

**CAPRICORN COLLEGE
FOR
TECHNICAL, VOCATIONAL EDUCATION & TRAINING
ISO 9001:2008 CERTIFICATED**



ACCOUNTING RECORDS POLICY

**CENTRAL OFFICE
CAMPUSES:
POLOKWANE
SESHEGO
SENWABARWANA
RAMOKGOPA**

Policy Developed: 01/09/2020

**Approved by
Management: 25/09/2020**

**Approved by
Council: 30/03/202**

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1. Legislative framework and best practice regulations

Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance.

Sound records management implies that records are managed in terms of an organisational records management programme governed by an organisational records management policy.

Key principles contained in the following legislation were applied to develop this policy:

- a) CET Colleges Act No.16 of 2006, (as amended) (formerly the FET Act);
- b) Public Finance Management Act, 1999 (Act No 1 of 1999, as amended by Act 29 of 1999) (PFMA);
- c) National Treasury Regulations of March 2005;
- d) National Treasury Regulations Gazetted 30 November 2012;
- e) Records Management Policy Manual - National Archives and Records Service of South Africa;
- f) Constitution of the Republic of SA 1996 as amended by the Constitution Seventeenth Amendment Act of 2013;
- g) The National Archives and Records Service of South Africa Act (Act No 43 of 1996 as amended);
- h) The National Archives and Records Service of South Africa Regulations;
- i) Promotion of Access to Information Act (Act No 2 of 2000); and
- j) Electronic Communications and Transactions Act (Act No 25 of 2002).

2. Definitions, Acronyms and Abbreviations

For the purpose of this policy, unless the context indicates otherwise, the following definitions, acronyms and abbreviations are set out for the terms indicated:

- 2.1 "Accounting Officer" – is the College Principal.
- 2.2 "Act" – is the CET Colleges Act No.16 of 2006, as amended.
- 2.3 "Batch Replacement Voucher" – placeholder for documents that have been removed from a file and contains relevant information to trace and recover the document.
- 2.4 "CET"- is Continuing Education and Training.
- 2.5 "College" – is a Public TVET College, (formerly known as a FET College).
- 2.6 "Council" – is the College Council as defined in the CET Act.
- 2.7 "Department"; "DHET" – is the Department of Higher Education, Science and Technology.
- 2.8 "Exco" – is the Executive Committee of the College.
- 2.9 "Finco" – is the Finance sub-committee of Council
- 2.10 "TVET"- Technical and Vocational Education and Training.
- 2.11 "File plan" - A pre-determined classification plan by which records are filed and/or electronically indexed to facilitate efficient retrieval and disposal of records
- 2.12 "Filing system" - The collective noun for a storage system (like files, boxes, shelves or electronic applications and storage systems) in which records are stored in a systematic manner according to a file plan

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- 2.13 "Folder" - An organised arrangement of records on the same subject accumulated in chronological order within the same cover/container
- 2.14 "Functional subject file plan" - A pre-determined logical, systematic and hierarchical structure based on business' functions that are then used to determine subject groups and subjects according to which records are filed and/or electronically indexed.
- 2.15 "File reference" - A unique identifier for a file. This can be a numerical, alphanumerical or alphabetical identifier. It is used to link a record to its specific subject file and subject grouping

3. Scope

3.1 This policy addresses all aspects of the identification, security, safe custody, disposal and retrieval of records and applies to all accounting records (including electronic records) of the College encompassing financial, human resource, student records, policies and procedures, minutes of meetings, property valuations, legal, ownership and title which must consist of authentic and verifiable source documents.

3.2 This policy also applies to all those who:

- a) create accounting records including electronic records;
- b) have access to accounting records;
- c) have any other responsibilities for accounting records, for example storage and maintenance responsibilities; and
- d) have management responsibility for staff engaged in any of these activities; or manage, or have design input into, information technology infrastructure used in the generation and storage of accounting records.

4. General principles

- 4.1 The College should implement and maintain sound records management practices. To ensure that records management receives the attention it deserves, it should be a strategic objective in the strategic and business plans. The College must ensure that there is budget for the records management function and that the necessary financial, human and technological resources are allocated to support the records management function.
- 4.2 In terms of Section 13 of the National Archives and Records Service of South Africa Act, 1996 the College should manage its records in a well-structured record keeping system, and put the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of the Act.
- 4.3 The record management system must define the filing system, file plan and file reference system which are to be used to organize records in a logical and systematic manner to ensure ease of retrieval of accounting records
- 4.4 A batch replacement voucher should be used to ensure that documents removed from files can easily be traced and recovered.
- 4.5 The Record management system must control the content, storage and volume of records which reduces vulnerability to legal challenge or financial loss and promotes best value in terms of human and space resources through greater coordination of information and storage systems.

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- 4.6 The Deputy Principal: Finance must ensure that the College has implemented the required IT systems to ensure that the accounting records of the College are stored securely and only authorised personnel enabled to access these records.
- 4.7 The Treasury Regulations, Regulation 17(2) to the PFMA states that accounting officers must retain all financial information in its original form as follows:
- a) Information relating to one financial year – should be retained for one year after the audit report for the relevant financial year has been tabled in Parliament.
 - b) Information relating to more than one financial year – should be retained for one year after the audit report for the last of the financial years to which the information relates.
- 4.8 It is recommended that the above original records be stored on-site for ease of access.
- 4.9 At the end of these periods, the information may be stored in an alternative form (eg. electronic form) that still ensures the integrity and reliability of the information.
- 4.10 The PFMA provides guidelines for the retention period for accounting records after the initial periods referred to in para 4.7. As a rule, where records cannot be separated, the longest period will be applicable. Refer Para 5.
- 4.11 At the end of the retention period, accounting records may only be disposed of once the College Council and the Accounting Officer have approved the destruction thereof, and the provisions of paragraph 4.12 have been considered.
- 4.12 The National Archives Act requires public and non-public records with enduring value for use by the public and the State, or documents of national significance to be preserved. The College must therefore consider whether any of the accounting records have enduring value and needs to be held indefinitely.
- 4.13 The Deputy Principal: Finance should appoint a custodian, in writing, to manage the implementation and adherence to the accounting records policy. The custodian should ensure that he/she is familiar with the relevant statutory requirements and College responsibilities attached thereto and ensure that the College policy remains in line with statutory requirements.
- 4.14 Appropriate physical facilities must be made available for the safeguarding of accounting records.
- 4.15 The area and/or room where accounting records are kept, should conform to the following security standards and requirements:
- 4.15.1 accounting records shall be stored in a fire resistant area /or room;
 - 4.15.2 access to the facility where accounting records are kept, shall be controlled;
 - 4.15.3 the facility where records are kept shall be locked in the absence of the custodian appointed to safeguard accounting records;
 - 4.15.4 a register must be maintained, by the custodian, to control the flow of source documentation to and from the facility;
 - 4.15.5 accounting records must be filed neatly in the appropriate manner;
 - 4.15.6 records that are subject to a retention period and do not fall within the ambit of para 4.12, may be destroyed after expiry of the prescribed retention period. The date of destruction is to be calculated from the date of the last entry, on condition that, before the destruction of the records, it is certified that any questions by the appointed auditors have been answered in full;
 - 4.15.7 records that may be destroyed are to be disposed of in an appropriate manner that is compliant with municipal and/or government regulations; and
 - 4.15.8 a specific person is to be designated, in writing, to supervise the collection and removal of the records.
 - 4.15.9 Accounting system should be backed up and should also be backed up offsite.

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5. Availability of financial information

- 5.1 The Deputy Principal: Finance must, subject to the provisions of Para 4.7 above, ensure the retention of all financial information in its original form, relating to one financial year – for at least one year after the audit report has been tabled at the College Council meeting.
- 5.2 After the expiry of the above retention period, the information may, if required, be secured in an electronic form (particularly in the event of a change of information technology systems; refer paragraph 6) that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law.
- 5.3 Irrespective of paragraph 5.1, but subject to paragraph 4.12. the following standards apply to the retention of certain types of record-

No.	TYPE OF RECORD	Years after which records can be disposed
5.3.1	General ledger and cash books.	15
5.3.2	Main transactions summary records, including general journals and transaction summaries.	10
	Internal and external audit reports and management letters.	
	Annual Financial Statements and Annual Reports.	
	Approved Budgets and Operational Plans	
	Minutes of Finco meetings and Audit Committee meetings.	
	Information system appraisals	
5.3.3	Primary evidentiary records, including but not limited to purchase requisitions, approved purchase orders and delivery notes; payment requisitions, salary and wage reports, EFT payments or cheques, invoices and similar records associated with the receipt or payment of money.	5
	All bursary application forms and approved Schedule of Particulars (SOP's). NSFAS claim and payment letters and schedules. NSFAS list of Rejections	
	Payment arrangements and debit order instructions.	
	Subsidiary ledger (debtors, creditors, fixed assets register), including inventory records and other records relating to assets no longer held or liabilities that have been discharged.	
	Minutes of Tender Adjudication meetings and tender award letters and all supporting documents relating to the tender.	
	Contracts register and all physical contracts including revenue and expense	

No:	TYPE OF RECORD	Years after which records can be disposed
	contracts. Period measured from expiration date of contract.	
5.3.4	Supplementary accounting records, including, for example, cash register strips, bank statements and time sheets.	5
5.3.5	General and incidental source documents not included above, including stock issue and receivable notes, copies of official orders (other than copies for substantiating payments or unperformed contracts), bank deposit books and post registers.	5
5.3.6	Any documentation related to the establishment of the College and the acquisition of land and buildings.	Indefinite

- 5.4 When financial information is required as evidence in court proceedings, an official enquiry or otherwise, or for purposes of an audit, it must be secured in its then current form until no longer required.

6. Changes to Information Technology Systems

- 6.1 The Accounting Officer may amend existing or institute new information technology systems such as a document management system that will enhance the financial administration without the prior approval of the College Council, but must advise Finco of the amendments. The implementation or replacement of the official accounting software package of the College requires prior Council approval.
- 6.2 Notwithstanding paragraph 6.1, if this arrangement will alter the accuracy of the financial reporting or records, then approval must be sought and obtained from the College Council.

7. Approval of Accounting Records Policy

This policy is effective from the date on which it is approved by the Council.

8. Availability of Accounting Records Policy

A copy of this policy and other relevant documentation is available on the College website and will be communicated to all incumbent staff.

9. Annual review of the policy

This policy will be subject to an annual review by College management and Council to ensure its relevance.

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