

## COMPLIANCE CHECKLIST

### PFMA AND TREASURY REGULATIONS

**Period: 01 April 2012 – 30 June 2012**

NR	SECTION	ACTION	YES	NO	N/A	COMMENTS
<b>PFMA - Fiduciary duties of Accounting Authorities.</b>						
1.	<b>49(2)(a)</b>	Does the entity have a board or other controlling body which is the accounting authority for the entity?	✓			
2.	<b>50(1)(a)</b>	Does the accounting authority for the entity exercise the duty of utmost care to ensure reasonable protection of the assets and records of the entity?	✓			
3.	<b>50(3)(a)</b>	Have the accounting authority disclosed any direct or indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority?	✓			
<b>PFMA - General responsibilities of Accounting Authorities</b>						
	<b>51(1)(a)</b>	Does the HSRC Board ensure that the HSRC has and maintains:				
4.	<b>(i)</b>	<ul style="list-style-type: none"> <li>An effective, efficient and transparent system of financial and risk management and internal control?</li> </ul>	✓			
5.	<b>(ii)</b>	<ul style="list-style-type: none"> <li>A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?</li> </ul>	✓			
6.	<b>(iii)</b>	<ul style="list-style-type: none"> <li>An appropriate procurement and provisioning system which is fair; equitable; transparent, competitive and cost-effective authority?</li> </ul>	✓			
7.	<b>(iv)</b>	<ul style="list-style-type: none"> <li>A system for properly evaluating all major capital projects prior to a final decision on the project;</li> </ul>	✓			
	<b>51(1)(b)</b>	Does the HSRC Board take effective and appropriate steps to:-				
8.	<b>(i)</b>	<ul style="list-style-type: none"> <li>Collect all revenue due to the HSRC;</li> </ul>	✓			
9.	<b>(ii)</b>	<ul style="list-style-type: none"> <li>Prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and</li> </ul>	✓			
10.	<b>(iii)</b>	<ul style="list-style-type: none"> <li>Manage available working capital efficiently and economically;</li> </ul>	✓			
	<b>51(1)(e)</b>	Does the HSRC Board take effective and appropriate disciplinary steps against any employee of the public entity who:-				
11.	<b>(i)</b>	<ul style="list-style-type: none"> <li>Contravenes or fails to comply with a Provision of the Act;</li> </ul>	✓			
12.	<b>(ii)</b>	<ul style="list-style-type: none"> <li>Commits an act which undermines the financial management and internal control system of the public entity; or</li> </ul>	✓			
13.	<b>(iii)</b>	<ul style="list-style-type: none"> <li>Makes or permits an irregular expenditure or fruitless and wasteful expenditure;</li> </ul>	✓			
14.	<b>51(1)(f)</b>	Does the HSRC Board submit all reports, returns, notices and other information to Parliament and Department of Science & Technology or National Treasury as may be required by this Act;	✓			
15.	<b>51(1)(h)</b>	Does the HSRC Board comply and ensure compliance by the HSRC with the provisions of this Act and any other legislation applicable to the HSRC.	✓			
<b>TREASURY REGULATIONS – Internal Control and Corporate Management</b>						



NR	SECTION	ACTION	YES	NO	N/A	COMMENTS
16.	<b>27.2.1.</b>	Was a risk assessment performed?	✓			
17.	<b>27.2.2.</b>	Has an internal audit unit been established?	✓			
18.	<b>27.2.7 (a)</b>	Is there a rolling three year strategic internal audit plans submitted?	✓			
19.	<b>27.2.7 (b)</b>	Was an internal audit plan submitted for the first year of the rolling plan?	✓			
20.	<b>27.3.1.</b>	Has a Chief Financial Officer been appointed?	✓			
21.	<b>28.3.1.</b>	Has the HSRC Board developed and agreed a framework for acceptable levels of maturity and significance with the Department of Science & Technology?	✓			
<b>PFMA – Annual Budgets by Non-business Schedule 3 Public Entities</b>						
22.	<b>53(1)</b>	Did the HSRC Board submit a budget of estimated revenue and expenditure for that financial year, for approval by the Department of Science & Technology?	✓			
23.	<b>53(3)</b>	Did the HSRC budget for a deficit or accumulate a surplus without the prior written approval of the National Treasury?	✓			
<b>TREASURY REGULATIONS – Strategic planning</b>						
24.	<b>30.1.1</b>	Does the HSRC submit annually a proposed strategic plan for approval to the Department of Science & Technology at least six months before the start of the financial year?	✓			
25.	<b>30.1.3</b>	Does the HSRC strategic plan:				
26.	<b>(a)</b>	• Cover a period of three years;	✓			
27.	<b>(b)</b>	• Include objectives and outcomes as identified by the executive authority	✓			
28.	<b>(c)</b>	• Include multi-year projections of revenue and expenditure;	✓			
29.	<b>(d)</b>	• Include key performance measures and indicators for assessing the its performance in delivering the desired outcomes and objectives;	✓			
30.	<b>(e)</b>	• Include the materiality/significant framework;	✓			
31.	<b>(f)</b>	• Updated annually on a rolling basis; and	✓			
32.	<b>(g)</b>	• Form the basis for the annual reports of accounting authorities in terms of section 55 of the Act.	✓			
<b>TREASURY REGULATIONS – Evaluation of performance</b>						
33.	<b>30.2.1</b>	Does the HSRC submit quarterly performance reports to the Department of Science and Technology?	✓			
<b>PFMA – Information to be submitted by Accounting Authorities</b>						
	<b>54(1)</b>	Did the HSRC promptly and in writing National Treasury and submit the relevant particulars to its executive authority for approval of any of the following transactions:-				
34.	<b>(a)</b>	• Establishment or participation in the establishment of a company.			✓	
35.	<b>(c)</b>	• Acquisition or disposal of a significant shareholding in a company;			✓	
36.	<b>(d)</b>	• Acquisition or disposal of a significant asset;			✓	
37.	<b>(e)</b>	• Commencement or cessation of a significant business activity; and			✓	
38.	<b>(f)</b>	• A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar			✓	



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		arrangement.				
<b>PFMA – Annual Reports &amp; Financial Statements</b>						
	<b>55(1)</b>	Does the HSRC Board:-				
39.	<b>(a)</b>	Keep full and proper records of the financial affairs of the HSRC?	✓			
40.	<b>(b)</b>	Prepare financial statements for each financial year in accordance with generally accepted accounting practice?	✓			
41.	<b>(c)(i)</b>	Submit the financial statements within two months after year end of the financial year to the Auditor General for auditing?	✓			
	<b>55(1)(d)</b>	Submit within five months of the end of a financial year National Treasury and the Department of Science & Technology:-	✓			
42.	<b>(d)(i)</b>	An annual report on the activities of the HSRC during that financial year;	✓			
43.	<b>(d)(ii)</b>	The financial statement for that financial year after the statements have been audited; and	✓			
44.	<b>(d)(iii)</b>	The report of the auditors on those statements.	✓			
45.	<b>55(2)(a)</b>	Do the annual report and financial statements fairly represent the state of affairs of the HSRC, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?	✓			
	<b>55(2)(b)</b>	Do the financial statements include particulars of:				
46.	<b>(i)</b>	Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	✓			
47.	<b>(ii)</b>	Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	✓			
48.	<b>(iii)</b>	Any losses recovered or written off;	✓			
49.	<b>(iv)</b>	Any financial assistance received from the state and commitments made by the state on its behalf, and	✓			
50.	<b>(v)</b>	Any other matters that may be prescribed?	✓			
51.	<b>55(3)</b>	Does the HSRC Board submit audited financial statements and the annual report for tabling in Parliament to the Department of Science & Technology through the CEO?	✓			
<b>PFMA – Assignment of powers and duties by Accounting Authorities</b>						
52.	<b>56 (1)</b>	Have the powers entrusted or delegated to the HSRC Board been delegated to other officials within the HSRC?	✓			
<b>PFMA – Responsibilities of other officials</b>						
53.	<b>58(a)</b>	Does the HSRC ensure that the annual financial statements are audited annually by the Auditor General?	✓			
<b>TREASURY REGULATIONS – Cash management</b>						
54.		Has the HSRC established systems, procedures, processes, training and awareness programmes to ensure efficient and effective banking and cash management?	✓			
55.		Does the HSRC ensure that; its cash management performance is reported regularly, but at least on a monthly basis?	✓			



NR	SECTION	ACTION	YES	NO	N/A	COMMENTS
<b>TREASURY REGULATIONS – borrowings</b>						
56.	<b>32.1.2</b>	When the HSRC borrows funds for bridging purposes does it do so with the approval of the Minister of Finance, and does it ensure that:				
57.	<b>(a)</b>	<ul style="list-style-type: none"> <li>The debt is paid within 30 days of the end of the financial year;</li> </ul>			✓	
58.	<b>(b)</b>	<ul style="list-style-type: none"> <li>Borrowings do not exceed the limit determined in advance by the Minister of Finance and in consultation with the DST;</li> </ul>			✓	
59.	<b>(c)</b>	<ul style="list-style-type: none"> <li>Foreign borrowing are not undertaken; and</li> </ul>			✓	
60.	<b>(d)</b>	<ul style="list-style-type: none"> <li>A request for borrowing for bridging purposes is submitted to the Minister of Finance at least 30 days before the borrowing?</li> </ul>			✓	
<b>TREASURY REGULATIONS – Financial misconduct</b>						
61.	<b>33.1.1</b>	If the employee is alleged to have committed financial misconduct, does the HSRC ensure that disciplinary proceedings are carried out in accordance with the relevant prescripts?	✓			
62.	<b>33.1.2</b>	Does the HSRC ensure that all investigations are conducted within 30 days?	✓			
63.	<b>33.2.1</b>	Does the HSRC advise the Auditor General and DST of any criminal charges it has laid against any person who has allegedly committed financial misconduct?	✓			
64.	<b>33.3.1</b>	Does the HSRC submit on annual basis to Auditor General and DST a schedule of :				
65.	<b>(a)</b>	<ul style="list-style-type: none"> <li>The outcome of any disciplinary hearings and/ or criminal charges;</li> </ul>	✓			
66.	<b>(b)</b>	<ul style="list-style-type: none"> <li>The names and ranks of employees involved; and</li> </ul>	✓			
67.	<b>(c)</b>	<ul style="list-style-type: none"> <li>Sanctions and any further actions taken against these employees.</li> </ul>	✓			