



Your voice. For justice.

LEGAL AID SOUTH AFRICA : APPROVAL FRAMEWORK

CHANGES INDICATED IN RED FONT .
THE COLUMN ON THE EXTREME RIGHT INDICATES CHANGES IN ROWS IN THIS VERSION

Key to Levels

A:	Final approval
B:	Must agree
C:	Must be consulted (before)
D:	Must be informed (after)
E:	Originates

Key

CEO	=	Chief Executive Officer
COO	=	Chief Operations Officer
NOE	=	National Operations Executive
CFO	=	Chief Financial Officer
EXEC	=	The executive responsible for the line function in question (Exec includes ROE and Board Secretary but excludes JCE)
CSE	=	Corporate Services Executive
ROE	=	Regional Operations Executives
HRE	=	Human Resources Executive
LDE	=	Legal Development Executive
ISE	=	Information Systems Executive
CE	=	Communications Executive
BS	=	Board Secretary
CLM	=	Corporate Legal Manager
ISM	=	Impact Services Manager
JCE	=	Justice Centre Executive

Key to Other

AC	Audit Committee
RC	Remuneration Committee
LSC	Legal Services Committee
LSTC	Legal Services Technical Committee
Board	Board of Directors (refer Note 29 & 30)
B/Exco	Board Executive Committee
Man/Exco	Management Executive Committee
BAC	Bid Adjudication Committee

In the event of any conflict between this approval framework and any other Legal Aid South Africa policy the Approval Framework will prevail.

	RESPONSIBILITY SUBJECT	NOTES	Board (29 & 30)	Man/ Exco	CEO	COO/ NOE (31)	CFO	EXEC	OTHER	Changes
										27-Feb-10
1	STRATEGY AND PLANNING									
1.1	Strategic Plan		A	C	E				C/ All Committees	
1.2	Business Plan		C	A	B	E			C/All Committees	
2	BUDGET									
2.1	Within Treasury allocation and approved surplus	1	A	C	C	C	E	C	C/ All Committees	
2.2	Deficit Budget	2	B	C	C	C	E		A/ National Treasury	
2.3	Reallocation of budget - Operational Expenditure & Capital Expenditure (only within operational or capital) (Except Contingency)									
2.3.1	Reallocation of budget between line items within a cost centre subject to an aggregate of 8% of cost centre					C (excl JCE)	D	E	E (JCE)	
2.3.2	Reallocation of budget <R200,000 across cost centres subject to an aggregate of 1% of the total budget					B	A	E	C	
2.3.3	Reallocation of budget <R350,000 across cost centres subject to an aggregate of 4% of the total budget					A	C	E	C	
2.3.4	Reallocation of budget between cost centres subject to a maximum of 8% of total budget				A	B	C	E	C	
2.3.5	Reallocation of budget in excess of 8% between cost centres		A		B	C	C	C		

	RESPONSIBILITY SUBJECT	NOTES	Board (29 & 30)	Man/ Exco	CEO	COO/ NOE (31)	CFO	EXEC	OTHER	Changes
										27-Feb-10
2.4	Transfers between operational expenditure and capital expenditure or vice versa									
2.4.1	Transfers ≤R500,000					A	C	E		
2.4.2	Transfers ≤R1,000,000				A	C	C	E		
2.4.3	Transfers > R1,000,000		A		C		D	E		
3	EXPENDITURE									
3.1	Expenditure (Operating & Capital) including salaries, wages, allowances	24								
3.1.1	Expenditure within budget <R50,000	3						A/E		
3.1.2	Expenditure within budget R50,000 – R250,000							A/E		
3.1.3	Expenditure within budget R250,000 - R500,000	13 & 16				A		E	C/AC	
3.1.4	Expenditure within budget >R500,000	13 & 16			A			E	B/BAC C/AC	
3.1.5	Tenders > R10million	13 & 16	A		D	D		E	B/BAC C/AC	
3.2	Write off and disposal of assets – depreciated value									
3.2.1	≤R1million								authority as per 3.1	
3.2.2	>R1million		A		B	C		E		
3.3	Write off of bad debts in any one year									
3.3.1	< R50,000		D				B	A/E		
3.3.2	R50,000 – R200,000		D		C	A	C	E		
3.3.3	≤R1million				A	C	C	E		
3.3.4	>R1million		A	C		C	E	C	C/AC	
4	ACCOUNTING AND REPORTING									
4.1	Establishment of policy		A	C	C	C	C		B/AC	
4.2	Deviation in application of policy		A	C	C	C	C		B/AC	
4.3	Statutory Accounts		A	C	C	C	C		B/AC	
4.4	Annual Report		A	C	C	C	C		B/AC	
4.5	Valuation of properties and portfolio		A	C	C	C	C		B/AC	
5	INTERNAL CONTROLS									
5.1	Establishment of controls and changes thereto									
5.1.1	Approval framework		A	C	B			E (CSE)		
5.1.2	Procedure manual			C		A		C/E		
5.1.3	Corporate Governance, including Code of Ethics		A	C		C		E (BS)		
5.2	Internal auditors	14								
5.2.1	terms of reference (3 year Rolling Plan)		A		C			E (IA)	B/AC	
5.2.2	appointment/dismissal of external consultants			C	A		C	E (IA)	C/AC	
6	BANKING									
6.1	Setting of overall policy on banking relationships and spread of banking services		A	C	C	C	E			
6.2	Change of main bankers		A	C	C	C	E	D	C/AC/B/BAC	
6.3	Approval of signing procedures and signatures "A" and "B" signatories		D	C	A	C	E			
6.4	Periodic negotiation and acceptance of banking facilities		D	C	A	C	E			

	RESPONSIBILITY SUBJECT	NOTES	Board (29 & 30)	Man/ Exco	CEO	COO/ NOE (31)	CFO	EXEC	OTHER	Changes 27-Feb-10
7	AUDITORS									
7.1	Appointment and dismissal at LAB of agent of AG	4	D	D	D				D/AC	
7.2	Reports (non-routine audits)		D		E				D/AC	
7.3	Non-auditing consultancy fees	18	D		B		A	E	A/BAC	
7.4	Auditing fees		A	C	B	C	C		D/AC	
7.5	Interim and Final Audit Plans		A	C	B	C	C		C/AC	
8	HR MATTERS	5								
8.1	Personnel Structure									
8.1.1	Approval and periodic revision of grading policy		A	C	C	C		E(HRE)	C/RC	
8.1.2	(a) Establishment of new positions, regrading existing positions and abolition of posts at executive senior managerial & within budget (levels 14-16)		A		B	C		E C (HRE)	C/RC	
	(b) Levels (11-13) & OSD - CM - 1 ; OSD - LP - 9 & 10 and MR - 5				A	B		E C (HRE)		
8.1.3	Establishment of other new positions, regrading existing positions and abolition of posts within existing structure & within budget (levels 1-10) and OSD - SU - 1 & 2 and OSD - LP 1 - 8				B	A		E C (HRE)		
8.2	Appointments	17 & 21								
8.2.1	(a) CEO (Level 16)		A/E						C/RC	
	(b) COO or NOE (Level 15.5)		A		B/E				C/RC	
8.2.2	(a) Executive (other than the CEO, COO & NOE),		C B/Exco		A/E	B/E			D/RC	X
	(b) Senior Management and Senior Professional staff (levels 11-13, OSD - CM - 1 and OSD - LP - 9&10, OSD - MR - 5)				B	B		E A	D/RC HRE (17)	
	(c) OSD - SU - 1 & 2 and OSD - LP-8					B		A/E (ROE) A incl JCE	HRE (17)	
	(d) Other permanent staff (below level 11 and OSD - LP - 1 to 7)									
8.2.3	Temporary staff - including OSD-CP-1									
	(a) Up to 3 months (maternity leave 4 months)							A	C (HRE - to facilitate SAP)	
	(b) More than 3 months					A		E	C (HRE - to facilitate SAP)	
8.3	Remuneration: Fixed Packages									
8.3.1	Annual review and adjustments		A	C				E (HRE)	C/RC	
8.3.2	Interim adjustments (Professional, management and administrations)		A	C				E (HRE)		
8.3.3	Annual Performance Bonus All staff including modifiers		A					E	C/RC	
8.4	Changes to conditions of employment									
8.4.1	Changes to general terms and conditions of employment		A	C	B	B		E(HRE)	D/RC	
8.4.2	Changes to the conditions of employment restricted to an office or a department of the national office					A (COO)		B(HRE)		
8.4.3	Changes to the conditions of employment restricted to a single employee							A(HRE)		

	RESPONSIBILITY SUBJECT	NOTES	Board (29 & 30)	Man/ Exco	CEO	COO/ NOE (31)	CFO	EXEC	OTHER	Changes
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11.2	Destruction of Documents									
11.2.1	Destruction of documents converted to electronic images							A(JCE)		
11.2.2	Destruction of Documents not converted to electronic images (not to take place until 7 years after last payment/3 years after last action if no payment)							A/EXEC	A/CFO (for all financial records)	
11.2.3	Transfer of records to National Archives (board agendas, board minutes and annual reports)					A		E/Board Secretary		
12	OTHER									
12.1	Any member of Management Exco may delegate their authority, be it in terms of this approval framework or their authority to sign contracts, to any other employee if the Executive will be absent from work or out of the country				A			E		
12.2	The CEO may further delegate any authority delegated to her				A					

General Note**Failure to comply with the provisions of this approval framework may lead to:**

- Disciplinary proceedings. In the event of very serious transgressions dismissal may result.
- Consequences in terms of the Public Finance Management Act and the regulations thereunder, including both criminal and civil liability.
- Personal liability in the event of the non compliance resulting in the LAB suffering damages.

NOTES:

1	See section 53(1) of the Public Finance Management Act No. 29 of 1999.
2	See section 53(3) of the PFMA
3	May be delegated to manager by the CEO and the EXEC jointly. May be delegated below R20 000 by the EXEC. Justice Centre Executives, the Special Projects Manager, the Board Secretary, and all Finance Managers reporting directly to the CFO are delegated to approve expenditure up to R50 000 except in respect of capital expenditure. Further delegations must be in writing. Any delegation may be terminated either by written withdrawal or by cessation of employment. For purposes of this document a "Manager" is a person reporting directly to a member of Man/Exco and responsible for the management of staff or resources.
4	Auditor General approval required in addition. Should take place every five years. Initiated by A - G.
5	Subject to Section 8 of the Legal Aid Act No. 22 of 1969.
6	See also Section 4 of the Legal Aid Act No. 22 of 1969.
7	In conjunction with the Minister of the Public Service and Administration.
8	Except that additions to the schedule of an existing policy or renewal of an existing policy, provided within budget, may be notified after the event.
9	See also Section 3 of the Legal Aid Act No. 22 of 1969.
10	The CEO may delegate the approval of press releases and presentations including media interviews not related to changes of policy to any Executive.
11	All amounts set out in the approval framework are inclusive of VAT. Approval limits relate to the expenditure which may be authorised in any one financial year.
12	EXEC includes Regional Operations Executive, and the Board Secretary but excludes Justice Centre Executives.
13	All expenditure >R500 000 is to be made in terms of the Supply Chain Management Policy by tender. If a Tender approved by the Bid Adjudication Committee is not the lowest in terms of price, the decision of the Bid Adjudication Committee must be ratified by the Management Executive Committee. If the party selected by the Bid Adjudication Committee is the party offering the lowest price the CEO or COO (in accordance with the Approval Framework) may conclude the contract after approval by the Bid Adjudication Committee without prior approval by the MAN/EXCO. Payments for all expenditure approved by the Board to be authorised by the CEO.
14	The CEO is entitled to require the Internal Audit Department to initiate audits and/or investigations but is not entitled to terminate or curtail audits and/or investigations once approved by the Board, the Board Executive Committee or the Audit Committee.
15	Notwithstanding anything contained in this paragraph 10.3 the CEO, LDE or CSE are authorised to do whatsoever may be necessary to protect the Board and/or a client's rights, prevent default judgment, avoid prescription or comply with any statute or Rule of Court pending any necessary decision by Board Exco. All litigation on behalf of the LAB is to be conducted under the control of the Corporate Services Department.
16	Applicable only to audit matters where the Audit Committee is to be consulted in advance by report to the Audit Committee.

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17	It is the responsibility of the line function Executive to ensure that such is provided for in the budget and MTEF and that a vacancy exists in respect of the post concerned. The HRE to confirm budget and vacancy and EE statistics with regard to JC/region/dept.									
18	This relates to the performance of non-auditing consultancy work by any firm which is either the agent of the Auditor-General in respect of the external audit or an internal audit service provider.									
19	No employee may approve his/her own travel, subsistence and/or accommodation. No subordinate may approve an employee's travel, subsistence and/or accommodation. The CEO may expend funds on her/his travel, subsistence and/or accommodation within the budget allocated to the CEO in the annual budget approved by the Board.									
20	When Board Exco are not available international travel, accommodation and subsistence may be approved by the chairperson and the CEO jointly subject to such being tabled at the next Board Exco meeting.									
21	All appointments are to be in accordance with the standard letter(s) of appointment to be found on the U Drive.									
22	Where the disposal of assets or the write off of bad debts is originated by the CFO he/she must act in conjunction with the CEO.									
23	In respect of Impact Services, amounts not greater than R500 000 for any one matter in any one financial year are committed by decision of the Legal Services Technical Committee and require the agreement of the CEO. The CEO, NOE and LDE may jointly commit to expenditure up to R50 000 in any one matter.									
24	Certain agents (e.g. insurance brokers) receive an income from commission. It is necessary to ensure such commissions are disclosed. In considering whether you have authority to approve a contract you must consider: <ul style="list-style-type: none"> • The amount to be paid by the LAB in any one financial year • The amount to be received by the agent as commission in any one financial year 									
25	To approve a contract you must be permitted to approve the greater of the payments to be made by the LAB or the commission to be earned.									
26	Contracts <R50 000.00 per annum can be signed by Justice Centre Executive without vetting by the Corporate Legal Section. All other contracts >R50 000.00 per annum to be vetted by the Corporate Legal Unit before sign off									
27	The contracts of the Impact Litigation Unit are to be prepared/be vetted by the Impact Litigation Unit and signed as per the Approval Framework.									
28	Where the payments in terms of the proposed contract are over not more than 36 months and fall within the budget in respect of current financial year and/or the MTEF. An exception is made in respect of leases of immovable property where a maximum duration of 60 months is permitted and only the first 36 months fall within the budget in respect of current financial year and/or the MTEF. Where a contract continues over more than one financial year and where the payments vary during the duration of the contract, the aggregate expenditure in the financial year in which payments are highest will determine the authority level required for approval.									
29	All authority as per this column is reserved for the Board, unless otherwise specified as delegated to Board Exco, It is further noted that as per Clause 3.1 of the approved Board Exco Charter - "The Exco is conferred with all the powers conferred upon the Board by the Legal Aid Act No. 22 of 1969 that may be delegated and the Exco shall be responsible for: <ul style="list-style-type: none"> • ... • ... • decisions on any matter requiring decision by the Board between Board meetings:" 									
30	On 24 November 2007 the Board adopted the following Resolution: "Having noted the provisions of section 56 of the Public Finance Management Act, 1999, in its capacity as accounting authority in terms of section 49 of the Act, the Board hereby delegates to the Chief Executive Officer of the Legal Aid Board all of the powers entrusted or delegated to the accounting authority in terms of the Act including the Treasury Regulations under the Act, without limitations or conditions and with the power of substitution. In doing so the Board notes that it is not divested of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. The Board furthermore notes that it may confirm, vary or revoke any decision taken by the Chief Executive Officer as a result of this delegation, subject to any rights that may have become vested as a consequence of the decision."									
31	Delegation to the COO and NOE shall be in accordance with the functions each is responsible for ie all delegated authority to the COO will be for those functions and executives reporting to him/her and all delegated authority to the NOE shall be for those functions and executives reporting to him/her; It is noted that this delegation is not interchangeable ie The COO shall not have authority to approve matters relating to functions that are the responsibility of the NOE and vice versa.									
32	Matters of discipline in this regard exclude, verbal and written warnings.									X
33	In matters, which in the view of the CEO, need urgent and immediate action and wherein any delay in actioning the disciplinary proceedings will compromise the interests of Legal Aid South Africa, the CEO may act after consulting with the chairperson of the Board. The matter to be reported to the Board Exco by email as well at its next meeting. An example will be, and without limitation, suspension of an executive due to an allegation of fraud.									X

ANNEXURE A

On 24 November 2006 the Board adopted a resolution delegating the authority to litigate on behalf of the Legal Aid Board to the Chief Executive Officer and the Corporate Services Executive. Although that resolution is no longer duplicated in this Approval Framework it remains in force.