



the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA

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Sub Office File: 7/1/1

06 November
~~30 October~~ 2015

CIRCULAR ⁹³... OF 2015
(HEAD OFFICE FILE 5/9/3/2 & 12/4/2)

CHIEF MASTERS DIRECTIVE 4 OF 2015 – Guardian's Fund Support (Effectiveness of Risk Management)

1. Your attention is drawn to the contents of the attached Directive with regards to Guardian's Fund Support (Effectiveness of Risk Management). This Directives replaces Chief Master's Directive 4 of 2012.
2. This Directive is effective from ^{2/11/2015}..... and should be implemented as such.
3. Any enquiries should be addressed in writing to the Office of the Chief Master or per e-mail to chiefmaster@justice.gov.za
4. All previous Directives in this regard, are revoked.



Adv. L G Basson
Chief Master

TO ALL OFFICES IN THE DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT



CHIEF MASTER'S DIRECTIVE 4 OF 2015

1. PURPOSE

The purpose of this directive is to ensure the ongoing assurance in respect of the effectiveness of risk management and control systems in the Guardian's Fund.

This directive recalls Directive 4 of 2012 with effect from the date of signature hereof

2. MOTIVATION / BACKGROUND

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

Weaknesses in the management of the 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 Fund.

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 timeously to maximize the interest earned.

A monthly cash flow report must be furnished to the Office of the Chief Master (OCM) by the 15th of each Month by the Head of Office.

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 GF system. It is essential that Masters ensure that control measures are kept to ensure segregation of duties at all times.

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

The Head of Office must certify each month that he/ she evaluated all the users with their relevant profiles registered on the GF 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 GF system in his/her office. The certificate, certifying the aforementioned, needs to be submitted to the OCM by the 15th of each month, by the Head of Office.

3.3 Request for services on GF system

3.3.1 List of signatories of delegated officials to sign a Request For Service (RFS).

- 3.3.1.1 The office must compile a list with the names and signatures of all officials, delegated to certify and authorize RFS-form. The original list should be filed in the office for easy reference of which a copy should be forwarded to the Office of the Chief Master and GF helpdesk coordinator, by the Head of Office.
- 3.3.1.2 In the event of any changes in the delegation of the signatures, the office must submit an amended list to the Office of the Chief Master and the helpdesk coordinator by the Head of Office. The list to be certified and forwarded to the OCM, by the Head of Office, on a monthly basis no later than the 15Th of each month,

confirmed that the relevant officials are still the officials authorized to sign the request for service form.

3.3.2 A call log for RFS on GF system

- 3.3.2.1 If a problem is detected, which cannot be resolved at office level the user needs to log a call at the ISC- Helpdesk. The relevant problem should be described in detail on the prescribed Request for Service form. The action expected from helpdesk need to be indicated in full. All relevant documentation supporting the request for the service must be submitted.
- 3.3.2.2 The request for service must be signed by the relevant user and the delegated official as per item 3.3.1 above. The Deputy Master / Assistant Master or Head of Office must authorize the request if satisfied that it is a legitimate call. The RFS must be emailed to the ISC Helpdesk.
- As soon as the call has been resolved, the correction must be validated and the RFS register must be updated accordingly by the delegated official in the office. The supervisor of the delegated official must ensure that the RFS register has been correctly updated. As soon as the call has been resolved and validated by the delegated official in the Guardians Fund accordingly it must be filed in numerical order for easy reference.
- 3.3.2.3 The correctness of the information is to be controlled by Head of Office on a monthly basis.

3.3.3 Call log register

- 3.3.3.1. Each office must keep a register with the following headings in support of each RFS logged with ISC Helpdesk.

☞ Internal office reference number of office

- ☞ Estate file number
- ☞ Clients details
- ☞ Description (only short description)
- ☞ Date submitted
- ☞ Name of compiler
- ☞ Helpdesk ref number
- ☞ Date resolved (By GF helpdesk support)
- ☞ Validated by : (supervisor of the designated official)

The Call Log register to be forwarded to the OCM and the CFO by the Head of office on a monthly basis no later than the 15th of each month,

3.3.4 Financial data changes on GFS system

Any RFS logged that affect financial changes in prior years, will be effected by a journal entry that will be passed in the current financial year to rectify the beneficiary account.

It is imperative that the RFS be safely filed in accordance with paragraph 3.3.3.1 above

3.4 Day end procedures

The Head of Finance in the Guardians Fund must ensure that day end procedures which include the updating of the cash book are performed on a daily basis as prescribed in the DFI 17.3 as well as the Department Financial procedure Manual: Guardians Fund .The attached certificate of compliance signed by the Head of Finance must be furnished to the Head of their applicable Office who in turn must forward it to the Office of the Chief Master by the 15th of each Month.

4. EFFECTIVE DATE

This Directive will come into effect as from date of signature.

A handwritten signature in black ink, appearing to read 'L.G. Basson', written over a horizontal dotted line.

Adv. L.G. BASSON

CHIEF MASTER

DATE.....*2/11/2015*.....