



DRAFT B-BBEE MAC SECTOR COUNCIL FINANCIAL MANAGEMENT POLICY

1. BACKGROUND/INTRODUCTION/OVERVIEW

- 1.1. The B-BBEE MAC Sector Council (Council) is established in terms of section 9 (1) of the B-BBEE Act of 2003 as amended, with a mandate to oversee and monitor the implementation of the MAC Sector Code. The responsibilities of the Council including but not limited to:-
 - 1.1.1. Advise the organs of state on all matters relating to B-BBEE in the MAC Sector
 - 1.1.2. Monitor and review the implementation of the MAC Sector Code (Code) and all matters related thereto in the MAC Sector.
 - 1.1.3. Be responsible for the development and fostering of common standards and code of ethics in the implementation of MAC Sector Code in the industry and compliance with B-BBEE legislation and Codes of Good Practice.
 - 1.1.4. Issue guidance notes on the interpretation and application of the MAC Sector Code
 - 1.1.5. Prepare an annual review which outlines progress and evaluates new areas of intervention, and submit the report to the DTI for publication.
 - 1.1.6. Engage with government, the public sector, the B-BBEE Advisory Council and other regulatory agencies to promote the implementation of the MAC Sector Code.
 - 1.1.7. The B-BBEE Act of 2003, Codes of Good Practice published on 16 May 2015, the Council Constitution and its Terms of Reference and the MAC Sector Code of 2016 regulate the Council's activities.

2. PURPOSE OF THE POLICY

- 2.1. The purpose of this policy is to provide clear guidelines for the management of and reporting on the financial resources of the Council to ensure accountability and efficiency in the way the finances of the Council are managed.

NB: This Policy should be read in conjunction with the Procurement Policy of the Council.

3. OBJECTIVES OF THE POLICY

- 3.1. To ensure that the Council is a financially accountable to its funders and ensure the sustainability of the organisation.
- 3.2. To ensure that the financial resources of the Council are utilised for the purpose of discharging the Council's mandate as articulated in the Constitution of the Council.

4. RESPONSIBILITY FOR THE MANAGEMENT OF COUNCIL FINANCES

- 4.1. The Head of Secretariat shall be responsible for the management of Council finances as well as the reporting thereon. This shall include the approval of expenditure, based on agreed delegated authority as approved by the Council
- 4.2. The Head of Secretariat shall draft the budget of the Council for every financial year, informed by the strategic plan priorities and operational requirements of the Council.

5. THE RECEIPT OF FUNDS FOR THE COUNCIL

- 5.1. The Council shall open the bank account into which all funds designated for the Council shall be transferred and/or deposited.
- 5.2. The Council shall therefore not receive any cash or cheque from any benefactor directly.
- 5.3. The account should be a current account.

6. FINANCIAL REPORTING

- 6.1. The Head of Secretariat shall be responsible for reporting on the state of finances of the Council.
- 6.2. The state of Council finances will be reported on at every official Council meeting. The financial report shall comprise the following:
 - 6.3.1. Total cash receipts available in the bank.
 - 6.3.2. Sources of funding
 - 6.3.3. Expenditure to date
 - 6.3.4. Expenditure forecasts

- 6.3.5. Expenditure trends, including key expenditure items as well as percentage expenditure across all the expenditure items.
- 6.3.6. Interests paid/earned.
- 6.3.7. Any contingent liabilities
- 6.3.8. cash flow risks if any

6.4. ANNUAL FINANCIAL STATEMENTS

- 6.4.1. The Head of Secretariat shall ensure that annual financial statements are prepared at the end of every financial year.
- 6.4.2. The Head of Secretariat shall ensure that the external Auditors independently audit the Annual Financial Statements.
- 6.4.3. The Council's audited Annual Financial Statements shall be shared with all the funders/sponsors and published on the Council's website.

6.5. REVIEW OF THE POLICY

- 6.5.1. The Policy shall be reviewed every two years or as and when the need arises.

APPROVED:

SIGNATURE:

NAME OF CHAIRPERSON

CHAIRPERSON

DATE