

Finance Policy

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1. Purpose

This finance policy's objective is to create a thorough and reliable framework that regulates the efficient administration and care of the financial resources of the South African Public Sector Institute (SAPSI). This policy guarantees that the highest standards of accuracy, transparency, and accountability are applied to all financial operations, from budgeting and spending control to revenue collection and financial reporting. The policy facilitates prudent financial planning and management by clearly defining principles and procedures, which allows SAPSI to allocate resources effectively and maintain its operational goals. It encourages strict financial controls intended to reduce risks like fraud, poor management, and failure to comply with legal obligations. The policy also places a strong emphasis on the equitable and transparent administration of learner fees, guaranteeing that all fee schedules, billing, and payment procedures are carried out in a morally sound, consistent, and compliant manner.

2. Scope

Budgeting, procurement, learner fee collection, invoicing, payment processing, financial recordkeeping, and financial reporting are just a few of the financial operations and transactions that are fully covered by this finance policy at the South African Public Sector Institute (SAPSI). All staff members involved in financial management at SAPSI, including those in all departments, contractors, consultants, and any outside service providers performing accounting or financial tasks, are subject to the policy's rules regarding behaviour and obligations. Additionally, it covers all types of financial resources that SAPSI receives or manages, such as cash, electronic payments, grants, donations, tuition fees, and other sources of income. This policy offers precise instructions on internal controls, authorization limits, and compliance requirements, and it guarantees that all financial transactions comply with relevant legal, regulatory, and accounting standards.

3. Budgeting

3.1 Annual Budget Preparation

The Finance Department, working collaboratively with relevant operational managers and department heads, is responsible for preparing a comprehensive annual budget. This budget must be aligned with SAPSI's strategic objectives, operational plans, and anticipated programme delivery requirements. It should provide detailed forecasts of all expected income streams—including learner fees, grants, and other revenue sources—as well as projected expenses, capital investments, and cash flow requirements to ensure financial sustainability.

The budgeting process shall incorporate risk assessments and contingency planning to accommodate potential financial uncertainties. All budget assumptions must be clearly documented and supported by relevant data and trends to facilitate informed decision-making.

3.2 Approval Process

Once the draft budget is compiled, it must be submitted to SAPSI's senior management team for initial review and recommendations. Following management approval, the budget will be forwarded to the Board of Directors for final scrutiny and formal approval before the commencement of the new financial year. No expenditure shall be committed outside the approved budget unless authorized through established budget revision procedures.

3.3 Budget Monitoring and Control

SAPSI will implement ongoing monitoring of budget performance through the generation of monthly **budget vs. actual** financial reports. These reports will provide a detailed comparison between projected and actual income and expenditures, enabling timely identification of variances and trends.

Management will review these reports regularly to assess financial health and operational efficiency. Where significant deviations from the budget occur, appropriate corrective actions must be initiated promptly. This may include revising forecasts, reallocating resources, or implementing cost control measures to ensure adherence to approved financial plans.

Additionally, periodic budget reviews may be conducted to reflect changes in SAPSI's operational environment or funding conditions, subject to formal approval processes.

4. Financial Controls

4.1 Segregation of Duties

To mitigate risks of fraud, error, and mismanagement, SAPSI ensures a clear segregation of financial duties. Key financial functions such as authorization of transactions, payment processing, recordkeeping, and reconciliation are allocated to different individuals or teams. This division of responsibilities promotes checks and balances, enhances accountability, and supports internal control integrity.

4.2 Authorization Limits

All expenditures must be approved by the Chief Executive Officer (CEO). In the event that the CEO is unavailable, the Chief Operating Officer (COO) shall have the authority to approve all expenditure,

regardless of the value. This measure ensures continuity in financial decision-making while maintaining strong oversight and accountability.

4.3 Procurement Compliance

SAPSI's procurement activities will strictly adhere to the SAPSI Procurement Policy, which mandates transparent, fair, and competitive procurement practices. The policy ensures value for money, equitable treatment of suppliers, and compliance with applicable laws and regulations. All procurement must be supported by appropriate documentation, including purchase orders, quotations, and contracts, and be subject to internal audit.

4.4 Cash and Bank Controls

SAPSI maintains rigorous controls over cash handling and banking transactions to protect financial assets. Procedures for receiving, recording, and depositing cash are documented and enforced to prevent theft or loss. Bank reconciliations will be conducted monthly by designated personnel who are independent of those responsible for cash receipts and payments, ensuring an impartial review and timely identification of discrepancies.

4.5 Asset Management

All fixed assets acquired by SAPSI will be accurately recorded in the Asset Register, physically tagged, and periodically audited to verify their existence and condition. Procedures for the disposal, write-off, or transfer of assets require formal approval by authorized management, supported by proper documentation to maintain accurate asset records and comply with audit requirements.

5. Learner Fee Management

5.1 Fee Structure

SAPSI establishes learner fees based on approved pricing schedules that reflect the costs of programme delivery, regulatory requirements, and market conditions. These fees are reviewed periodically to ensure fairness, competitiveness, and sustainability. All fee structures, including any additional costs (e.g., registration fees, study materials, and examination fees), will be clearly communicated to learners prior to enrolment through official documentation, marketing materials, and the learner agreement.

5.2 Fee Payment Terms

Clear payment terms will be provided to learners at the point of enrolment. This includes the total fee amount, accepted payment methods, and payment due date. Programmes will only commence once full

payment of all fees has been received. Instalment plans, late payment arrangements, or deferred payments are not applicable.

5.3 Fee Collection

All learner fees must be collected through SAPSI's authorised payment channels to ensure proper recording and financial control. Primary payment methods include electronic funds transfer (EFT), bank deposits, and secure online payment gateways. Receipts or proof of payment will be issued promptly to learners for every transaction to ensure transparency and facilitate recordkeeping.

5.4 Refunds and Adjustments

SAPSI maintains a formal process for handling fee refunds, adjustments, or waivers. Requests for refunds due to programme withdrawal, cancellation, or other valid reasons must be submitted in writing and processed in accordance with the Refund Policy and relevant legislation. Any fee adjustments or waivers must be justified, documented, and approved by authorised management personnel to ensure consistency and prevent abuse.

6. Invoicing

6.1 Invoice Generation

All invoices related to learner fees, grants, sponsorships, or other revenue streams will be generated promptly and accurately using SAPSI's approved financial management system. The invoicing process shall ensure timely billing to support effective cash flow management and maintain clear financial records. Invoices must be issued in accordance with agreed schedules or contractual terms.

6.2 Invoice Contents

Each invoice will contain comprehensive and clear information to facilitate prompt payment and reconciliation. This includes:

- SAPSI's official registration and tax identification numbers
- Learner or client details (full name, identification number, contact information)
- Detailed description of the goods or services provided
- Total amount due, including applicable taxes or fees
- Payment terms, including due dates and acceptable payment methods
- Banking and payment instructions, including account details and reference numbers
- Invoice number and date for audit and tracking purposes

6.3 Invoice Tracking

The Finance Department is responsible for maintaining an up-to-date log of all issued invoices, which will include invoice numbers, issue dates, amounts, and payment status. Regular monitoring and reconciliation of payments against outstanding invoices will be conducted to identify overdue accounts and facilitate prompt follow-up. This tracking ensures effective management of accounts receivable and supports accurate financial reporting.

7. Financial Reporting

7.1 Monthly Financial Reports

SAPSI's Finance Department will prepare comprehensive management accounts on a monthly basis. These reports will include key financial statements such as the income statement (profit and loss account), balance sheet (statement of financial position), and cash flow statement. The monthly reports will provide detailed insights into revenue streams, expenditure patterns, liquidity status, and overall financial health. Senior management will review these reports regularly to monitor performance, make informed decisions, and ensure alignment with the approved budget.

7.2 Annual Financial Statements

At the end of each financial year, SAPSI will prepare audited annual financial statements in accordance with Generally Accepted Accounting Practices (GAAP) and relevant accounting standards. These statements will be subjected to an independent external audit to verify their accuracy and completeness. The audited financial statements will be submitted to all relevant stakeholders, including funders, regulatory bodies, and the Board of Directors, demonstrating SAPSI's commitment to transparency and accountability.

7.3 Audit Compliance

SAPSI commits to full compliance with both internal and external audit requirements. The Finance Department will coordinate with auditors by providing timely access to all required financial records and documentation. Any audit findings, recommendations, or identified weaknesses will be addressed promptly with corrective actions implemented and monitored to strengthen internal controls and risk management.

7.4 Regulatory Reporting

SAPSI will ensure that all statutory financial returns, including tax filings (such as VAT, PAYE, and corporate tax), and other regulatory submissions are completed accurately and submitted within prescribed deadlines. Compliance with all relevant financial regulations and legislation is mandatory, safeguarding SAPSI's legal standing and operational integrity.

8. Roles and Responsibilities

8.1 Finance Manager

The Finance Manager holds primary responsibility for overseeing all financial operations within SAPSI. Key duties include:

- Developing, implementing, and enforcing financial policies and procedures.
- Preparing comprehensive budgets, financial reports, and forecasts aligned with strategic goals.
- Ensuring compliance with applicable accounting standards, regulatory requirements, and internal controls.
- Coordinating both internal and external audits, responding to audit findings, and implementing corrective actions.
- Managing cash flow, financial risk, and safeguarding institutional assets.

8.2 Senior Management

Senior management is accountable for the overall financial governance and strategic oversight.

Responsibilities include:

- Reviewing and approving budgets, financial plans, and significant expenditures.
- Monitoring financial performance against objectives and taking corrective actions as necessary.
- Supporting adherence to financial policies and promoting a culture of financial accountability across the organisation.

8.3 Employees

All employees involved in financial transactions or processes must:

- Adhere strictly to established financial policies, procedures, and controls.
- Maintain accurate and timely records related to their financial responsibilities.
- Promptly report any suspected irregularities, fraud, or non-compliance to appropriate authorities.
- Participate in relevant training and development to maintain awareness of financial governance requirements.

8.4 Internal and External Auditors

Auditors, both internal and external, provide independent assurance on SAPSI's financial integrity by:

- Conducting thorough reviews and audits of financial records, transactions, and controls.
- Assessing compliance with accounting standards, policies, and regulatory requirements.

- Identifying risks, weaknesses, or irregularities and making recommendations for improvement.
- Reporting findings to senior management and the Board, supporting transparency and continuous improvement.

9. Compliance and Review

9.1 Legislative Compliance

This Finance Policy is designed to ensure full compliance with all relevant legislation and regulatory frameworks applicable to SAPSI's operations, including but not limited to the Companies Act, Income Tax Act, Public Finance Management Act (PFMA), and other applicable financial and tax regulations. SAPSI is committed to adhering to these laws to uphold financial integrity and accountability.

9.2 Policy Review

To remain current and effective, this Finance Policy will undergo a formal review at least annually. Reviews may also be triggered by significant changes in regulatory requirements, organisational structure, strategic direction, or financial operations. The review process ensures that SAPSI's financial governance remains aligned with best practices and evolving legal standards.

9.3 Amendments and Approval

Any amendments or updates to this policy must be submitted for approval to SAPSI's senior management and subsequently to the Board of Directors. Once approved, changes will be communicated promptly to all relevant stakeholders to ensure awareness and compliance.

10. Confidentiality and Security

10.1 Confidentiality of Financial Data

All financial data, including learner fee information, billing records, payment details, and budgetary documents, are considered confidential and sensitive. Such information must be handled with the utmost care to protect the privacy of learners, staff, and stakeholders. Access to financial records is strictly limited to authorised personnel who require this information to perform their duties.

10.2 Secure Storage and Access Control

SAPSI will ensure that all financial data is securely stored in compliance with applicable data protection laws, including the Protection of Personal Information Act (POPIA). Physical records shall be stored in locked, secure locations, while electronic data will be protected through encrypted storage and access controls.

10.3 IT Security Measures

SAPSI is committed to implementing robust information technology security protocols to safeguard financial systems against unauthorised access, data breaches, and cyber threats. This includes:

- Use of strong passwords and multi-factor authentication for financial systems
- Regular software updates and security patches
- Firewalls and antivirus protection
- Regular security audits and vulnerability assessments
- Staff training on cybersecurity awareness and data protection best practices

These measures are essential to maintain the integrity, availability, and confidentiality of SAPSI's financial information and to support compliance with legal and regulatory obligations.

11. Policy approval

Name	Title	Signature	Date
Kerry De Jager	Chief Executive Officer		01/01/2025

End of Policy Document