

WRITTEN ASSURANCE IN TERMS OF SECTION 38(1) (j) OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999 AS AMENDED BY ACT 29 OF 1999)

In terms of Section 38(1) (j) of the Public Finance Management Act, 1999, the Western Cape Department of Social Development requires written assurance that your organisation implements effective, efficient and transparent financial management and internal control systems.

I, the undersigned _____ (Name)
 in my capacity as _____ (Position)
 of _____ (Organisation)
 and duly authorised to commit _____ (Organisation)
 hereby declare that _____ (Organisation)

Implements effective, efficient and transparent financial management and internal control systems which in particular includes the disbursement of and accountability for funds transferred to our organisation.

THE BENEFICIARY			
Signed at:			
Date:		Signature:	

AS WITNESSES:

Print Name and Surname of Witness in capital letters	Signature of Witness
1.	
2.	

COMPLIANCE WITH THE PFMA, ACT 1 OF 1999 (as amended) – SECTION 38 (1) (j)

- Section 38 (1)(j) of the Public Finance Management Act requires that the Accounting Officer for a department, trading entity or constitutional institution must, "before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that the entity implements effective, efficient and transparent financial management and internal control systems". To give effect to Section 38 (1) (j) the following governance arrangements are in place and adhered to:
- A Board or Governing Body is appointed with a "Charter" approved by the Board/ Governing Body for the purpose of setting out the Boards'/Governing

Body's role and responsibilities or approved "Terms of Reference" of committees to whom the Board/Governing Body has delegated certain functions.

- A Memorandum of Incorporation (MOI) filed with the Companies and Intellectual Property Commission (CIPC).
- The Board/ Governing Body appointed the Chief Executive Officer (CEO) and established a framework for the delegation of authority.
- Ascribe to the Standards of Good Governance {i.e. KING III, SANGOCO's Code of Ethics for Non-profit Organisations (1997), The Independent Code of Governance and Values for Non-profit Organisations in South Africa (2012)}.
- Organisational structure is appropriately resourced and skilled in order to give effect to its mandate and for the purpose for which funds were transferred.
- The organisation's Board/ Governing Body is responsible for overseeing risk management (Board/ Governing Body developed and approved a policy and a plan that provides for an effective system and process of risk identification and management).
- Financial statements are prepared (consistent with its accounting records) and subject to audit in accordance with relevant legislative requirements (i.e. Companies Act, No. 71 of 2008) or as per agreement reached (Memorandum of Agreement).
- An appropriate financial system and accounting procedures to record and account for all financial transactions are in place, including systems, procedures and processes for efficient and effective banking and cash management.
- An appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective, is in place.
- Responsible asset management, including safeguarding and maintenance of assets.
- Ensure compliance with all relevant financial regulations, rules and standards.
- Maintenance of appropriate financial/ non-financial reports that satisfy the needs of the users of financial/ non-financial information.

An Audit Committee and/ or other Sub-Committee/s under the control and direction of the Board/ Governing Body has been established (in accordance with relevant legislation/regulations) and a system of internal audit/control under the control and direction of an Audit Committee or other Sub-Committee. Where such committee/s does not exist the Board/ Governing Body will fulfil the role of careful and effective managers of the resources entrusted to them by donors, sponsors and the State.