



PROUDLY SOUTH AFRICAN
Schedule of Delegated Authority
(SODA)

CONFIDENTIAL

Schedule of Delegated Authority (SODA)

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1. Definitions

PROUDLY SA	Proudly South African
Board	Collective name given to directors appointed to the PROUDLY SA in terms of the Companies Act No. 81 of 2008
SODA	Schedule of Delegated Authority
Employee	A person who works for PROUDLY SA (excluding contract workers), and who receives, or is entitled to receive any financial or other compensation
Chief Officers	Chief Executive Officer and Executive Managers are involved in the day to day operations of the PROUDLY SA

2. Objective and Purpose

The Schedule of Delegated Authority is a document that, in its simplest terms, outlines who may approve what, at what level, and to what limit, (i.e., who has been delegated the authority to approve and to what level, hence the name, “Schedule of Delegated Authority”)

It includes:

- The principles governing these approvals and delegations.
- The principles governing payment and contracts.
- The definitions used.
- The tables outlining who may approve what, at what level, and to what limit.

It does NOT include:

- The processes to be followed (these can be found in the policies and procedures manuals).

The SODA Framework should be seen as:

- A tool to assist employees and managers in PROUDLY SA to manage the business more effectively and efficiently.
- A tool to assist managers to apply sound, honest and prudent management practices.
- A means to comply with legislation.
- A means to ensure good corporate governance.
- A means to discourage fraudulent and dishonest practices.

- A tool to assist with the positive management of performance ensuring growth, learning and development of employees but where necessary to manage poor performance as well.
- A means to manage funds effectively, avoiding wastage and inefficient allocation.
- A tool to assist with budgeting and implementing of Board approved strategies and budgets.
- A tool to assist optimum functioning of PROUDLY SA.

3. Policy

3.1. Rationale

Proudly SA is a public benefit organisation and Management should always act in the best interest of its stakeholders. The overall governance of the PROUDLY SA is broadly determined by:

- The Companies Act No. 81 of 2008 and Proudly SA's Memorandum of Incorporation;
- The King III Report for Corporate Governance for South Africa (September 2009);
- The Constitution of the Republic of South Africa No. 108 of 1996; and
- Public Finance Management Act No. 1 of 1999 and associated Treasury Regulations

The SODA framework is crafted within the parameters of the above legal and regulatory framework as a means of creating structured decision-making at all levels of the PROUDLY SA. The SODA needs to be clearly outlined, defined, communicated and understood by all stakeholders as a sound foundation for effective and efficient governance.

4. Powers and Duties

The powers and duties of PROUDLY SA's Board and its various Standing Committees are documented below. Refer to **Annexure A** for the current PROUDLY SA Organogram:

4.1. Board

The Board is responsible for the following in terms of the operations of the PROUDLY SA:

- The Board is ultimately accountable and responsible for the performance and affairs of the company, and therefore the focal point of the corporate governance system. The Board can discharge their responsibility by appropriately delegating authority to sub-committees or management.
- Appoint the Chief Executive Officer ("CEO") and ensure proper strategic and contingency planning.
- Monitor management in implementing Board plans and strategies.
- Implementation of an agreed procedure whereby Non-Executive Directors may obtain independent professional advice, if necessary, at company expense.
- To determine policy and processes to ensure the integrity of PROUDLY SA's risk management and internal controls.
- To consider the Management, Financial and Progress Reports.
- To confirm Non-Executive Director's Resolutions.
- To consider and ratify the recommendations of its Standing Committees
- To develop and adopt strategic plans that adhere to the principles of fairness, responsibility, accountability, transparency, discipline, independence and social responsibility and meet the objectives of Proudly SA.
- Institute appropriate Board committees with appropriate mandates and duly consider reports from such committees.
- Give strategic direction to the company.
- Retain full and effective control over the company.
- To approve the budgets.
- To accept responsibility for Non-Executive Director and Chief Executive Officer selection, orientation and evaluation.
- To approve the appointment, removal or replacement of the external auditors, based on the recommendation of the Audit and Risk Committee
- Develop and monitor key performance indicators.
- To ensure PROUDLY SA's compliance with all relevant laws, regulations and codes of best business practices.
- To delegate and document the delegation structure.
- To promote, formulate and implement the Code of Ethics Policy.
- To approve the remuneration of Directors and the CEO based on the recommendation of the HR and Remunerations Committee
- To ensure the orientation of newly appointed Non-Executive Directors

4.2. Sub-Committees of the Board

The Board may appoint committees and delegate authority to such committees to assist the Board in the performance of its duties, power and authorities to facilitate efficient decision-making, by resolution of the Board.

A committee would consider proposals and recommendations on issues of relevance to such committee and make recommendations to the Board.

Executive Committee:

The role of the Executive Committee is to:

- Advise the Board.
 - Where authority has been delegated to it by the Board, take appropriate actions to implement the authority so delegated
 - Take urgent decisions in between Board meetings and to have authority in between Board meetings, in the event of it being impractical to convene a Board meeting or secure a decision on a round robin basis.
 - To consider recommendations of the committees on behalf of the Board, where approval and implementation is required urgently and act within short lead times for the benefit of the campaign;
 - To consider Board matters where a Board meeting has not taken place for one or another reason
 - The Committee shall be made up of the Chairperson of the Board, the CEO as well as the Chairpersons of the Finance Committee, Remuneration Committee and Audit and Risk Standing Committees.
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Remuneration Committee

The role of the PROUDLY SA Remuneration Committee is to:

- Review and provide recommended remuneration levels (including annual salary increases) for Chief Officers and Non-Executive Directors within PROUDLY SA.
- Review and approve Remuneration policy and Salary bands for the organisation and approve annual salary increases or annual inflationary adjustments.
- Play an integral part in the contingency planning of staff, the CEO and Executive management.
- To ensure that PROUDLY SA's Human Resources strategies are implemented and sustained.
- Recommend the approval of related policies and procedures to the board
- Make recommendations to the board
- Review and recommend the appointment of the Chief Executive Officer
- Make recommendations regarding incentive schemes for Non-Executive Directors and staff.
- Make recommendations to the Board for the performance bonus of the CEO and approve performance bonuses for Chief Officers and staff.

Finance and Procurement Standing Committee

The role of the PROUDLY SA Finance and Procurement Standing Committee is to:

Finance Function

- To recommend approval of budgets to the Board
 - Ensure preparation of Annual Financial Statements
 - . To recommend the approval Treasury management plans
 - Have overview over internal controls and approve related policies and procedures.
 - To review quarterly financial reports.
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Procurement Function

- To ensure that PROUDLY SA's procurement policies are effective, efficient and that they are implemented and sustained.
 - To recommend and approve budgets within authorities.
 - To recommend the composition of Procurement Committees to the Board.
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Audit and Risk Committee

The role of the Audit and Risk Committee is to:

- Recommend the appointment of the external and internal auditors.
- Review the external and internal audit plans;
- Review and approve the annual audit fees;
- Review the Annual Financial Statements for Recommendation to Board
- To ensure compliance with applicable laws and regulations
- Continuously monitor the membership criteria of the campaign, and based on relevance and necessity thereof, review the criteria for Board approval;
- Assist the Board in assessing the going concern status of the company at the financial year end.
- To ensure effective risk management processes and internal controls are implemented.
- Monitor that internal controls are operating effectively throughout the year.
- Ensure that compliance with the campaign's criteria is upheld and monitored on a continuous basis;

Marketing, Membership and Communications Committee

The role of the Marketing Communications and Membership Committee is to:

- Consider the Marketing and Communications strategies to be developed for the campaign for recommendation to the Board;
- Recommend the appointment of any advertising or related agency enlisted to provide Advertising and Marketing related services to the Campaign;
- Monitor and ensure that the Marketing Activities as approved for implementation are implemented accordingly;
- To ensure effective campaigns are carried out to ensure that the campaign can meet its objectives
- Consider any Research findings that have an impact on their Responsibilities as members of the committee
- Ensure that the campaign can attract and maintain a sufficient number of members to help it achieve its objectives;
- Recommend for Board approval the required membership policy for administering and governing membership for Proudly SA, as well as compliance with the campaign criteria;
- Develop and consider appropriate strategies for ensuring that sufficient revenue can be generated for the campaign and that proper records of member details are kept and maintained;
- Provide a direct channel of communication between the Board and the members of the campaign
- Ensure that compliance with the campaign's criteria is upheld and monitored on a continuous basis;
- Define Value Proposition and protect the Brand

Social and Ethics Committee

The role of the Social and Ethics Committee is aimed at assisting the Board to ensure that the company meets its legislative requirements with regards to ethics and social matters affecting the company and its stakeholders.

The role of the Social and Ethics Committee is to:

- Monitoring the company's activities, with regards to any relevant legislation, other legal requirements or prevailing codes of good practice relating to social and economic development;
- Monitoring the company's activities with regards to good corporate citizenship including promotion of equality, prevention of discrimination, reduction of corruption, contribution to the development of communities in which its activities are conducted, its working conditions, as well as its environment health and public safety practices;
- The environment, health and public safety, including the impact of the company's activities and of its products and services;
- Overseeing the implementation of the values of the company;
- Overseeing fraud and corruption prevention
- Reporting to the members of the Board on matters within its mandate
- Consider any Research findings that have and impact on their Responsibilities as members of the committee

Approvals Tables

The powers and authorities hereby delegated by the Board are set out in the tables hereafter.

Note:

- The amounts indicated in the tables represent the **maximum** financial limit of the delegated authority;
- The tables must be read and interpreted in conjunction with the official PROUDLY SA Policies and Procedures; and
- In the event of any deviation or conflict between the SODA and any other PROUDLY SA policy, the SODA will **override** the conflicting information.

Human Resources

	Board	Executive Committee	Remuneration Committee	Finance & Procurement Committee	CEO	Chief Officers	Human Resources Manager
Human Resources							
Appointment and Remuneration of Non-Executive Directors	A		R				
Appointment and remuneration of Chief Officers (within Remco approved salary bands)					A	R	R
Approval of Salary bands			A		R	R	R
Appointment and remuneration of Managers					A	R	R
Appointment and remuneration of other staff					A	R	R
Adjustment of salaries for employees					A	R	R
Approval of performance bonus for CEO	A		R				
Approval of performance bonus pool for staff and Chief Officers			A		R		R

A - Approve

R - Recommend

5.2. Procurement of Goods and Services (excluding professional services and travel & travel related services)

Procurement	Board	Executive Committee	Finance & Procurement Committee	CEO	Tender Adjudication Committee	Chief Finance Officer	Chief Officers	Procurement Manager	Department Head / Manager
Within Budget (VAT inclusive)									
Category A: up to R2 000 000				A		R	R	R	R
Category B: R2m and above	A		R	R	R	R	R	R	
Outside of Budget (VAT inclusive)									
Category A: up too R500 000				A		R	R	R	R
Category B R500 000 to R2m		A	A	R	R	R	R	R	R
Category C: R2m and above	A		R	R	R	R	R	R	R

A- Approve

R - Recommend

5.3. Procurement of Professional Services

Professional services may include, but is not limited to Legal, Consulting, Audit, Security, Marketing, Advertising, Media, Insurance, Event Planning, Engineering, Architectural, IT and Recruitment, Training and Development, but excluding Travel and Travel Related Services.

Procurement	Board	Executive Committee	Finance & Procurement Committee	CEO	Tender Adjudication Committee	Chief Finance Officer	Chief Officers	Procurement Manager	Department Head / Manager
Within Budget (VAT inclusive)									
Category A: up to R500 000				A		R	R	R	R
Category B: R500 000 to R2m			A	R		R	R	R	R
Category C: R2m and above	A		R	R	R	R	R	R	
Outside of Budget (VAT inclusive)									
Category A: up to R500 000				A	R	R	R	R	R
Category B: R500 000 to R2m		A		R	R	R	R	R	R
Category C: R2m and above	A		R	R	R	R	R	R	R

A - Approve

R - Recommend

5.4. Procurement of Travel and Travel Related Services

Procurement	Board	Executive Committee/ Chairperson	Finance & Procurement Committee	CEO	Tender Adjudication Committee	Chief Officers	Procurement Manager
Within Budget (VAT Inclusive)							
Category A: Below R200 000 for All Staff				A		R	
Category B: Above R200 000 for All staff		A		R		R	
Outside of Budget							
Category A: Below R100 000 for All Staff				A		R	
Category B: Above R100 000 for All Staff		A	R	R		R	

A - Approve

R - Recommend

5.5. Finance / Contracts

Finance / Contracts (VAT Inclusive)	Board	Executive Committee/ Appointed Signatories	Audit Committee	Finance and Procurement Committee	Remuneration Committee	CEO	Chief Financial Officer	Chief Officers	Procurement Manager
Opening bank accounts		A		A		A	R		
Appointment of cheque signatories	A					R	R		
Cash flow management						A	R		
Approval of corporate credit cards	A			R		R			
Approval of Annual Financial Statements	A		R						
Approval of Risk Management Processes and Internal Controls			A			R			
Approval of & changes to the Policies and Procedures				A	A	R	R		
Approval of Budgets	A			R		R	R		

A - Approve R - Recommend

6. General Principles

- 6.1 The SODA:
- Is subject to all statutory and legal limitations and such other lawful limitations, as may be applicable to PROUDLY SA from time to time; and
 - Is subject to all limitations, conditions, policies and / or directives that may be developed and implemented by the Board, or its Executive Committee at the behest of the Board in the exercise of such delegated powers.
- 6.2 The Board may confirm, ratify, vary or revoke any decision taken by an official as a result of a delegation in terms hereof, subject to any rights that may have become vested as a consequence of the decision.
- 6.3 Officials who exceed their authority levels will be requested to personally account for their actions and such action may result in disciplinary action.
- 6.4 Authority levels applicable to a specific position will also apply to any individual who has been appointed in writing to act in such a position for a specific period.
- 6.5 The delegates must exercise the delegated authority in the interests of and for the benefit of PROUDLY SA.
- 6.6 No delegation of authority may be exercised for immoral or unlawful purposes. Non-compliance with the existing policies, procedures and directives of PROUDLY SA will render null and void any exercise of the delegated authority.
- 6.7 No individual may approve his / her own personal expenditure. In such instances, the authority automatically moves to the next highest level.
- 6.8 Limits refer to the current Rand value and the amount authorised on the date of approval.
- 6.9 Approval of items, whether purchases, services, project budgets, etc. must be dealt with as complete or combined issues. There shall be no invoice or project splitting. The sub-division of an issue to try to evade the correct approval levels is prohibited and authorisation levels must not be exceeded. Such an occurrence may result in disciplinary action.
- 6.10 Price increases, exchange rate fluctuations etc. may impact positively or negatively on the original approval in practice.
- A positive or negative deviation of less than 10% will be acceptable on condition that it does not go beyond the delegate's authorisation limit;
 - An increase of more than 10% to the original approved amount must be referred back to the originator for re-approval; and
 - Should any amendment increase the amount beyond that which the delegate may approve, the approval must be referred to the next appropriate level.
- 6.11. Decisions / approvals can only be made at the relevant empowered level. Employees / committees will, however, consider transactions of a financial magnitude higher than their decision-making authority and recommend it for approval to the empowered decision-making level.

- 6.12. The stipulations contained in the latest formally approved SODA will automatically override those previously applicable from the effective date of the new framework.

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