



CHIEF MASTER'S DIRECTIVE 2 OF 2010

1. PURPOSE

The purpose of this directive is to ensure an ongoing assurance on the effectiveness of risk management and control systems.

2. MOTIVATION / BACKGROUND

In accordance with an audit mandate in terms of the internal Audit Operation Plan, a review on the Guardians Fund system was conducted.

Weaknesses in the management in Guardians Fund were identified.

As part of the Chief Master's statutory obligations, a decision has been made to implement prescribed procedures to ensure ongoing risk management in the Guardians funds.

3. THE FOLLOWING HAS BEEN DECIDED:

3.1 Monthly cash flow report

It is essential that the Master must ensure that adequate funds are available in the ABSA banking account and that surplus moneys of the Guardians Fund are invested to earn interest.

A monthly cash flow report as per attached template must be furnished to the Director Guardians Fund at Office of the Chief Master by the 25th of each Month.

3.2 Registered users on GFS system

A core internal control measure is the segregation of duties between initiation, authorization, recording and reviewing of transactions.

It was identified that there are instances where users have multiple profiles on the GFS system. It is essential that masters ensure that control measures are kept to ensure segregation of duties at all time.

All applications by Users to register a profile or as a user on the GFS system must be signed by the Head of office.

The Head of the office must certify each month that he/ she evaluated all the users with their relevant profiles registered on the GFS system in his/her office and that he/she is satisfied that segregation of duties are complied with and that the current registered users are authorized to be registered users on the GFS system in his/her office. The certificate, certifying the aforementioned, needs to be submitted to the Director Guardians Fund at the office of the Chief Master by the 25th of each month.

4. EFFECTIVE DATE

This Directive will become effective as from 01 May 2010.



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Adv. L.G. BASSON

ACTING CHIEF MASTER

DATE: 26/3/10