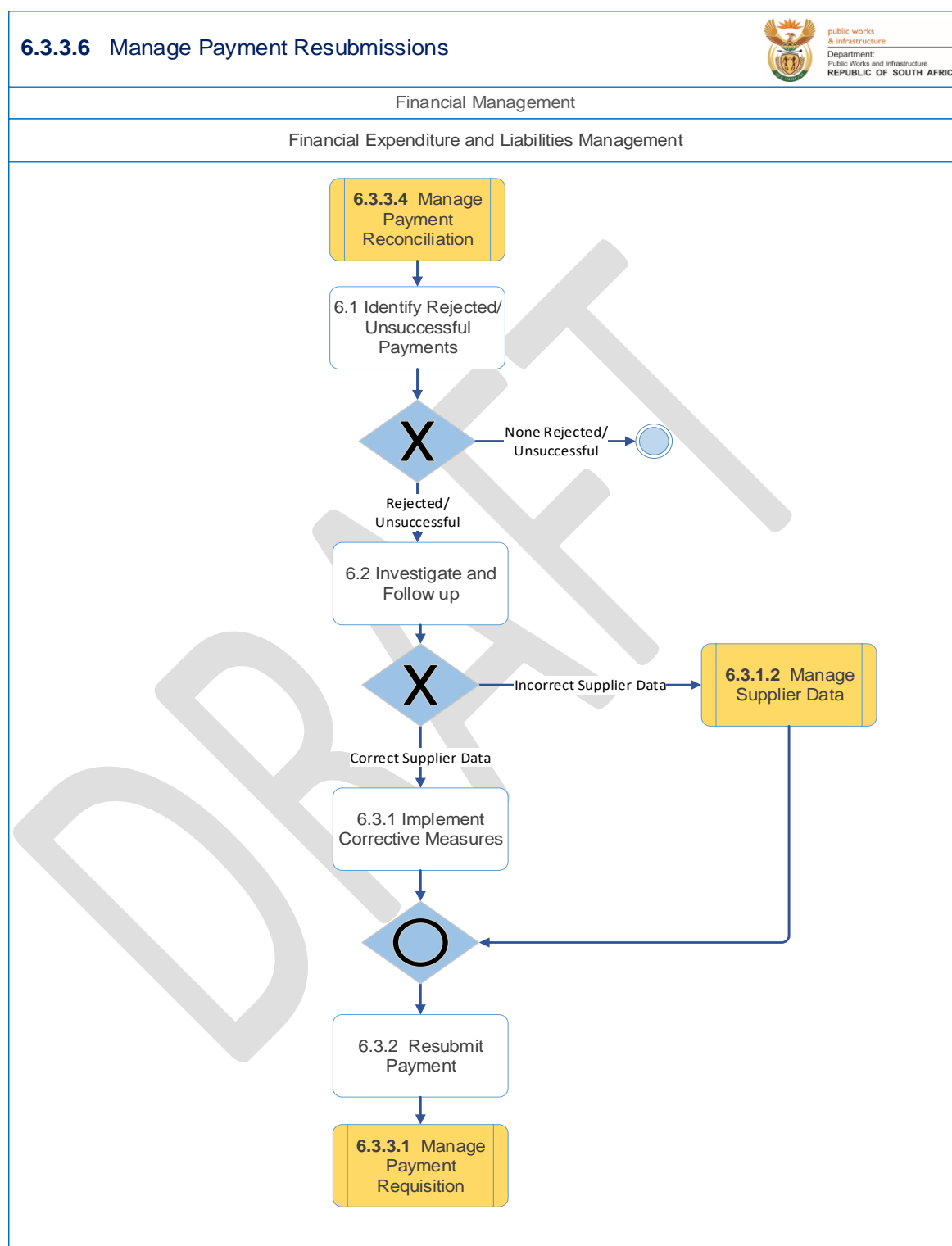


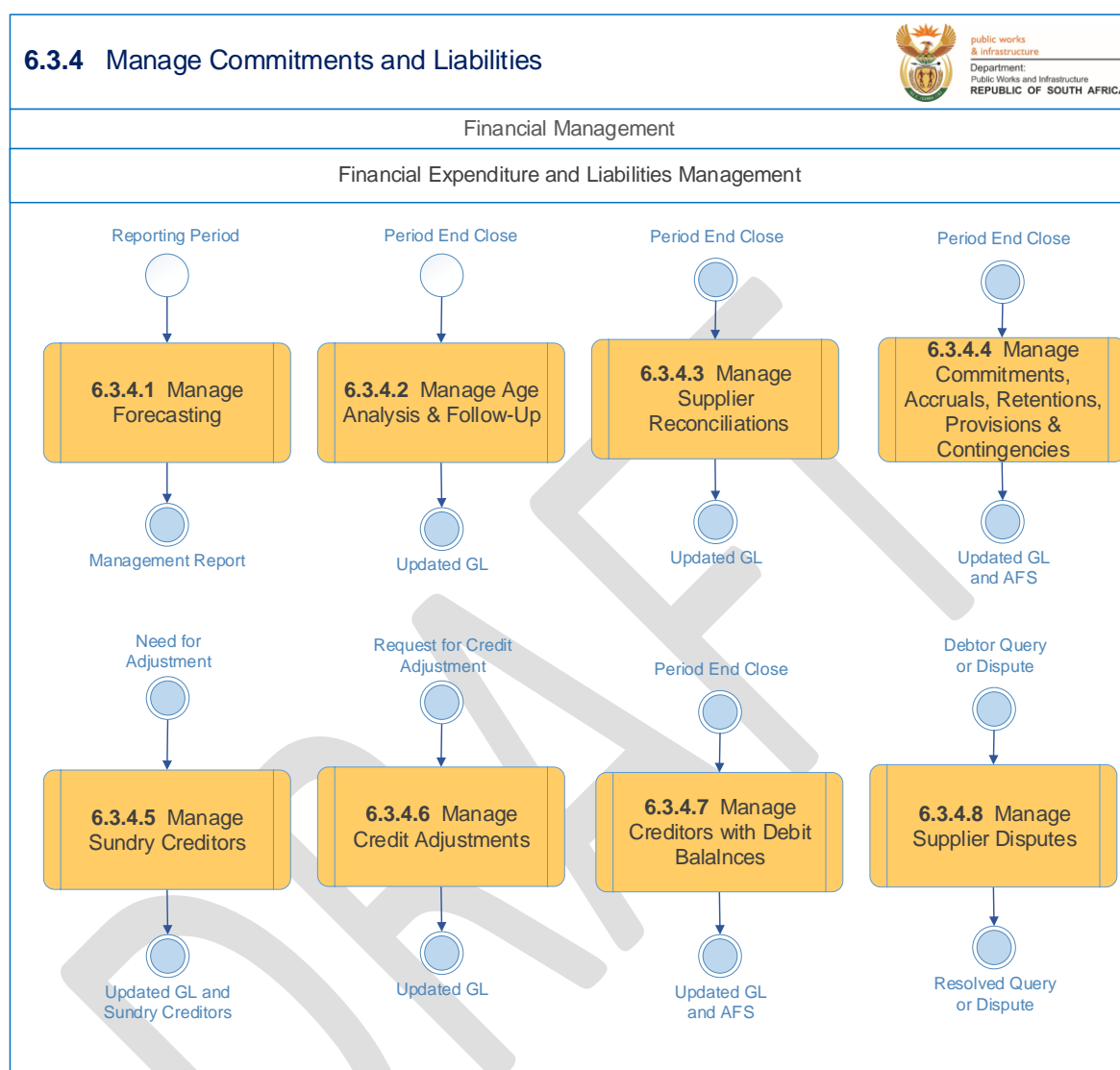
Table 6: Manage Payment Resubmissions Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
6.	MANAGE PAYMENT RESUBMISSIONS			
6.1.	Identify Rejected/Unsuccessful Payments to be Resubmitted	<ul style="list-style-type: none"> Identify Rejected/Unsuccessful Payments with potential to be “Resubmitted” following performance of the Manage Payment Reconciliations Process. 	TBA	TBA
6.2.	Investigate and Follow up on Rejected/Unsuccessful Payments	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all Rejected/Unsuccessful indicating reasons thereof. Review and analyse the nature of the Rejected/Unsuccessful payments to identify any trends (where applicable). 	TBA	TBA
6.3.1.2 MANAGE SUPPLIER DATA (WHERE APPLICABLE)		<ul style="list-style-type: none"> Update supplier information as per the Manage Supplier Data Process. 	TBA	TBA
6.3.	Implement Corrective Measures and Resubmit Payment	<ul style="list-style-type: none"> Once all errors have been corrected, implement Corrective Measures and Resubmit Payment as per the Manage Payment Authorisation and Allocation Process. 	TBA	TBA

5.2.4 MANAGE COMMITMENTS AND LIABILITIES

PROCESS NAME	Manage Commitments and Liabilities
PROCESS OBJECTIVE	To evaluate the Financial Health of the Business and ensure that the Liabilities do not exceed the Assets
INITIATING PARTY / PROCESS	Financial Management
INITIATING EVENT / TRIGGER	<ul style="list-style-type: none"> ➤ Periodic or Mandatory Requirements ➤ Internal request or ad hoc request from Management
OUTPUT / RECORDS PRODUCED	<ul style="list-style-type: none"> ➤ Forecasting ➤ Ad hoc Management Reports ➤ Resolved Disputes
GOVERNANCE	<ul style="list-style-type: none"> ➤ Public Auditors Act (PAA) ➤ National Treasury Regulations /Instruction Notes and Circulars ➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA] ➤ GRAP Standards

Diagram 0: Manage Commitments and Liabilities Processes



5.2.4.1 *Manage Forecasting Process*

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Diagram 1: Manage Forecasting Process Flow

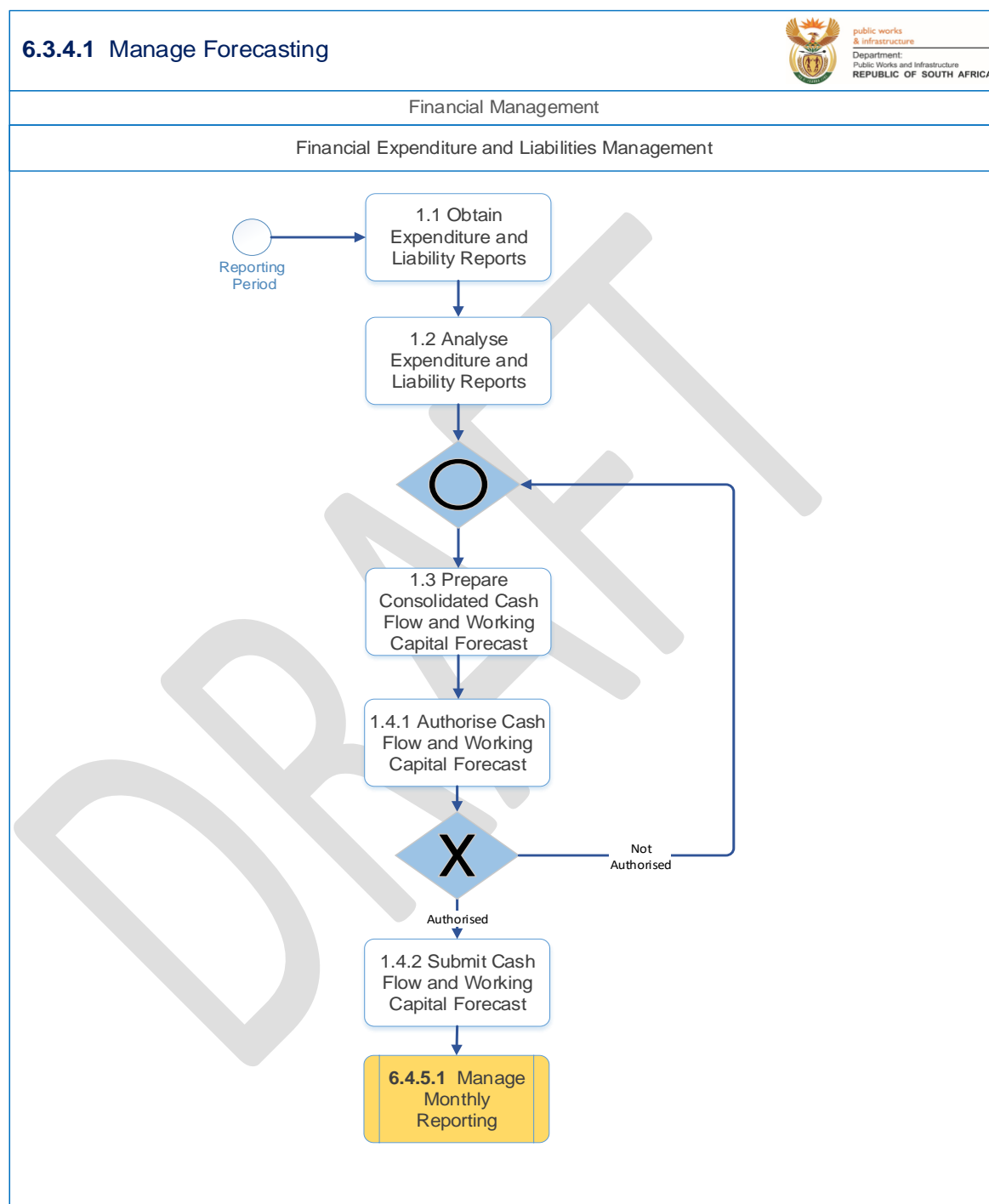


Table 1: Manage Forecasting Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE FORECASTING			
1.1.	Obtain Expenditure and Liabilities Reports	<ul style="list-style-type: none"> Obtain the relevant Expenditure, Liabilities and Commitment reports. 	TBA	TBA
1.2.	Analyse Expenditure Trends	<ul style="list-style-type: none"> Analyse the Expenditure, Liabilities and Commitment trends with reference to the Budget, Commitments and Cash flow requirements. 	TBA	TBA
1.3.	Prepare Cash-flow and Working Capital Forecast	<ul style="list-style-type: none"> Request additional information and/or Adjustments from Originator. Prepare Consolidated Cash Flow and Working Capital forecast using the inputs from all units and Regions. 	TBA	TBA
1.4.	Authorise and Submit	<ul style="list-style-type: none"> Obtain Internal Approval in line with the Approved Delegations and Approvals Framework. Submit Approved Forecast in line with compliance requirements. 	TBA	TBA

5.2.4.2 Manage Age Analysis and Follow Up Process

Diagram 2: Manage Age Analysis and Follow Up Process Flow

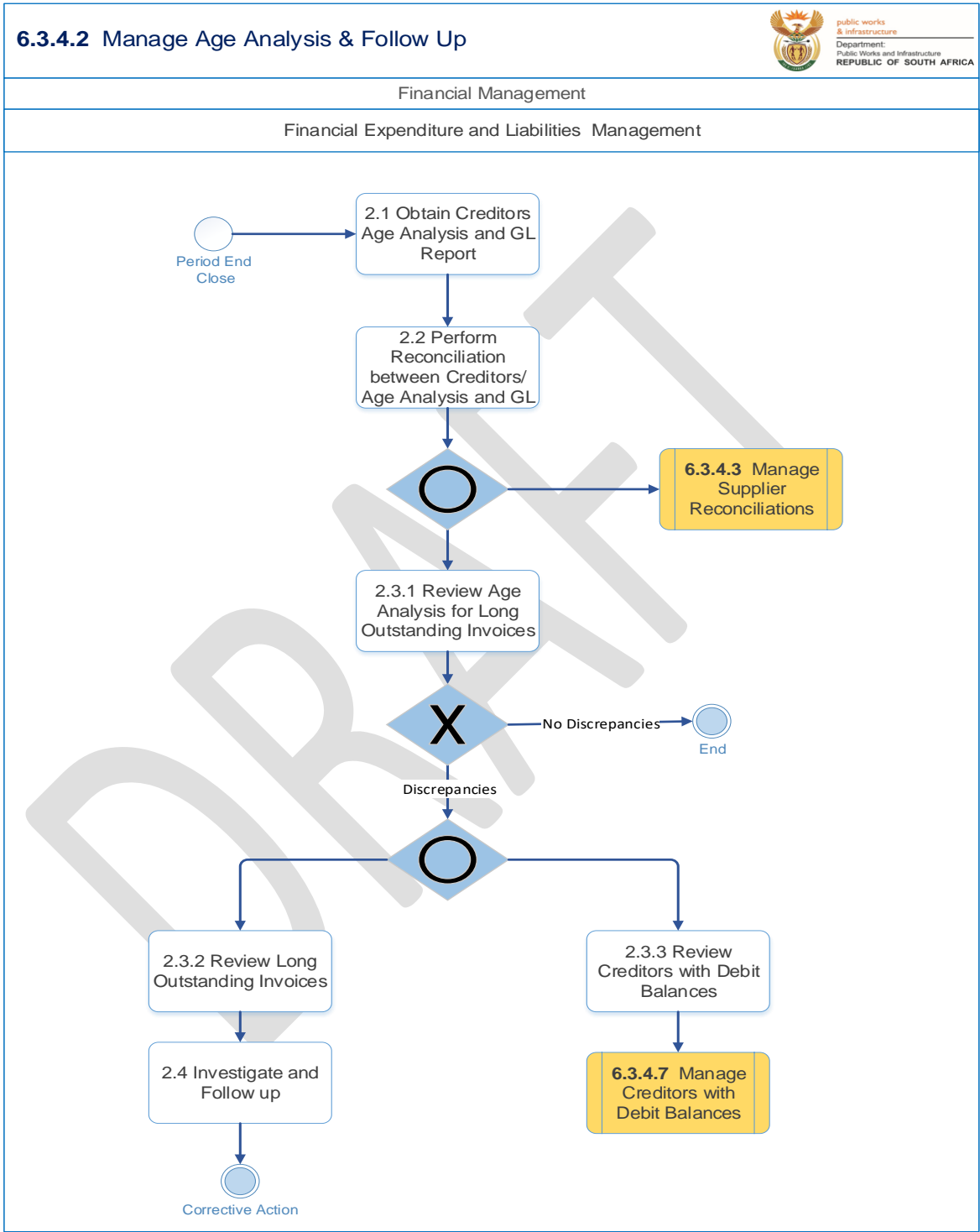


Table 2: Manage Age Analysis and Follow Up Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
2.	MANAGE AGE ANALYSIS AND FOLLOW UP			
2.1.	Obtain Creditors' Age Analysis and General Ledger (GL) Reports	<ul style="list-style-type: none"> Obtain printout of Creditors' Age Analysis, Creditors Sub-Ledger and General Ledger (GL) control account Reports. Request Supplier Statement from 3rd party suppliers (where practical). 	TBA	FINANCE
2.2.	Perform Reconciliation Between Creditors' Age Analysis and GL	<ul style="list-style-type: none"> Perform reconciliation between the Creditors Age Analysis, Creditors Sub-Ledger and General Ledger control accounts. Identify and follow up on any reconciling items. 	TBA	FINANCE
2.3.	Review Age Analysis for Long Outstanding Invoices and Creditors with Debit Balances	<ul style="list-style-type: none"> Review Age Analysis for Long Outstanding Invoices and Creditors with Debit Balances. 	TBA	FINANCE
6.3.4.7 MANAGE CREDITORS WITH DEBIT BALANCES		<ul style="list-style-type: none"> Manage Creditors with Credit Balances in line with Manage Creditors with Debit Balances Process. 	TBA	FINANCE
2.4.	Investigate and Follow-up on Discrepancies	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all Discrepancies indicating reasons thereof. Review and analyse the nature of the discrepancies to identify any trends (where applicable). Implement corrective action for discrepancies identified. 	TBA	FINANCE

5.2.4.3 Manage Supplier Reconciliations Process

Diagram 3: Manage Supplier Reconciliations Process Flow

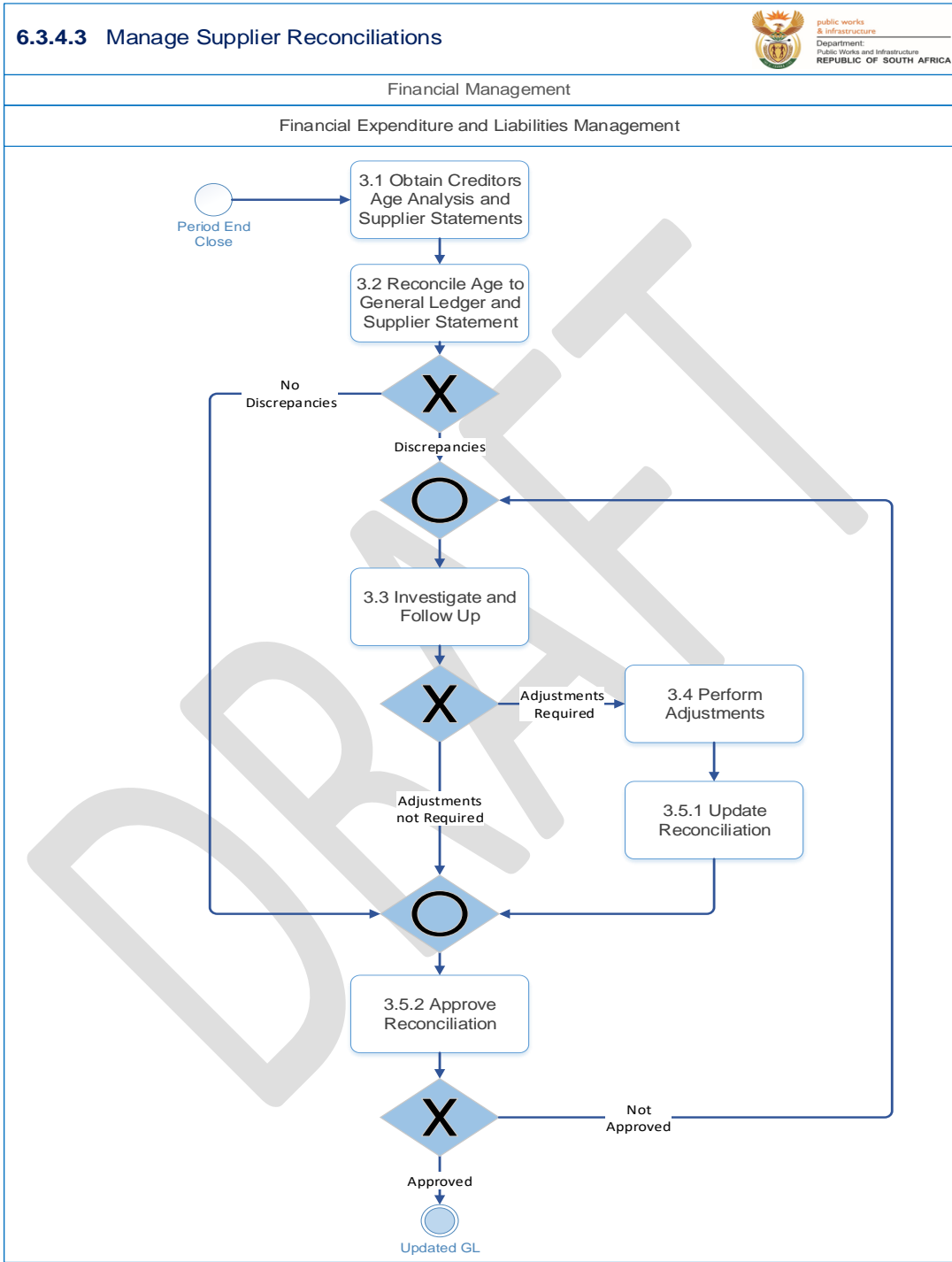


Table 3: Manage Supplier Reconciliations Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
3.	MANAGE SUPPLIER RECONCILIATIONS			
3.1.	Obtain Creditors Age Analysis and Supplier Statements	<ul style="list-style-type: none"> Obtain printout of Creditors' Age Analysis. Request Supplier Statement from 3rd party suppliers (where practical). 	TBA	FINANCE
3.2.	Reconcile Age Analysis to General Ledger and Supplier Statements	<ul style="list-style-type: none"> Perform reconciliation between the Creditors Age Analysis and Supplier Statement. Identify and follow up on any reconciling items. 	TBA	FINANCE
3.3.	Investigate and Follow up on Discrepancies	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all Discrepancies indicating reasons thereof. Review and analyse the nature of the discrepancies to identify any trends (where applicable). Implement corrective action for discrepancies identified. 	TBA	FINANCE
3.4.	Perform Adjustment/Reversals (where Applicable)	<ul style="list-style-type: none"> Perform Adjustment/Reversals (where Applicable). 	TBA	FINANCE
3.5.	Update and Approve Reconciliation after Processing Adjustments	<ul style="list-style-type: none"> Update and Approve Reconciliation after Processing Adjustments in line with the Approved Delegations and Approvals Framework. 	TBA	FINANCE

5.2.4.4 *Manage Commitments, Accruals, Retentions, Provisions and Contingencies Process*

DRAFT

Diagram 4: Manage Commitments, Accruals, Retentions, Provisions and Contingencies Process Flow

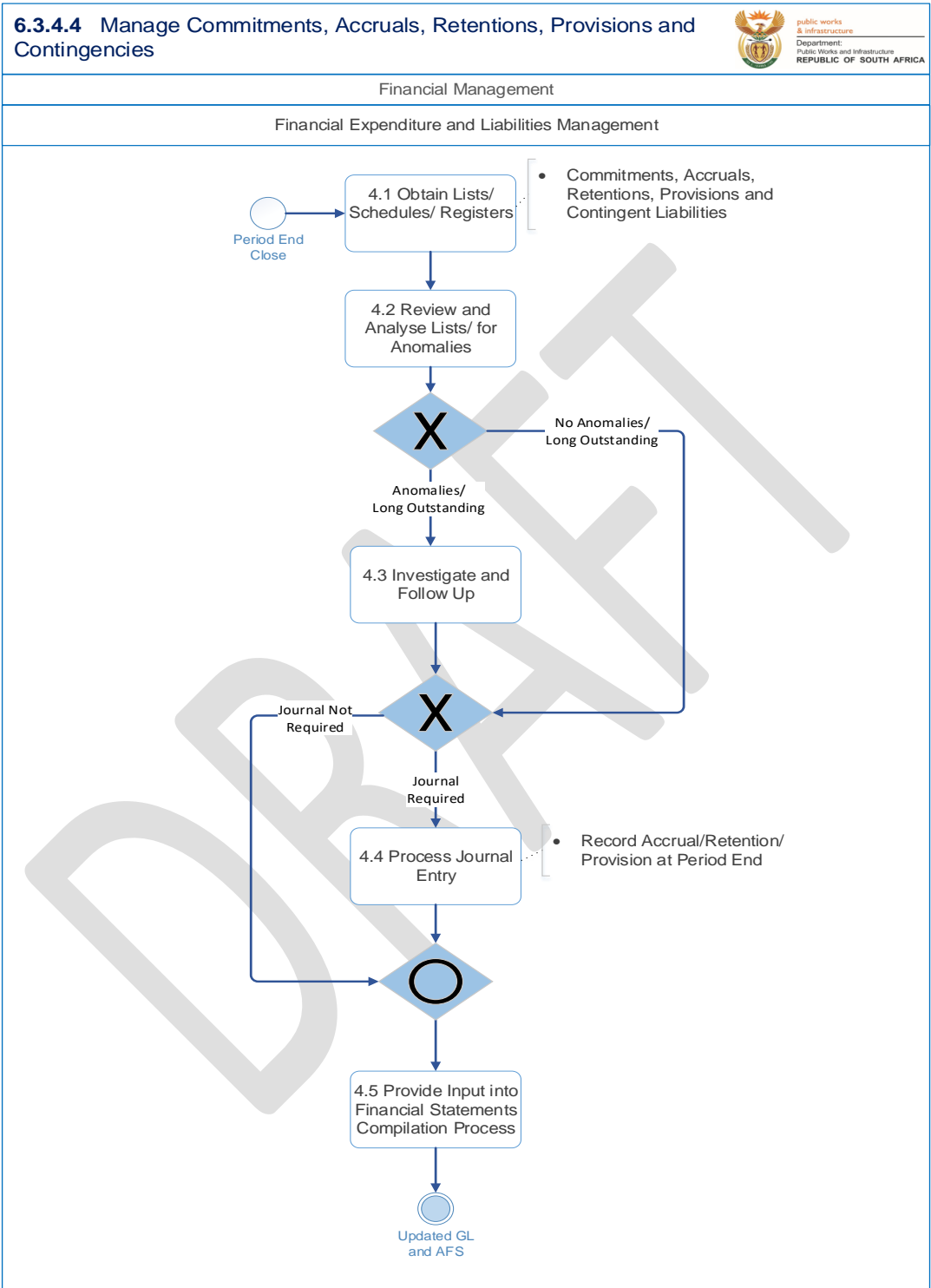


Table 4: Manage Commitments, Accruals, Retentions, Provisions and Contingencies Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
4.	MANAGE COMMITMENTS, ACCRUALS, RETENTIONS, PROVISIONS AND CONTINGENCIES			
4.1.	Obtain Commitments, Accruals, Retentions, Provisions and Contingent Liabilities Lists/ Schedules/ Registers	<ul style="list-style-type: none"> Obtain Commitments, Accruals, Retentions, Provisions and Contingent Liabilities Lists/ Schedules/ Registers. 	TBA	FINANCE
4.2.	Review and Analyse Lists/ Schedules/ Registers for Anomalies	<ul style="list-style-type: none"> Review and Analyse Lists/ Schedules/ Registers for Anomalies. 	TBA	FINANCE
4.3.	Investigate and Follow-up on Prior Year and Long Outstanding Items	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of Prior Year and Long Outstanding Items indicating reasons thereof. Review and analyse the nature of the discrepancies to identify any trends (where applicable). Implement corrective action for discrepancies identified. 	TBA	FINANCE
4.4.	Provide Input into Financial Statements Compilation Process	<ul style="list-style-type: none"> Provide Input into Financial Statements Compilation Process. 	TBA	FINANCE

5.2.4.5 Manage Sundry Creditors Process

Diagram 5: Manage Sundry Creditors Process Flow

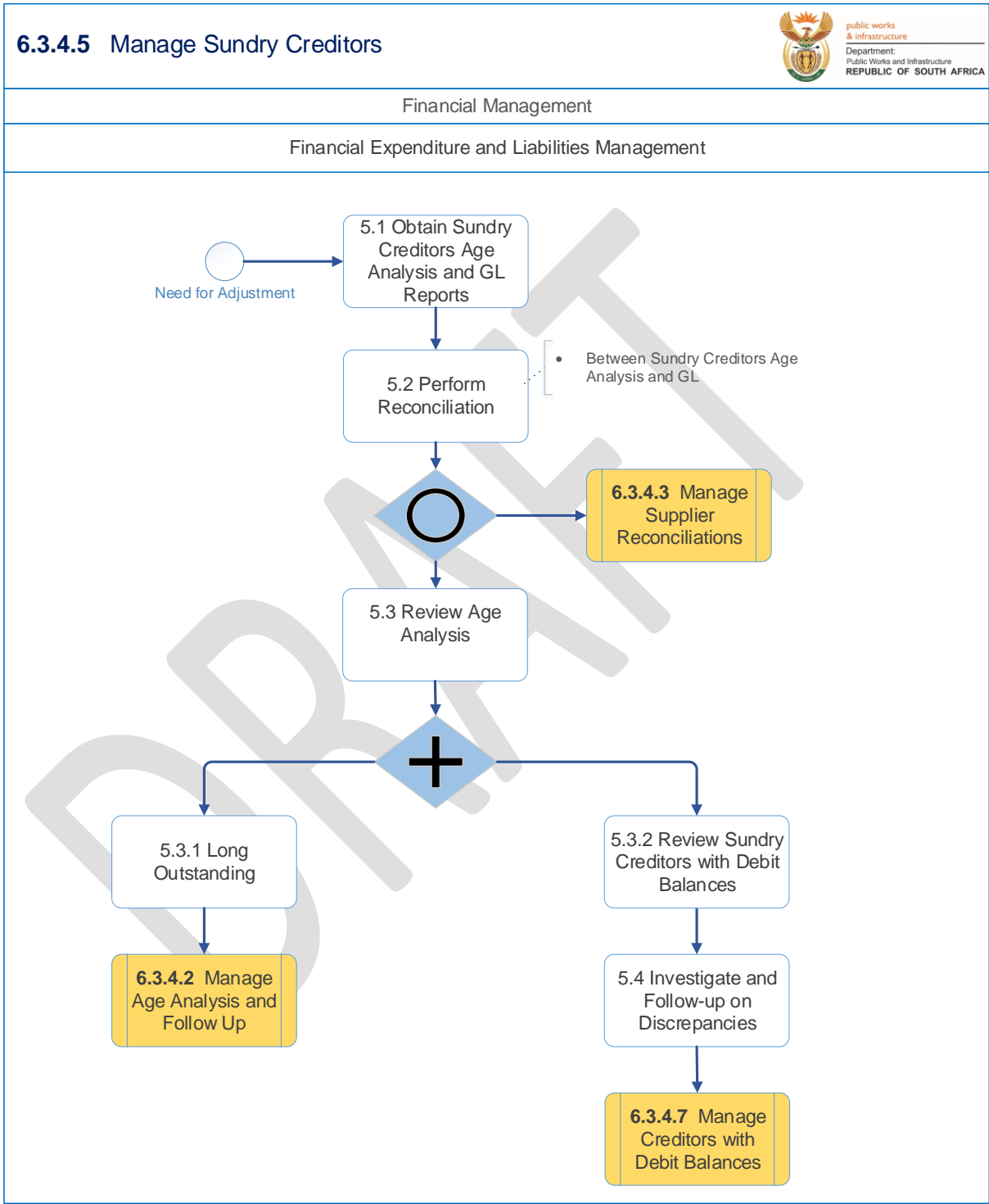


Table 5: Manage Sundry Creditors Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
5.	MANAGE SUNDRY CREDITORS			
5.1.	Obtain Sundry Creditors' Age Analysis and GL Reports	<ul style="list-style-type: none"> Obtain printout of Sundry Creditors' Age Analysis and GL Reports. 	TBA	TBA
5.2.	Perform Reconciliation Between Sundry Creditors' Age Analysis and GL	<ul style="list-style-type: none"> Perform reconciliation between the Creditors Age Analysis, Creditors Sub-Ledger and General Ledger control accounts. Identify and follow up on any reconciling items. 	TBA	TBA
5.3.	Review Age Analysis for Long Outstanding Amounts and Sundry Creditors with Debit Balances	<ul style="list-style-type: none"> Review Age Analysis for Long Outstanding Invoices and Creditors with Debit Balances. 	TBA	TBA
5.4.	Investigate and Follow-up on Discrepancies	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of discrepancies indicating reasons thereof. Review and analyse the nature of the discrepancies to identify any trends (where applicable). Implement corrective action for discrepancies identified. 	TBA	TBA

5.2.4.6 Manage Debit Adjustments Process

Diagram 6: Manage Debit Adjustments Process Flow

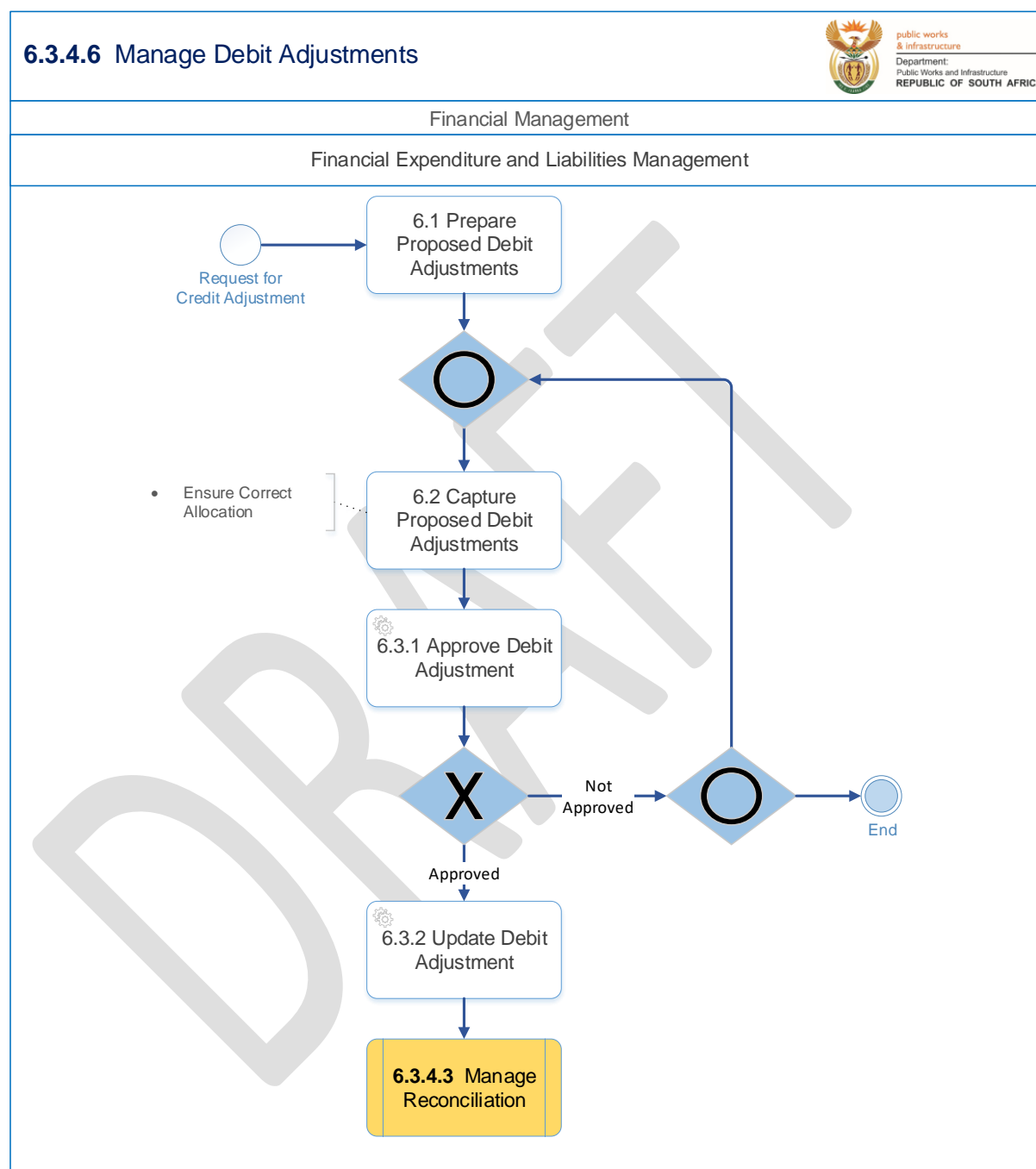


Table 6: Manage Debit Adjustments Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
6.	MANAGE DEBIT ADJUSTMENTS			
6.1.	Prepare Proposed Adjustment Based on Need Identified	<ul style="list-style-type: none"> Prepare Proposed Adjustment Based on Need Identified. 	TBA	TBA
6.2.	Capture Proposed Adjustment Ensuring Correct Allocation	<ul style="list-style-type: none"> Capture Proposed Adjustment Ensuring Correct Allocation. 	TBA	TBA
6.3.	Approve and Update Adjustment on System	<ul style="list-style-type: none"> Approve and Update Adjustment on System. 	TBA	TBA
6.3.4.3 MANAGE RECONCILIATIONS		<ul style="list-style-type: none"> Reconcile GL to Age Analysis/Registers/Listing in line with Manage Reconciliations processes. 	TBA	TBA

5.2.4.7 Manage Creditors with Debit Balances Process

Diagram 7: Manage Creditors with Debit Balances Process Flow

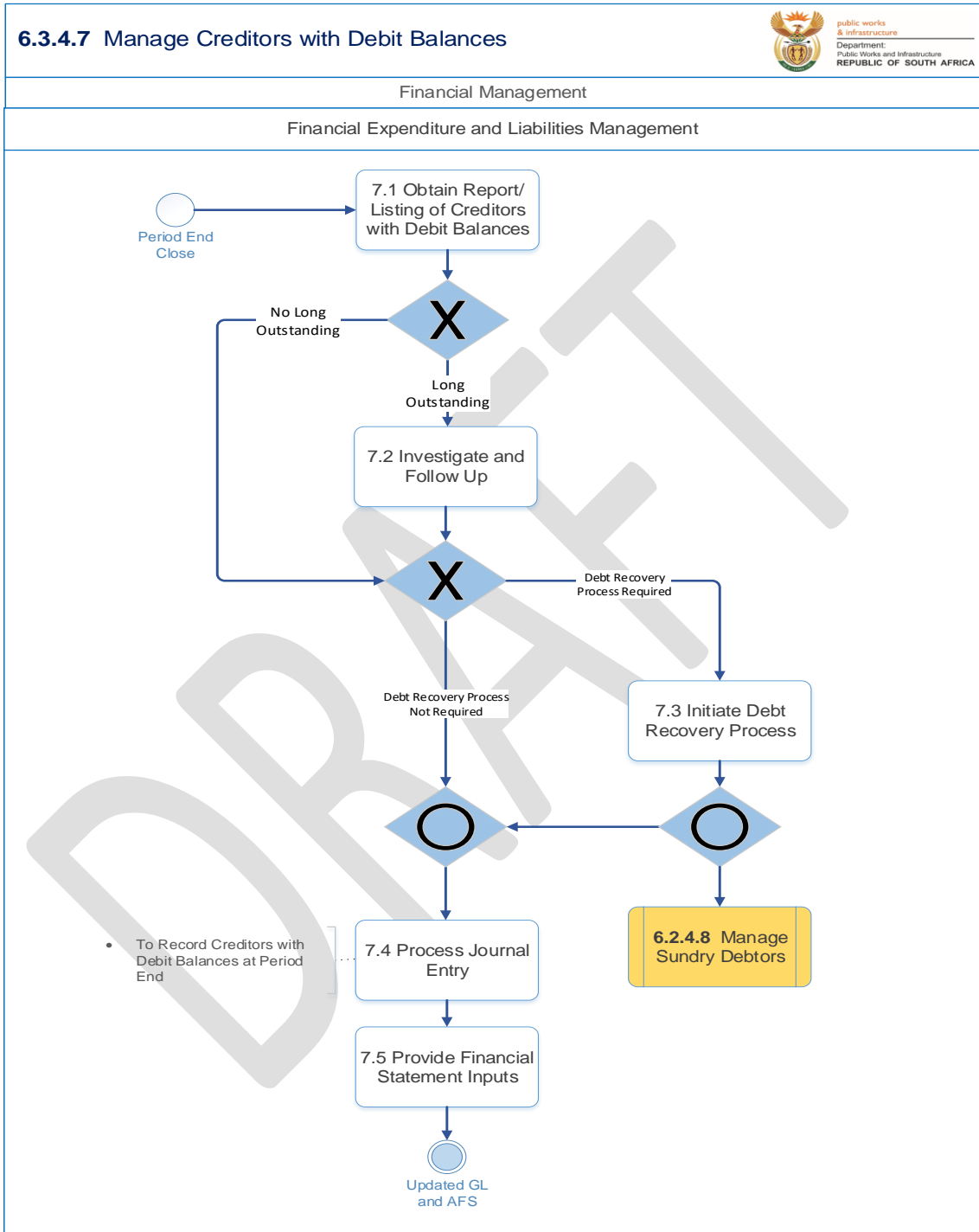



Table 7: Manage Creditors with Debit Balances Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
7.	MANAGE CREDITORS WITH DEBIT BALANCES			
7.1.	Obtain Report/Listing of Creditors with Debit Balances	<ul style="list-style-type: none"> Obtain listing of Creditors with Debit balances from Ageing Analysis 	SAGE	TBA
7.2.	Investigate and Follow-up on Long-Outstanding Debit Balances	<ul style="list-style-type: none"> Investigate and Follow-up on Long-Outstanding Debit Balances. 	TBA	TBA
7.3.	Initiate Debt Recovery Process (where Applicable)	<ul style="list-style-type: none"> Where applicable, Initiate Debt recovery as per the Revenue and Debt Management – 6.2.4 Manage Debtors Processes. 	TBA	TBA
7.4.	Process Journal Entry to Record Creditors with Debit Balance at Period End	<ul style="list-style-type: none"> Where applicable, process Adjustment Journals as per the Financial Accounting and Reporting – 6.4.3.2 Manage Adjusting Journals and Reversals Process. 	TBA	TBA
7.5.	Provide Input into Financial Statements Compilation Process	<ul style="list-style-type: none"> Update/ provide input into the Financial Statement as required. 	TBA	TBA

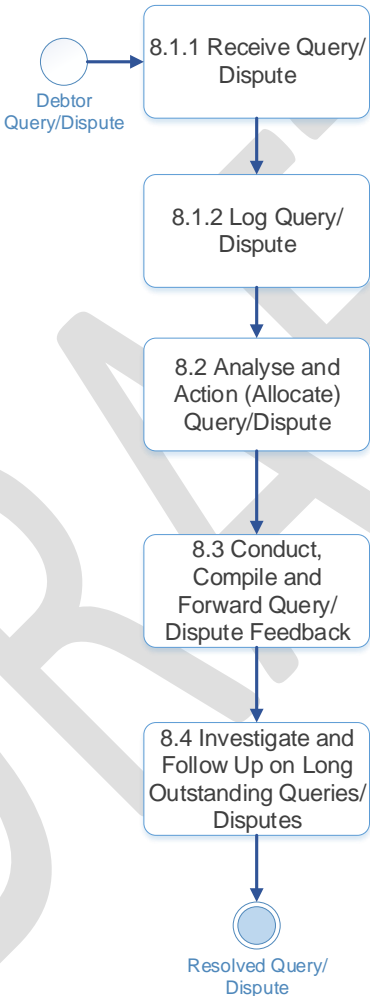
6.3.4.8 Manage Supplier Disputes



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Financial Management

Financial Expenditure and Liabilities Management



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graph TD; Start(( )) --> 8.1.1[8.1.1 Receive Query/Dispute]; 8.1.1 --> 8.1.2[8.1.2 Log Query/Dispute]; 8.1.2 --> 8.2[8.2 Analyse and Action (Allocate) Query/Dispute]; 8.2 --> 8.3[8.3 Conduct, Compile and Forward Query/Dispute Feedback]; 8.3 --> 8.4[8.4 Investigate and Follow Up on Long Outstanding Queries/Disputes]; 8.4 --> End((( )));
```

Debtor Query/Dispute

8.1.1 Receive Query/Dispute

8.1.2 Log Query/Dispute

8.2 Analyse and Action (Allocate) Query/Dispute

8.3 Conduct, Compile and Forward Query/Dispute Feedback

8.4 Investigate and Follow Up on Long Outstanding Queries/Disputes

Resolved Query/Dispute

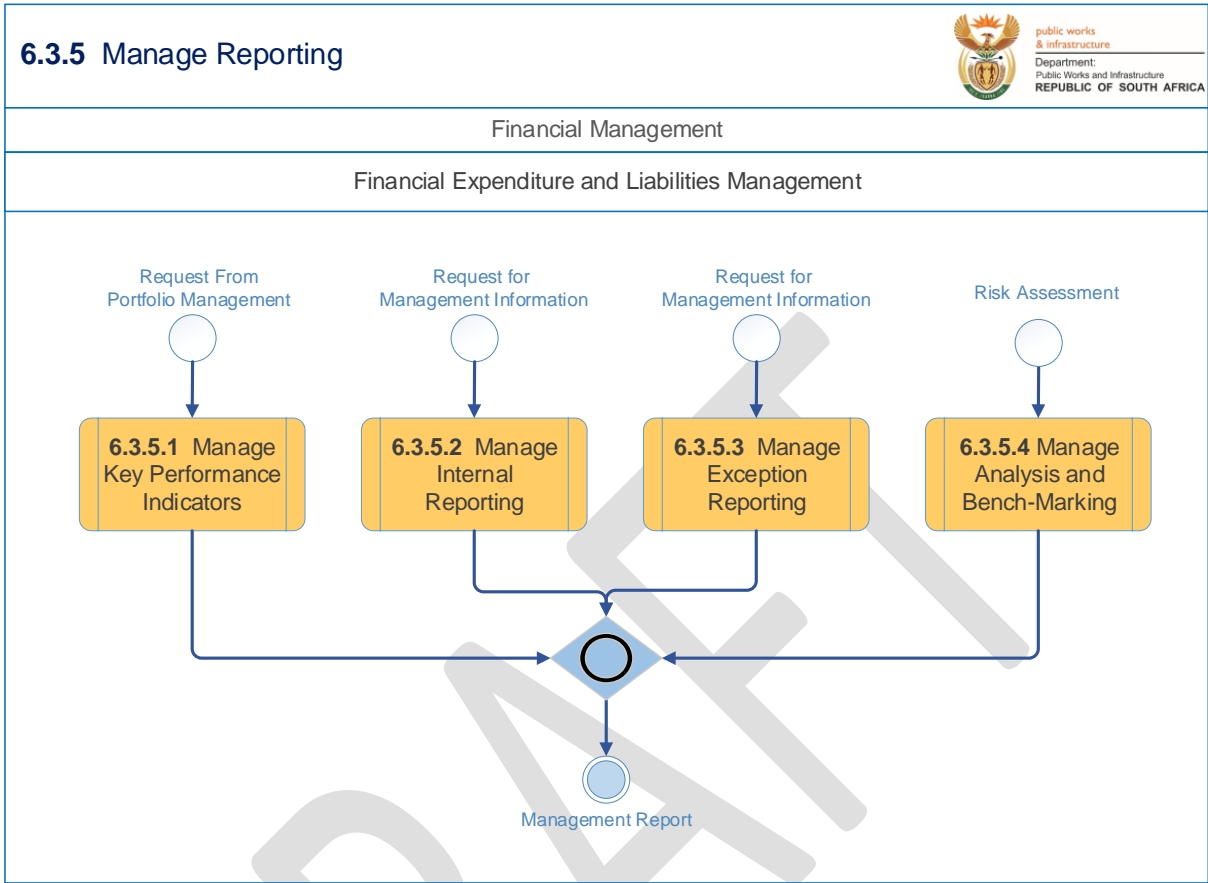
Table 8: Manage Supplier Disputes Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
8.	MANAGE SUPPLIER DISPUTES			
8.1.	Receive and Log Query or Dispute	<ul style="list-style-type: none"> Receive and Log Query or Dispute. 	TBA	TBA
8.2.	Analyse and Action (Allocate) Query or Dispute	<ul style="list-style-type: none"> Analyse and Action (Allocate) Query or Dispute. 	TBA	TBA
8.3.	Conduct, Compile and Forward Query or Dispute Feedback	<ul style="list-style-type: none"> Conduct, Compile and Forward Query or Dispute Feedback. 	TBA	TBA
8.4.	Investigate and Follow up on Long Outstanding Queries or Disputes	<ul style="list-style-type: none"> Investigate and Follow up on Long Outstanding Queries or Disputes. 	TBA	TBA

5.2.5 MANAGE REPORTING

PROCESS NAME	Manage Report
PROCESS OBJECTIVE	The purpose of this process is to handle provision of reporting to management, regulatory and governing bodies, i.e. all Internal and external reporting requirements inside and outside of the department.
INITIATING PARTY / PROCESS	Business Units Financial Management
INITIATING EVENT / TRIGGER	Periodic or Mandatory Reporting Requirements Internal request or ad hoc request for reports or insights
OUTPUT / RECORDS PRODUCED	<ul style="list-style-type: none">➤ KPI➤ Forecasting➤ Ad Hoc Report
GOVERNANCE	<ul style="list-style-type: none">➤ Public Auditors Act (PAA)➤ National Treasury Regulations /Instruction Notes and Circulars➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA]➤ GRAP Standards

Diagram 0: Manage Reporting Processes



5.2.5.1 Manage Key Performance Indicators Process

Diagram 1: Manage Key Performance Indicators Process Flow

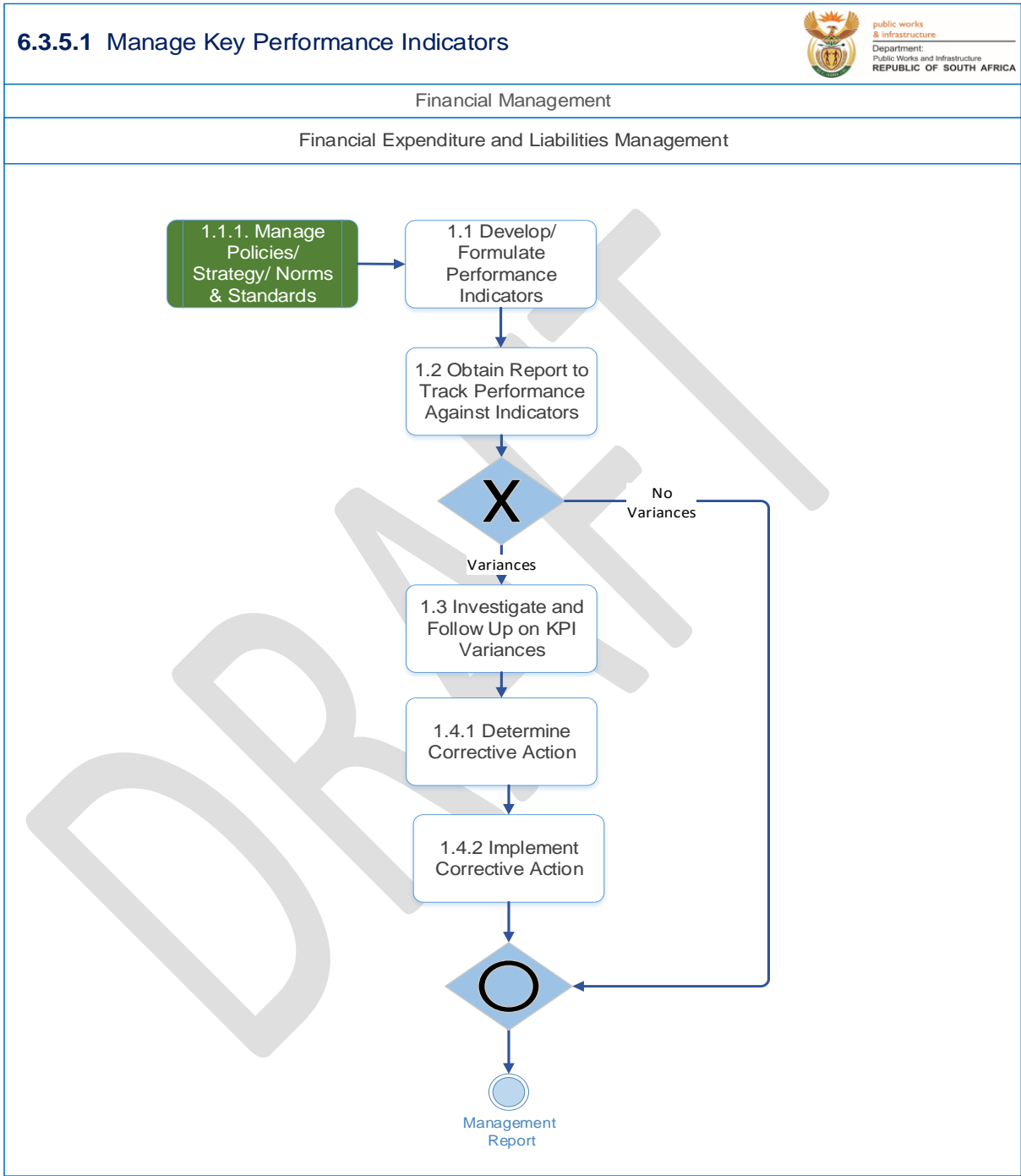


Table 1: Manage Key Performance Indicators Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE KEY PERFORMANCE INDICATORS			
1.1.	Develop / Formulate Performance Indicators	<ul style="list-style-type: none"> Develop and Formulate Expenditure and Liabilities Management related KPI(s). <p><i>Note:</i> Ensure that these align to or support the achievement of the overall KPIs for the organisation.</p>	TBA	Financial (Head Office)
1.2.	Obtain Report to Track Performance Against Indicators	<ul style="list-style-type: none"> Obtain report to track performance against indicators. Review and analyse the report information, including calculating of performance percentages (e.g. target vs actual) including projections for the remainder of the year 	TBA	Financial (Head Office / Regions)
1.3.	Investigate and Follow Up Variances	<ul style="list-style-type: none"> Identify any issues that may impact KPI(s) achievement or where performance is not in line with expectations. Follow up and conduct a more detailed analysis of any issues identified through interactions with the Regions / Responsibility / Project Managers indicating any variances with the reasons thereof. 	TBA	Financial (Head Office / Regions)
1.4.	Determine and Implement Corrective Actions	<ul style="list-style-type: none"> Establish and Implement corrective actions. Monitor corrective actions to assess impact and implementation success. Provide input into Internal Management Reports 	TBA	Financial (Head Office / Regions)

5.2.5.2 *Manage Internal Reporting Process*

Diagram 2: Manage Internal Reporting Process Flow

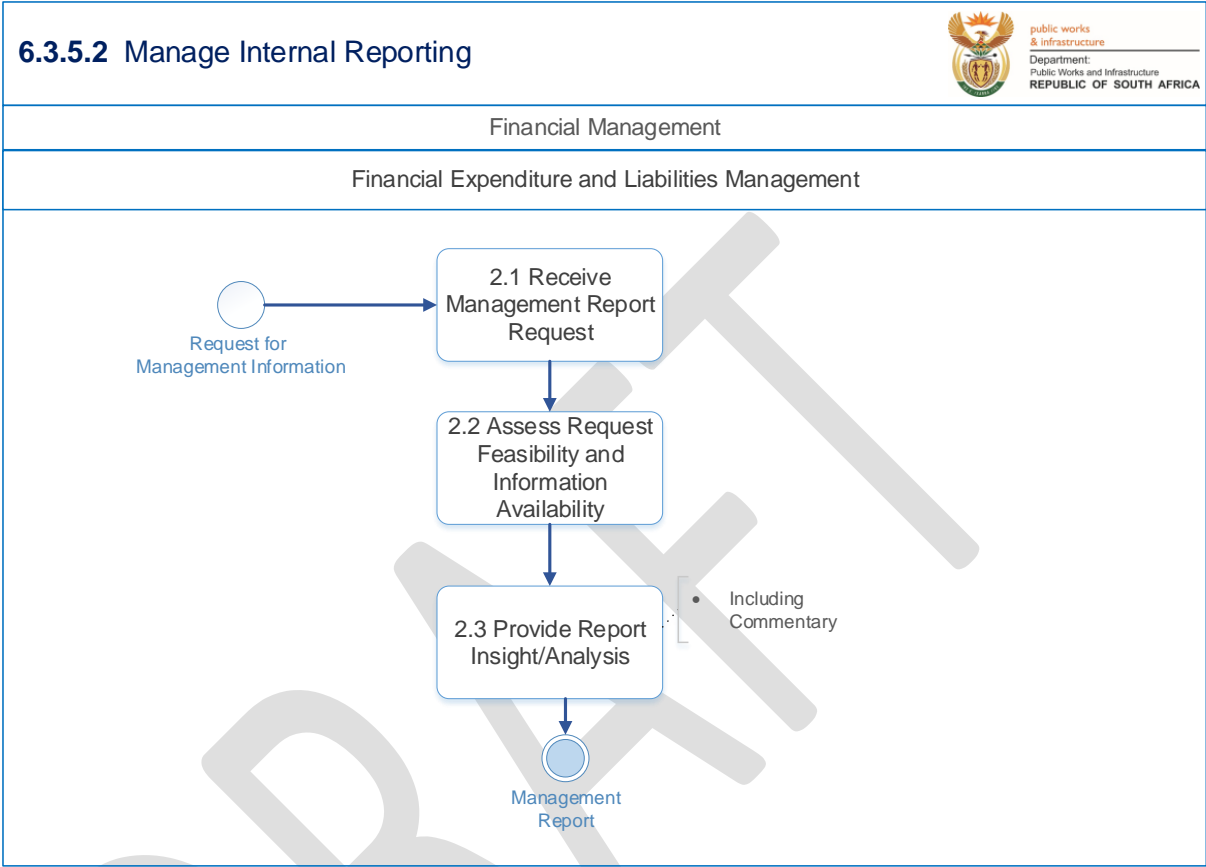


Table 2: Manage Internal Reporting Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
2.	MANAGE INTERNAL REPORTING			
2.1.	Receive request for Management Report from Business	<ul style="list-style-type: none"> Receive Internal Report Request from an internal stakeholder/recipient to generate a report based on business or ad hoc needs. Ensure that such Request has been approved in line with Approved Delegations and Approvals Framework. 	TBA	Finance (Head Office)
2.2.	Assess Feasibility of Request and availability of information	<ul style="list-style-type: none"> Assess Data Availability and Relevance of Internal Report requested and use of the Report Information. Approve Internal Reporting Request in line with Approved Delegations and Approval Framework. 	TBA	Financial (Head Office)
2.3.	Provide Report and Insight / Analysis (including Commentary) to Business	<ul style="list-style-type: none"> Collate Report Data and information in line with Request or Needs. Consolidate Internal Report including commentary and insights on key issues. Submit Reports, with insights, to Management and/or Requestor. 	TBA	Financial (Head Office / Regions)

5.2.5.3 *Manage Exceptions Reporting Process*

Diagram 3: Manage Exceptions Reporting Process Flow

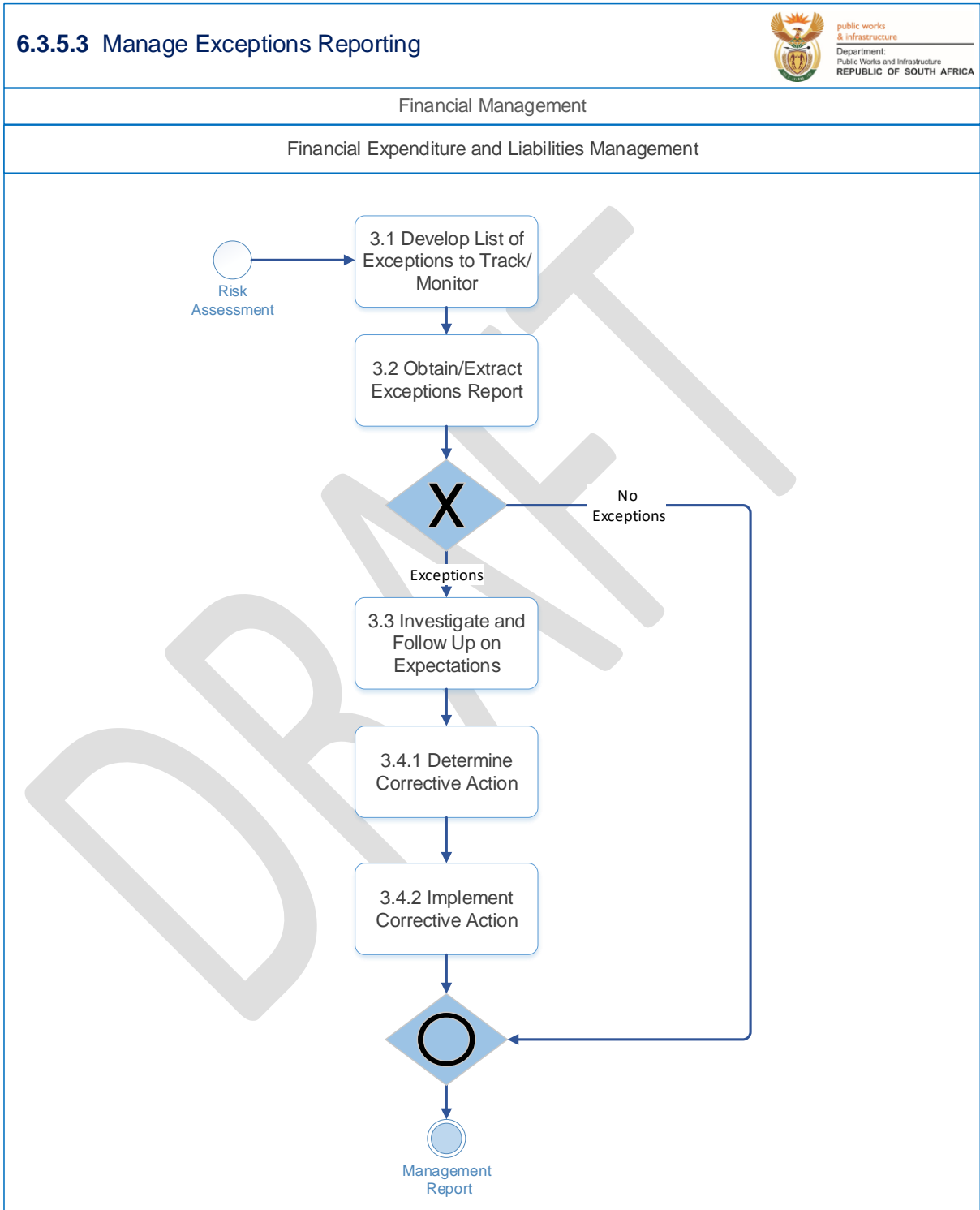


Table 3: Manage Exceptions Report Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
3.	MANAGE EXCEPTIONS REPORTING			
3.1.	Develop List of Exceptions to be Tracked / Monitored	<ul style="list-style-type: none"> Develop and Formulate List of Exceptions to be Tracked / Monitored using IT system. Provide the list to IT for Systems Implementation. <p><i>Note: Ensure that these are limited to Expenditure and Liabilities Management related Exceptions</i></p>	TBA	TBA
3.2.	Obtain/Extract a Report of Exceptions	<ul style="list-style-type: none"> Obtain/extract daily report on any exceptions identified. Review and analyse the report information including source / origination of exceptions and identify any trends (where applicable). 	TBA	TBA
3.3.	Investigate and Follow up on All Exceptions	<ul style="list-style-type: none"> Follow up and conduct a more detailed investigation of all exceptions indicating any variances with the reasons thereof. 	TBA	TBA
3.4.	Determine and Implement Corrective Actions	<ul style="list-style-type: none"> Establish and Implement corrective actions. Monitor corrective actions to assess impact and implementation success. Provide input into Internal Management Reports. 	TBA	TBA

5.2.5.4 Manage Analyse and Benchmarking Process

Diagram 4: Manage Analyse and Benchmarking Process Flow

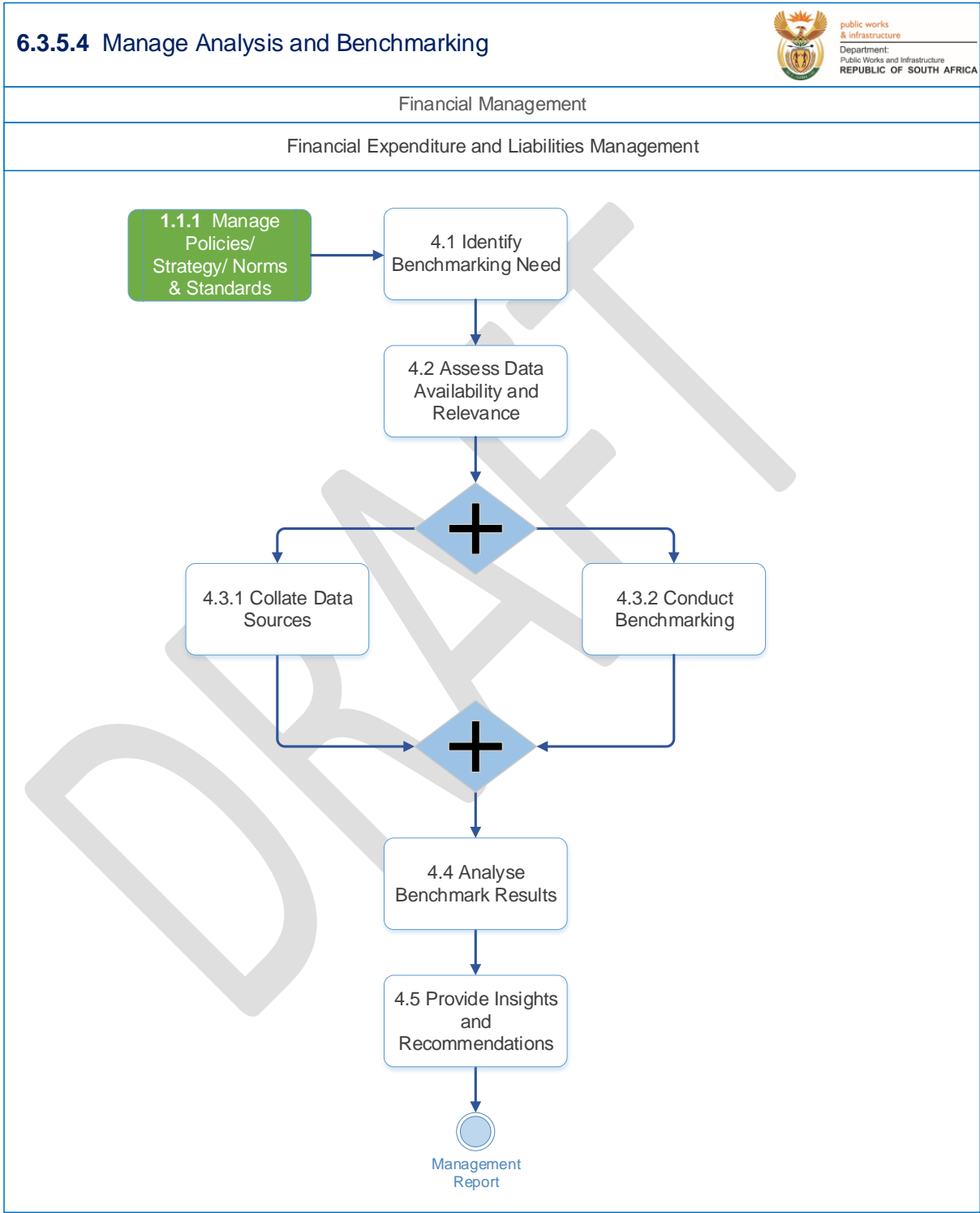


Table 4: Manage Analyse and Benchmarking Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
4.	MANAGE ANALYSIS AND BENCHMARKING			
4.1.	Identify Benchmarking Need	<ul style="list-style-type: none"> Develop and Formulate Benchmarking Needs for the Budget Unit. This can also include Receive requests from other Responsibilities / Units for Benchmark data that they can use in developing and/or self-monitoring their respective budgets. <p><i>Note:</i> Ensure that these are limited to Expenditure and Liabilities Management related Benchmarks</p>	TBA	TBA
4.2.	Assess Data Availability and Relevance	<ul style="list-style-type: none"> Assess Data Availability and Relevance of Benchmarking Needs and use of the benchmark output information Approve Benchmark request in line with Approved Delegations and Approval Framework. 	TBA	TBA
4.3.	Collate Data Sources and Benchmark	<ul style="list-style-type: none"> Collate Internal and external (where necessary) Benchmarking Data and information in line with Request or Needs Perform benchmarking calculation and/or comparison in line with Needs and/or Request. 	TBA	TBA
4.4.	Analyse Benchmark Results	<ul style="list-style-type: none"> Analyse results or outputs of benchmarking exercise. Follow up and conduct a more detailed analysis of any issues through interactions with the Regions / Responsibility / Project Managers indicating any Benchmark results/outputs and obtain understanding of the underlying cause of any variances. 	TBA	TBA
4.5.	Provide Insights and Recommendations	<ul style="list-style-type: none"> Consolidate Benchmark report with the results / outputs, including commentary and insights on key issues. Submit Reports, with insights, to Management and/or Requestor. 	TBA	TBA

5.2.6 MANAGE INFORMATION

PROCESS NAME	Manage Information
PROCESS OBJECTIVE	Effectively Manage the information/Documentation for Expenditure and Liabilities Management.
INITIATING PARTY / PROCESS	Financial Management
INITIATING EVENT / TRIGGER	<div><div>➤ Document to be Filed/ Archived</div><div>➤ Backup Request Form/ Automated Backup</div></div>
OUTPUT / RECORDS PRODUCED	<div><div>➤ Filed/ Backed up documents/ information</div></div>
GOVERNANCE	<div><div>➤ Public Auditors Act (PAA)</div><div>➤ National Treasury Regulations /Instruction Notes and Circulars</div><div>➤ Public Finance Management Act, 1999 (Act No. 1 of 1999) [PFMA]</div></div>

Diagram 1: Manage Information Process Flow

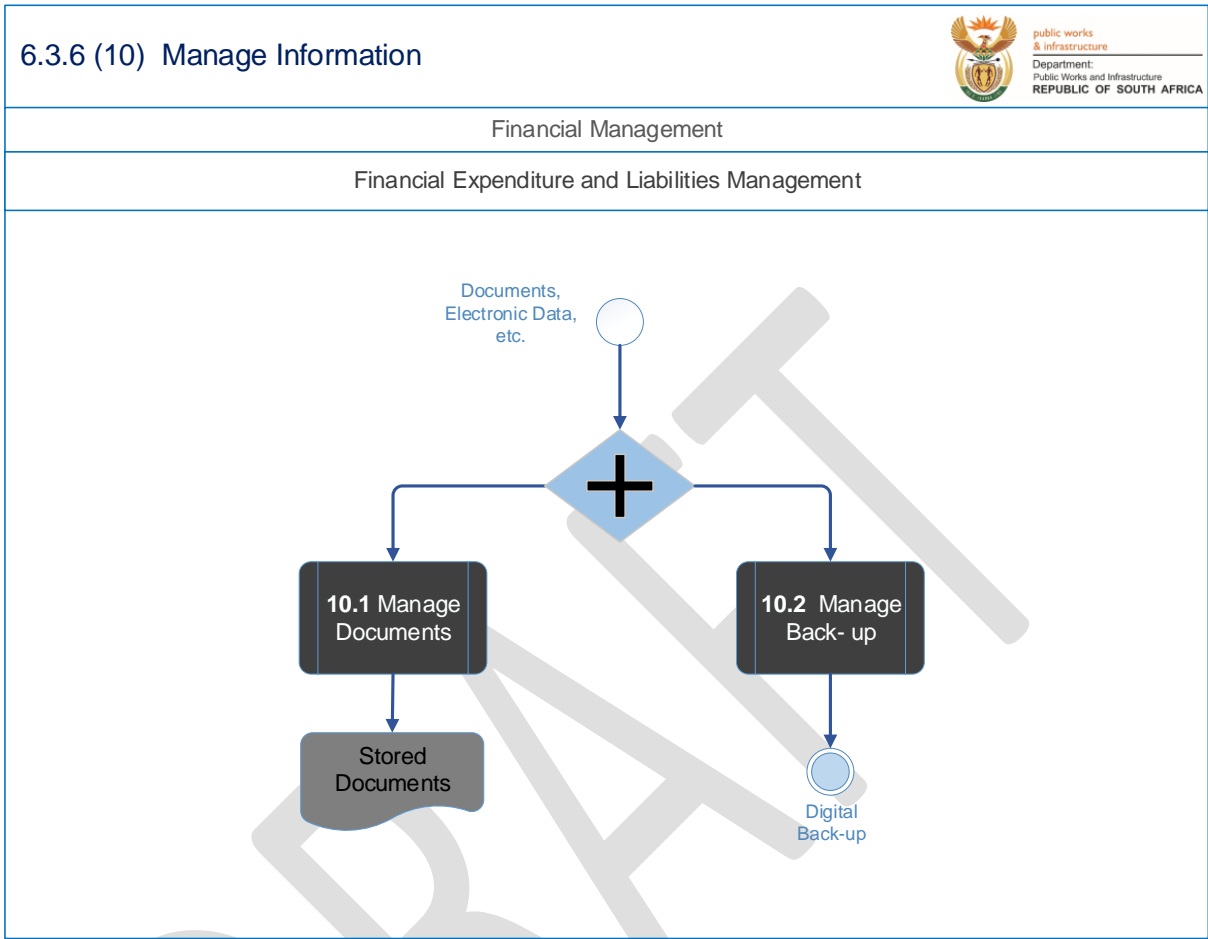


Table 1: Manage Information Activity Detail Table

NO	ACTIVITY	ACTIVITY DESCRIPTION	IT SYSTEM	ROLE
1.	MANAGE INFORMATION			
10.1	MANAGE DOCUMENTS	<ul style="list-style-type: none"> Manage Documents in line with Manage Document Processes. 	N/A	N/A
10.2	MANAGE BACK-UP	<ul style="list-style-type: none"> Manage Back-up in line with Manage Back-Up Processes. 	N/A	N/A

6. AUTHORITY

This SOP is supported by and should be read in conjunction with the latest Official Delegations of Authority document as issued by Management. Where there are differences between the delegated authorities and/or the powers stated in this SOP and the delegated authorities and/or powers within the latest Official Delegations of Authority, the Official Delegations of Authority will supersede any authority and/or powers implied within this document.

Where there are authority and/or power discrepancies or should the authority and/or power be unclear, a formal request should be submitted to the relevant Management Committee to obtain formal clarification of the relevant authority and/or power.

7. CONTINGENCY

If an implementation deviation occurs with a SOP, this can be either the result of unacceptable implementation by the responsible employees or it might be the SOP itself that is at fault. Perhaps the user found a much superior way of doing the job, from the one described in the SOP. If the cause lies with the SOP, this indicates that the SOP needs to be updated since continuous deviation in implementation is not acceptable.

There may be exceptional cases where it is necessary or appropriate to work outside a SOP, e.g. in the event of a computer breakdown. In such situations, the professional judgement of the manager in charge must remain paramount.

When the procedure in a SOP cannot be followed, a formal request for deviation should be obtained in writing from the relevant supervisor and manager.

The manager is responsible for formally recording all incidences of non-conformance with SOPs. In some cases, it may be possible to anticipate situations where changed circumstances will apply. These should be reflected within the SOP's in the next revision.

8. SOP ENGAGEMENTS AND PARTICIPATION

8.1 ENGAGEMENT TYPES

Initial Engagements: The objective of the Initial Engagements was to obtain a high-level understanding of the Divisions’ processes as well as the challenges with current processes.

High Level Process Clarification Engagements: The objective of the High-Level Process Clarification Engagements was to obtain an understanding of the Divisions’ high-level end to end as-is process and verify those processes against the process hierarchy developed as part of the Initial Engagement Phase. The input is used to finalize the As-Is Value Chain, Process Hierarchy and End-to-end Process View.

Activity Clarification Engagements: The objective of these sessions is to verify the step-by-step activities for each identified process. This input will be used for Process Analysis and To-Be Standard Operating Procedure design purposes.

The following teams and people were consulted in the drafting of the latest SOP version:

ENGAGEMENT DATE	ENGAGEMENT DETAILS
See BPR Engagement Tracker for Details	

8.2 STAKEHOLDER DISTRIBUTION LIST

This SOP has been distributed to the following individuals and teams for review and/or implementation purposes:

SOP DISTRIBUTION LIST
TBA

9. ANNEXURES AND ATTACHMENTS

The following annexures and attachments support the content of this SOP:

ATTACHMENT / ANNEXURE	FULL DESCRIPTION
Definitions and Acronyms	List of definitions and Acronyms used in the SOP is as provided in section 1
Financial Management Blue Print	Provided as a separate document.
Placemat Description Document	Provided as a separate document.
Core Value Chains	Provided as a separate document.



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