CWP IMPLEMENTATION POLICY

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APPROVED BY

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ABBREVIATIONS AND ACRONYMS

CBO	Community-based organisation
COID	Compensation for Occupational Injuries and Diseases
CRDP	Comprehensive Rural Development Programme
CWP	Community Work Programme
DCOG	Department of Cooperative Governance
DDM	District Development Model
DM	District Municipality
EPWP	Expanded Public Works Programme
FTE	Full-time equivalent
IA	Implementing Agent
ID	Identification document
IDP	Integrated Development Plan
IMS	Integrated Management System
IP	Implementing Partner
LED	Local economic development
LM	Local Municipality
LRC	Local Reference Committee
MIS	Management Information Systems
MoU	Memorandum of Understanding
NGO	Non-governmental organisation
PPE	Personal protective equipment
SETA	Sectoral Education and Training Authority
SLA	Service Level Agreement
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WBS	Web-based system

GLOSSARY OF TERMS

Anchor activity	A core Community Work Programme activity that is standard, recurrent and labour-intensive, e.g. food security support, urban renewal activities, environmental programmes, support to schools, etc.
Implementing Agent	An entity appointed by DCOG to manage aspects of the implementation of the Community Work Programme at selected sites.
Integrated Development Plan	A strategic development plan that guides the planning, management, investment, development and implementation decisions of a municipality.
District Development Model	The DDM is an operational model for improving cooperative governance aimed at building a capable, ethical and developmental State.
DDM One Plan	One District, One Budget, One Plan - The big commitments by all three spheres of government that will drive changes required to advance socio-economic transformation at district level.
Local Development Forums	Structures created to mobilise the efforts of community participants / organisations to address local development Issues.
Local Reference Committee	An advisory and oversight committee for Community Work Programme implementation, consisting of representatives from civil society, the Municipality, relevant sector departments; Ward Committee/s; the Implementing Agent; community development workers; traditional leaders, and the Site Manager
Site	A selected local area in which the Community Work Programme is implemented, usually at a ward level in a municipality.
Ward Committee	A structure created to assist the democratically elected representative of a ward (the councillor) to carry out her/his mandate. Ward committee members are members of the community representing a variety of interests within the community and the ward
Useful Work Activity	Work that contributes to the public good, community good, or social services.
Work Opportunity	Paid work created for an individual for any period of time. The same person can participate in different CWP or EPWP projects and each period of work will be counted as a work opportunity.

1. INTRODUCTION

1.1 Purpose, scope of application and authorisation

Purpose: The purpose of this policy is to regulate the implementation of the CWP. The policy gives effect to the policy intent and the norms and standards contained in the CWP Policy Framework *(The CWP Policy Framework is currently being consulted with CWP stakeholders. The norms and standards contained in Annexure A to this policy will apply until the Policy Framework has been approved).*

Scope of application: This policy replaces all previous policies, manuals and directives related to the design and implementation of the CWP. The Department of Cooperative Governance (the Department), Implementing Agents (IAs) and all other role players in the implementation of the CWP must comply with this policy and all procedures and guidelines issued in terms of this policy.

Authorisation: The CWP Implementation Policy is approved by the Director General of the Department of Cooperative Governance. Unless otherwise indicated or delegated, deviations from the provisions contained in the Policy must be approved by the Director General of DCOG. The Deputy Director General: Community Work Programme (or as delegated) must develop and implement relevant procedures and guidelines to ensure effective and efficient implementation of this policy.

1.2 Objectives of the CWP

The primary purpose of the CWP is to create access to a minimum level of regular and predictable work opportunities for those who need them, targeting areas of high levels of poverty and unemployment, where sustainable alternatives are limited and likely to remain so for the foreseeable future. In this process, the CWP aims to achieve the following:

- **Predictable basic income:** Create access to a minimum level of regular and predictable work opportunities for the unemployed and/or underemployed, including those whose livelihood activities are insufficient to lift them out of poverty.
- **Employment safety net:** Provide an employment safety net, recognising that sustainable employment solutions will take time, and will reach the most marginalised last.
- **Skills enhancement**: Strengthen the economic 'agency' of people in poor areas by enhancing skills through work experience and appropriate training.
- **Public Assets and Services**: Contribute to the development, provision and maintenance of public assets and services in poor communities;
- **Community Development**: Strengthen community development approaches that enhance security, dignity, and social and economic inclusion.

The CWP is a priority programme for the Department, and it is the Department's intention to treat Provinces, Municipalities and IAs as partners in delivery. The Department will be working proactively with all stakeholders to continue to develop and improve on this first version of the CWP Implementation Policy.

2. CWP ROLE PLAYERS

The successful implementation of the CWP is dependant on the following key role players:

2.1 CWP Branch

At the national level, the CWP is managed by DCOG through its CWP Branch. The CWP Branch is responsible for the overall management of the CWP, i.e., implementing the programme in terms of the agreed goals and targets and within the allocated budget. The CWP Branch is further tasked with the development and continuous improvement of a CWP Implementation Policy.

- Facilitate and support CWP implementation in all provinces;
- Oversee and coordinate the implementation of the CWP with regard to the provision and maintenance of work opportunities;
- Manage accountability through contract management of implementing agents and implementing partners and ensure compliance;
- Ensure establishment and functionality of CWP national and provincial coordination efforts, as well as local advisory structures;
- Facilitate, coordinate and monitor public participation through CWP;
- Coordinate and monitor CWP site inception, implementation and management;
- Manage finances, procurement, and payment of CWP participants;
- Ensure effective and efficient administration through appropriate systems;
- Review and update CWP policies through research, and implement innovations;
- Establish partnerships and perform stakeholder liaison for CWP;
- Coordinate and design capacity building and training offered to CWP participants;
- Align CWP strategic and operational planning and budgeting processes;
- Implement CWP performance monitoring, evaluation and reporting systems;
- Implement the CWP Communication strategy through publications and brand management;
- Advise all stakeholders (Municipalities; LRCs and Provincial DCOGs) about planned upscaling and downscaling of certain sites; and
- Undertake the process of new site identification and selection.

2.2 Provincial Administrations

The CWP provincial support function is generally allocated to the department responsible for local government. The main functions of the provincial department responsible for local government include:
- Support the establishment and functionality of Local Reference Committees in Local Municipalities and at community level;
- Support oversight and monitoring of site implementation through visits and regular meetings; and
- Support the facilitation of co-funding arrangements and other resources for the expansion of the programme.

2.3 Local government

Municipalities (local, district and metros) are crucial to the success of CWP at any site. Municipalities generally initiate the Local Reference Committees through a Council Resolution that supports the CWP, and recognises the LRC as a structure that coordinates, in an advisory capacity, the CWP in a local area.

The municipality is also responsible for ensuring that the Implementing Partner/Agent is supported to implement the CWP in an effective and efficient manner in the local area. It further ensures that the CWP Site Business Plans considers ward plans and Integrated Development Plans and DDM One Plans. The synergy between Site Business Plans and ward plans, DDM One Plans and the IDP priorities will ensure greater impact and sustainability of the CWP.

It is the responsibility of the local sphere of government to:

- Develop and adopt a council resolution on formal support of the CWP in the municipal area, and to initiate the Local Reference Committee;
- Support and participate in an advisory capacity in the efforts of the Local Reference Committee to ensure effective and optimal functioning;
- Facilitate alignment of CWP useful work and training to the relevant ward plans, IDPs, DDM One Plans and SDBIPs where appropriate;
- Monitor the CWP and provide oversight;
- Support local partnership development for co- resourcing, and improve useful work outputs;
- Update indigent registers with a view to making them reliable, credible and current. (If credible, the indigent register should be one of the primary sources for recruiting participants);
- Ensure that ward committees and municipal officials participate in the LRC and the CWP; and
- Maintain records and retain minutes of all meetings held in the execution of the above roles and responsibilities, to ensure the transparency of these processes.

2.4   Implementing Partners

Implementing Partners are responsible for managing the Community Work Programme, excluding payments to participant in line with specific pre-determined programme parameters, including training and related support. An Implementing Partner can be any national or provincial government department, local of district municipality, government agency or entity as well as any other group or organisation that can support the implementation of the CWP on a not-for-profit basis.

2.5   Implementing Agents

Implementing Agents are responsible for managing the Community Work Programme, excluding payments to participants. They are appointed on a contract basis for a fixed period and are responsible for specified aspects of the implementation of the CWP at a site level. This includes site consultation, the determination of useful work and training needs as well as overall site management. IA functions include:

- Implement the CWP at approved sites in accordance with the applicable laws, regulations, policies and procedures:
- Sustain and/or expand participation levels at existing sites in order to achieve the total work-day targets and participation rates. Ensure that all participants complete the baseline registration forms and that daily registers are updated. Enrol qualifying participants on the applicable system(s).
- Establish/strengthen CWP Local Reference Committees at all sites in accordance with the procedures for the establishment and Terms of Reference for these committees involving the provinces, municipalities and all stakeholders in this process. Provide secretariat services to LRCs.
- Interface with beneficiary communities and relevant municipalities and departments responsible for local government,
- Develop annual site business plans following consultation with Local Reference Committees, communities, municipalities and provincial departments responsible for local government. This would include useful work, procurement plans and training plans. These are to be updated regularly, as necessary.
- Procure, distribute and keep safe protective gear/clothing, equipment, tools and consumables necessary for participants to perform the useful work at each CWP site. Conduct all procurement in accordance with a system which is fair, equitable, transparent, competitive and cost-effective and in compliance with all applicable laws, regulations, policies and prescripts
- Prepare training plans taking into consideration the useful work projects identified in Site business plans and the participants' skills profiles and facilitating the training of participants to equip them with the required skills and capacity to do CWP useful work

- Ensure, through the Local Reference Committees, that Useful Work is operational and benefits the community.
- Provide necessary technical support to the site to ensure standardised systems for registers, baseline forms, asset registers, task management and work organization management,
- Provide a financial and narrative reports on CWP site implementation progress to DCOG within the prescribed periods.
- Facilitate, manage and monitor financial and non-financial performance (including training and useful work activities) of CWP sites assigned to the IA and report thereon.
- Maintain adequate site records for all CWP sites and ensure that these records are available for inspection by the DCOG or the provincial departments responsible for Local Government (this includes original receipts and copies of invoices).
- Ensure compliance with the Ministerial Determination on conditions of work in the Expanded Public Works Programme, as well as other statutory requirements, such as UIF and COID, where applicable.
- Keep and update registers of all stock, equipment, tools and assets per site and ensure that consumables and asset registers are available for inspection by DCOG or auditors. Ensure that all site records and all documents related to the CWP are kept safe and that such records and documents are available and easily retrievable for inspection at all times and for audit purposes.
- Participate in periodic performance and compliance assessments undertaken by the Department and implement all interventions identified by the Department and report on progress within agreed time frames;

2.6   Local Reference Committees

Local Reference Committees are community-based development forums which are intended to support the CWP in the ward(s) it is implemented in. The Local Reference Committee should generally be initiated through a Municipal Council Resolution that supports the CWP in its locality and recognises that the local advisory structure for the CWP is the Local Reference Committee (LRC).

3. CWP BUDGET AND ACCOUNTING POLICIES

3.1 Introduction

The management of public funds in South Africa is governed by the provisions of the Public Finance Management Act of 1999 (PFMA) and associated Treasury Regulations and Treasury Instructions. It requires that all public funds can only be used for the purposes assigned to them as voted by Parliament, and that the use of these resources must be "effective, efficient, economical and transparent". The responsibility for ensuring this vest with accounting officers of departments, who have a range of responsibilities relating to the proper use of funds in the procurement and utilisation of goods and services, the employment and compensation of personnel, and the proper management of public funds.

In the case of the CWP, expenditure from the Department disbursements to the IA is classified as goods and services. The IA itself is dispensing public funds on behalf of the Department and thus its financial activities must be above reproach so as to avoid any adverse findings being made against the Department.

As such it is a CWP requirement that the IA keep a separate set of accounts and records for each site it implements, and that site accounts and records be kept separate from the IA's own accounts. Standard accounting packages (such as Accpac or Sage) are acceptable for this purpose and the record keeping as prescribed in this document is applicable.

This policy sets out the requirements of IAs to ensure PFMA compliance and good governance. To the extent that IAs are unable to comply with these requirements, financial penalties may be applied, conditions may be imposed on future disbursements, and, in the extreme, the SLA may be terminated. Proper management of disbursed funds means that IAs must:

- maintain a sound, reliable system of financial management based on the **principles of modified cash-based accounting.**
- implement compliant **procurement processes** that minimise costs of complementary inputs.
- manage consumables, tools, equipment and assets to **minimise losses** as a result of breakage, loss or theft.
- **maintain accurate records of all transactions**, as well as for the management of all assets and equipment.
- ensure an **annual audit** by external auditors.

The SLA sets out the IA's responsibility for financial management and the responsible use of public funds. These responsibilities are discussed in more detail throughout this implementation policy.

3.2 CWP Budget Allocation

The total budget allocated to the CWP programme per financial year (1 April to 31 March) will be determined by the Department. This budget framework has been designed for simplicity and to facilitate programme implementation of the CWP.

Typically, 2.5% of the overall appropriated budget will be allocated to DCOG Head Office costs, including salaries of staff in the CWP Branch; development and maintenance of electronic payment and integrated monitoring and management systems; staff travel costs; banking fees; and other DCOG Head Office operational costs related to the implementation of the CWP.

A key resourcing norm for the Community Work Programme is that the programme must maintain a 75% labour intensity at site level. This means that at least 75% of the total site budget must be dedicated and paid out in wages to participants. The remaining 25% of the budget must fund all other site costs, which will primarily consist of protective work gear; tools, equipment and consumables; training and capacity building at community level and the management fee of the Implementing Agent.

The overall budget allocated to the CWP as well as the budget allocated to each of the Main Items and to each Province is approved by the Director General. The budget allocated for the implementing of the CWP at each site and in each province will be determined by the Department and will be communicated in writing to the IA. The budget allocated per site will consist of the following three Main Items:

Main Item A: Wages to be paid to Participants and COID/UIF contributions related to Participants.
- A1: Wages to be paid directly by the Department to registered and valid CWP participants. Wages are based on the actual valid and verified hours worked per registered participant as facilitated by the IA or directly by DCOG.
- A2: COID and UIF to be paid on behalf of participants, either paid directly by the Department or paid by the IA and refunded by the Department.

Main Item B: Agreed expenditure (based on approved Site Business Plans) on goods / services as follows:
- B1: Protective gear and clothing for participants.
- B2: Tools, equipment and consumables required by participants to perform useful work.
- B3: Training of participants.
- B4: Technical support.

Main item C: Project management fees.

The following variances are allowed on overall annual expenditure:
a. Expenditure per Main Item per site: 5%
b. Expenditure on any of the sub-items B1 to B4 per site: 5%
c. Overall expenditure on Main Item A at all sites allocated to IA in a Province: 2%
d. Overall expenditure on Main Item B at all sites allocated to IA in a Province: 2%

The Department will pay the IA a fixed once-off fee not exceeding R20,000.00 for taking over an existing site and R30,000.00 for establishing a new site. The budget allocated to Technical Support will be utilised for such once-off fixed fees.

3.3   Determination of Site Budgets

The SLAs entered into between DCOG and IAs will indicate the Sites allocated to each IA.

3.3.1   Budget allocation letters

Budget Allocation Letters, derived from total budget allocations approved by the Accounting Officer, will be issued to each IA. Budget allocation letters must indicate the target number of participants (number of work opportunities) envisaged at each Site. The main and sub-components of the budget allocated to each site is a function of the target number of participants.

Non-wage budgets will cover essential complementary inputs required to conduct useful work (Main Item B). The non-wage component of the budget also includes the project management fee (Main Item C - a variable percentage of wage and non-wage costs as indicated in IA SLAs and appointment letters) which covers the IA's operational costs.

While it is expected that wages (and therefore the quantum of useful work performed) will be reasonably uniform and predictable across the life-span of the project, there is no requirement that expenditure on tools, equipment, training or protective gear will be equally uniform. It is to be expected that some goods will be purchased in bulk and/or only periodically. Budgets (and expenditure) should reflect this.

Within these broad parameters, it is DCOG's intention to provide IAs with as much latitude as possible in managing sites and programmes, and, as far as possible, to assist IAs to overcome any challenges as they arise. In this regard, DCOG expects to revise its systems periodically and to supplement them with further guidance as and when this is necessary. Guideline prices on commonly used complementary inputs may, for example, be issued to IAs where appropriate.

3.3.2 Site Business Plans and Budgets

IAs are required to complete a Site Business Plan to be approved by DCOG for each site. Site Business Plans will define the portfolio of useful work for which the IA will use CWP participants. This, in turn, will determine the nature and quantity of the complementary inputs that need to be procured for the project, as well as the timing of such procurement.

> **Section 4**
> CWP Sites

3.3.3 Budget for wage costs (Main Item A)

Funds for the paying of wages will not be disbursed to IAs as the actual payments will be made by DCOG directly to participants. IAs' responsibilities for the paying of wages to participants is confined to the validation and registration of participants, the gathering of their banking details, and the maintenance and timeous provision of accurate attendance/participation registers. It is expected that sites will provide steady, predictable work for participants, so budgets should project reasonably consistent monthly wage expenditure.

> **Section 5**
> Participant registration and wages

3.3.4 Budget for goods and services (Main Item B)

The apportioning of non-wage costs will be finalised during the process of compiling site plans and budgets, these must cover four major categories of spending:

- **B1:** Protective gear / clothing such overalls, hats, work boots, safety bibs, etc.

> **Section 6**
> Procurement

- **B2:** Equipment, tools and consumables such as shovels and forks, paint brushes, brooms, shears, brush cutters, seeds and seedlings, books, etc.
- **B3:** Training.
- **B4:** Technical support

> **Section 7**
> Assets Management

Budgets for non-wage costs need to specify:

- the quantum of goods/services to be procured to give effect to the site plan
- indicative costs per item
- the time-profile over which they will be procured.

All budgets for goods and services must be inclusive of VAT.

3.3.5 Budget for project management overheads (Main Item C)

Project management fees shall be utilised by the IA for all overheads and operational expenses related to the implementation of the CWP as specified in this SLA and the CWP Implementation Policy, including but not limited to:

- All IA staff costs (including remuneration of site staff such as site managers and administrators).
- All operational expenses and overheads, including communication and travel costs for IA personnel and site staff.
- Site level infrastructure and systems.
- Establishment and maintenance of a site office (including rent).
- Collection, verification and capturing of participant time sheets.
- the costs of conducting an external audit each year.
- Any other costs not specifically and explicitly provided for in terms of the SLA or this Policy.

> **Section 8**
> Project Management, Monitoring and reporting

As long as project management costs are within budget, DCOG will not require IAs to submit supporting documentation justifying this expenditure in the course of the monthly disbursement process (although all records in this regard must be maintained for spot-check and audit purposes).

All budgets for project management fees must be inclusive of VAT.

3.4 Cash-flow projections and Prepayments / Advances

3.4.1 Drawing Schedule

After site budgets are approved, IAs must compile site cash-flow projections that set out the monthly financial needs for each site with line items for budget items B1 to B4. Supporting documentation must disaggregate financial needs into the commonly used categories that align with definitions of spending items used in government's standard chart of accounts, and which will be provided to IAs by DCOG.

Site-level cash-flow projections must be consolidated into a **Drawings Schedule** that indicates the total procurement funding requirements per IA per month and per quarter. Disbursements to IAs will be based on the consolidated Drawing Schedule.

Drawings for the last quarter of the financial year or the last quarter of a contract period may not exceed 15% of allocated budget.

It is expected that IAs will remain on plan and on budget for the majority of the time, and that **quarterly requests for disbursements** will be in line with the provisions of the budget and Drawings Schedule. Adjustments to cash-flow projections and Drawings Schedules can be considered on a quarterly basis. Requests for disbursements will be considered based on the following criteria:

- Actual expenditure to date.
- IA performance against set performance indicators.
- Funding requirements indicated in Drawings Schedules.

3.4.2 Prepayments and Advances

In order for the disbursement of funds to be affected on a regular basis, the IA must submit a series of **financial and non-financial reports** to DCOG as stipulated in this Policy. These will reflect both the quantum of the work performed by participants, levels of expenditure on wages and non-wage costs, as well as any committed spending that has not yet been affected.

Requests for disbursements must reflect the needs of all sites managed by an IA, but only a single payment will be made to each IA. This will be deposited into a **bank account that is used exclusively for the CWP project**. The IA will be responsible for apportioning funds to the needs of all the sites it manages, and for maintaining site-level budgets and financial records.

Disbursed funds must be effectively, efficiently, economically and transparently managed by the IA. CWP funds can be used only for activities identified in Site Business Plans and under no circumstances can these be used for any other purpose. All goods and equipment purchased for the project are owned by the DCOG and can be used only for the implementation of the CWP.

Quarterly disbursements (Prepayments/Advances) to be made during the first month of a quarter will be calculated as follows:

- Funds required for the quarter (based on the Drawings Schedule) less unutilised funds from previous quarters.
- A maximum of 5% of unspent quarterly disbursements may be rolled over to the next quarter.

The Department may revert to monthly disbursement instead of quarterly disbursements where deemed appropriate.

Invoices related to expenditure in a particular quarter must reach the Department at least five business days before the end of the quarter, with the following exceptions:

- Q3 invoices must reach the Department on or before 10 December (or the next business day if this falls on a weekend or public holiday).
- Q4 invoices must reach the Department on or before the 10th business day of March.

Accruals from one financial year to the next must be avoided as far as possible.

The Department reserves the right to exclude invoices submitted late from the PM Fee calculation base.

Quarterly advances to IAs may not exceed approved Drawings Schedules, less 95% of previously unspent advances.

3.5 Accounting and financial management systems

IAs are expected to run a system of modified cash-based accounting (rather than accrual accounting). This system aligns more closely with government's system. The core principle of cash accounting is that income and expenditure is recorded only when payment associated with a transaction is received or made.

Cash-based accounting implies that no provision is made for depreciation, bad debts or other accounting concepts that are used in accrual systems, so budgets and expenditure statements cannot reflect these. In order to ensure that a complete picture of projects/sites financial position is available, it is necessary to supplement records of transactions for which monies have been received and paid, with a "commitments register" in which IAs record transactions that are in process but in relation to which monies have not yet flowed. This would include, for example, a purchase order for goods and services that have not yet been delivered (assuming payment is made after delivery).

IAs are responsible for ensuring that proper internal controls are in place to ensure the efficient, effective, economical and transparent use of resources – financial and non-financial – in pursuit of the objectives of the CWP. These controls must:

- Ensure that procurement is efficient, transparent and competitive.
- Ensure separation of duties, with proper checks and balances, along with appropriate sign-off procedures for all transactions.
- Ensure proper control of project expenditure to prevent irregular and fruitless and/or wasteful expenditure
- Minimise errors
- Prevent fraud and theft
- Safeguard project assets and consumables.
- Ensure the accuracy and completeness of financial records for reporting and auditing.

3.5.1   Project bank account

It is a requirement that IAs open a bank account to be used exclusively for CWP activities and which is segregated from any other funding flows into or out of the IA. This requirement exists to ensure that all income and expenditure is recorded in one place to facilitate easy reporting, monitoring and auditing. IAs are required to provide a confirmation letter to DCOG to the effect that they have opened a dedicated project account for the purposes of CWP activities and the details thereof.

All project expenses must be paid for from the bank account on the basis of invoiced costs, with payments effected through EFTs. Cash payments for amounts less that R2,000.00 are permitted only in exceptional circumstances and should be avoided. The IA has sole and exclusive responsibility for ensuring that petty cash is properly managed.

Disbursements from the project bank account to other accounts managed by the IA are not permitted (except for Project Management Fees).

Under no circumstances are ATM or credit cards to be issued for the project bank account.

3.5.2   Apportioning funds and costs to individual sites

Although only one bank account is to be used for all sites being managed by the IA, IAs are responsible for ensuring that accurate financial records exist for each project site. In order to give effect to this requirement, every disbursement from DCOG to the project bank account must be followed by an internal process of apportioning funds to individual site budgets.

Financial records must also reflect all expenditure out of the account against the relevant site budgets. Where IAs purchase goods or services centrally, they must apportion the costs between sites to reflect how these goods and services are used by each site, and purchase orders and delivery notes should reflect the distribution of goods to sites.

DCOG will provide IAs with guidance on the government coding of standard, commonly procured items so that this can align with the standard chart of accounts used across government. This will provide the basis for standardised reporting of non-wage expenditure across all sites and all provinces.

3.6   Financial record-keeping

IAs are responsible for maintaining comprehensive and accurate financial records relating to all income and expenditure for every site. Where expenditure is managed centrally, spending should be apportioned to sites in a reasonable, justifiable and transparent way. Records are required primarily for audit purposes. Records that are to be maintained include:
- All bank statements
- All records of deposits and withdrawals from the designated IA CWP bank account.
- All invoices and bank records relating to payments effected in relation to the CWP.

- Complete records relating to the procurement of all goods and services.
- Certificates explaining why any petty cash transactions might have been entered into.

Detailed record keeping and financial records in respect of all assets is required. Asset registers must be retained for both major and minor assets including a record of the current status of the asset. In the event that the asset is no longer fit for purpose an explanation of what happened must be provided.

Record keeping would include how the asset was procured and used while major and minor assets must each be reflected as a line item in the IA audited annual financial statements which record how DCOG disbursements to the IA for the CWP have been used.

3.7 Financial year-end and auditing

At the conclusion of each financial year (as well at the end of the contract period), a process of review and planning will be undertaken to set out the goals and budgets for the following financial year. An annual audit will also be concluded at the end of each financial year.

The purpose of the year-end review and planning process is to revisit targets for useful work at all sites to assess their realism, and to make any adjustments that might be needed based on changed circumstances. The outcome of the process is a series of agreed documents:
- New Site Business Plans
- New site budgets
- New drawings schedules
- A request for disbursement for the first month of the subsequent year based on the above.

IAs must ensure that annual audits of all sites are conducted at the conclusion of each financial year. Proof that independent external auditors have been appointed must be provided to DCOG as part of the SLA process.

The audit is intended to verify all project financial statements provided to DCOG and must be concluded by 31 July of each year. Non-compliance with this will lead to the automatic withholding of future disbursements.

Audit objectives are:
- To verify all financial statements of the project and assessing whether project accounts are a true and fair reflection of its financial performance. This necessitates the examination of project bank accounts and all other financial reports, as well as of their underlying documents and records. Expenditure should also be assessed against initial and amended budgets to assess whether it departed from intention uses defined in site plans.
- To verify project performance data against underlying documentation.
- To verify that all transactions have been properly recorded and reported.
- The compliance of the IA with all commitments in the SLA.
- To verify that the IA maintains sound internal controls, appropriate financial information systems, and management processes.
- To verify that asset and equipment registers are comprehensive and accurate.

Auditors are to be granted access to any and all documentation that they require to achieve these objectives, including internal policy documents, minutes of meetings, original source documentation, correspondence with suppliers, correspondence with DCOG and any other relevant audit information.

Should an external audit generate queries or qualifications, IAs are required to provide comprehensive responses to those findings.

3.8   Management Information System

The Department has developed and implemented a centralised Management Information System with the primary function to enrol participants, capture monthly time sheets and facilitate payment to participants of valid wages. A separate guide and manual detailing the method of access and use of the CWP MIS will be issued to IAs.

4. CWP SITES

4.1 Introduction

CWP sited are identified by the Department in consultation with Provinces and Local Government structures. A CWP site requires the formal support of the relevant local government structures as a condition of recognition as part of the CWP. Formal partnerships with local government through Ward Committees and **Local Reference Committees** (or other local government-approved development forums) are essential in identifying **Useful Work** and appropriate **Training** for each site.

Broad consultation is required to align Useful Work and Training to ward plans, Integrated Development Plans (IDPs) and DDM One Plans where appropriate, at Site and District level. The CWP's quick turnaround from decision-making to implementation means the CWP can contribute to strengthening community participation and energising these structures. Institutionalising these relationships appropriately is therefore vital.

Ward Committee structures and CDWs are important mechanisms designed to institutionalise participatory decision-making and budgeting at the local level, and the emphasis should be on strengthening these, rather than setting up parallel mechanisms. The CWP can contribute to doing so by using and aligning with these structures and by providing supplementary capacity at the local level – in a way that does not place an extra burden on local government.

Community development workers play a key linkage role in most sites, and the importance of growing this relationship should not be understated.

4.2 LRCs and Community consultation

The groundwork leading up to the formation and maintenance thereafter of the LRC is the joint responsibility of the various role players, including the Implementing Agent. Local Reference Committees may be constituted from:
- Local community leaders;
- Ward committee members;
- Traditional leaders;
- Representatives of CBOs, NGOs and faith-based organisations;
- Government representatives;
- CWP Implementing Agents, and other relevant stakeholders.

LRCs are community, not political structures, and should not be biased towards or prejudiced against any local formations. LRCs must ensure that the participants and the CWP are served, irrespective of the political or religious affiliations of CWP participants or potential participants.

LRCs are advisory committees. They provide input into the development and implementation of Site Business Plans, link the CWP to the community, ensure that useful work benefits the community and generally provide local level oversight. LRCs also guide the method of selection of participants and may monitor the implementation thereof.

LRCs need to ensure that the local community is informed of CWP developments on an ongoing basis. Since LRCs have many members representing various structures, it is expected that members will report back to their structures following each meeting.

LRCs should meet on a quarterly basis to provide support and oversight to the CWP. They should constitute themselves through formal acceptance of Terms of Reference, which dictates that annual elections are held to elect a Chairperson and a Secretary, whose role is to convene and coordinate the LRC.

Although the CWP is not prescriptive about the kinds of community development approaches used, effective local consultation and the use of participatory methods is required, and innovation in this area is encouraged.

The functioning of the Local Reference Committee, effective and efficient community development and participatory approaches and support to ward committees must be central to the role that Implementing Agents play. Implementing Agents will also be expected to contribute to the CWP national discourse, and to consultations on community development options.

4.3 IA Site management functions

The IA is responsible for the following functional areas at a site level.

Function	Description
Participants	• Recruiting and registering participants in consultation with the Local Reference Committee or another locally recognized and accepted governance structure in the absence of the LRC • Ensuring that participants understand the systems and procedures of CWP;
Coordination / supervision	• Facilitating the implementation of the CWP in various sub-sites; • Planning of daily activities, and allocating tasks to participants; • Monitoring tasks and outputs of work undertaken by the CWP participants. • Checking the daily work attendance register, signing it and handing it over to the Wage Clerk for capturing.
Training	• Implementing training plans • Providing technical support
Procurement	• Procuring consumables and assets required or site implementation.
Storekeeping	• Receiving deliveries of tools, materials and equipment • Keeping records of tools and materials allocated to each site; • Registering losses or breakages and reporting them to the person responsible for managing the site assets; • Issuing assets and consumables required for work activities and keeping relevant registers • Conducting regular verification of assets and consumables
Reporting	• Generating narrative reports for each sub-site and submitting them to the Site Manager; • Compiling narrative, financial and output reports, and other relevant reports.

4.4 Site Establishment

4.4.1 Inception process

Procedures for site inception will vary with the specific circumstances of each site –its physical location, local institutional capacities and dynamics, the level of community cohesion and organisation, etc. – and with the management arrangements and approaches of each IA. However, they must always involve the processes of local consultation and the forging of the institutional partnerships previously described.

On identification of a possible new site, DCOG will liaise with the relevant Provincial Department and Municipality in order to enlist their support and cooperation, beginning with the site inception phase. In the ensuing consultative process, it is essential that the Implementing Agent recognise local authority and follow established protocol.

Site inception involves all three spheres of government and the IA. Generally, the site inception process lasts for three months and should include the following steps:

	Description	Activities	Outputs / Verification
1	Consult with local stakeholders and secure their support, commitment and involvement	• Identify areas of implementation and partners in the programme, and agree on the wards and sub-wards where the CWP will operate. • Brief other stakeholders (Council, Mayoral Committee, etc.) about the CWP and confirm that the areas/wards identified meet the CWP site criteria related to poverty and unemployment. • Hold meetings or workshops for councillors and relevant officials in order to discuss the steps for CWP inception; to identify key people to be involved in the inception process; and to set up schedules, timetables and agendas.	• Resolution passed by local council or mayoral committee approving inception of CWP. • Identification of local actors able to participate in LRC. • Minutes / Reports of consultative engagements
2	Establish a local Reference Committee for the site	• Identification of local actors able to participate in LRC • Resolution passed by local council or mayoral committee approving inception of CWP.	Minutes / Reports of consultative engagements
3	Establish and initiate mechanisms through which the CWP will consult the community, directly and through the LRC	Facilitate an information gathering exercise to identify: • Local role-players and capacity, that could be mobilised to support the CWP at local level; • The level of skills and training required; and • Needs and opportunities, in order to inform the CWP Site Business Plan	A record of the process and its outcomes is reflected in the Site Business Plan.
4	Review local plans	Consult Ward Plans, Integrated Development Plans and District Development Model One-Plans	Site Business Plan aligned to local priorities
5	Work with the Local Reference Committee	• Brief the community and workers on the programme; • Identify work activities, which must be reflected in the site business plan, including anchor activities relevant to the site; • Develop administrative and other capacities for the LRC to become a key local advisory and approval structure for the CWP; • Ensure that good working relations with the programme are established; • Ensure that accountability and transparency is strictly observed; • Ensure that relevant representatives and leaders are active participants.	A record of the process and its outcomes is reflected in the Site Business Plan.

4.4.2 Site operations

	Description	Activities	Outputs / Verification
1	Identify participants	Together with the Local Reference Committee, identify participants that fit in with CWP set criteria; • A clear and transparent recruitment and selection prioritisation policy is agreed with the LRC, to achieve this outcome. • Participant numbers and demographics reflect approved targets. • Contract and register the participants, ensuring that all have active bank accounts, and that they are registered for UIF and COID; • Compliance with all registration requirements in this Policy. • Capture participant on CWP MIS and submit documents to the CWP Data Centre.	Approval by LRC, reflected in LRC minutes Registered participants
2	Prepare a comprehensive Site Business Plan	Prepare a comprehensive Site Business Plan based on the activities identified, ensuring that it is feasible and within the budget; that it conforms to a labour intensity ratio of at least 75%; and that activities meet the 'useful work' criteria.	Site Business Plan
3	Work Plans	Develop detailed work plans aligned to Site Business Plans and establish work groups to implement work plans.	Work Plans
4	Site-level infrastructure and systems are in place	• A site level office is established • IA staff are appointed • Administrative systems are in place	Site report compiled by IA
5	Operationalise Site	• Procure tools and materials, and allocate participants to tasks and Work Groups as per work plan; • Induct participants and initiate work tasks. • Assign participants to work groups	Quarterly reports

4.4.3 Site Staff

Implementing Agents must appoint suitably qualified site staff to support the implementation of the CWP at site level. Site staff are appointed on contract by the IA and is remunerated from Project Management Fees. The following minimum requirements are recommended:

Site Managers:
- Minimum qualifications: Grade 12 (tertiary qualification will be an advantage)
- Minimum working experience: 2 years

Minimum salary for Site Managers: R6,000.00

Site Administrators:
- Minimum qualifications: Grade 12 (tertiary qualification will be an advantage)
- Minimum working experience: None

Minimum salary for Site Administrators: R4,500.00

Demographic targets for site staff:

- Youth (35 years or younger): 55%
- Women: 50%
- Persons with disabilities: 2%

Site staff for a particular site must be recruited from the municipality or district where the site is located. A ratio of site staff to participants of 1:500 is recommended.

When taking over existing sites, IAs should consider retaining existing site staff for at least one month to ensure continuity.

4.4.4 Handover of existing sites

When handing over existing sites, outgoing IAs must ensure that incoming IAs are inducted and that all the above are in place. IAs must comply with site hand-over procedures as determined by the Department.

4.5 Site Business Plans

A Site Business Plan must be developed for each Site:

- Site Business Plans for new sites must be submitted to DCOG within 60 calendar days of being granted approval to establish a new site.
- Existing Site Business Plans must be reviewed annually and must be submitted to DCOG for approval at least 30 calendar days before each new financial year.

Implementing Agents, in consultation with LRCs and other relevant stakeholders, must develop draft Site Business Plans and submit these to the CWP Branch. The CWP Branch will assist with the evaluation and refinement of draft plans. Each Site Business Plan must conform to the CWP Norms and Standards, must reflect local development priorities and must demonstrate the support and commitment of the Municipality.

Site Business Plans must establish some resonance and congruence with ward and municipal plans. The desired close relationship between the site and municipal plans would ensure that any opportunity to improve and make "useful work" more relevant, would not be lost. DCOG must develop a template for Site Business Plans which shall include:

- Recommendations emanating from LRC meetings and other community consultations.
- Summary of key priorities emanating from local and district plans.
- A work plan for the implementation of at least five different forms of 'useful work' identified in the consultation process.
- Target number of participants (as determined by DCOG)
- A procurement plan relevant to the work plan.
- A training plan.
- A technical support plan.
- Cash-flow projections.

Subject to the approval of the Site Business Plan by the LRC and DCOG and the approval of the Site Budget by DCOG, the IA shall operationalise the site by commencing work and implementing the Site Business Plan.

4.6 Understanding "useful work"

The work undertaken in a Community Work Programme (CWP) site has to be 'useful work', i.e. work that is labour intensive and contributes to the public good, community good, or social services. The definition is intentionally wide to allow scope for local initiatives to respond to specific local needs, and to include a diverse range of activities.

Identifying enough genuinely useful work to keep the target number of participants busy for the allowable number of days each month takes initiative and good project management. It is not expected that any single activity can absorb a sufficient number of Participants , and consequently the CWP has to focus on a number of diverse and multi-sectoral activities, straddling social, environmental, cultural, infrastructure and maintenance initiatives, as well as other activities designed to stimulate economic activity.

4.6.1   Useful Work examples

Examples of labour-intensive useful work undertaken at CWP sites include the following:

- Maintenance of feeder roads;
- Donga repair;
- Spring protection;
- Building water tanks;
- Fixing classrooms, with authorisation and cooperation from DBE;
- Developing and maintaining productive food gardens (household and community);
- Planting trees;
- Environmental clean-ups;
- Home- and community-based care work;
- Caring for orphans and vulnerable children;
- Supporting Early Childhood Development
- Providing labour to maintain food security for vulnerable households;
- Running sports activities or homework classes at schools;
- Organising community sports events;
- Holding community arts and culture activities (e.g. craftwork, organising drama groups, researching the community's social history);
- Initiating community policing and patrols, and responding to social challenges such as reducing violence against women (converted to 'work' by providing street guards in rape hotspots, or cutting the long grass adjacent to pathways, for example);
- Supporting local governance, planning and research and relevant national campaigns.

4.6.2   Anchor activities

While the ability of the CWP to respond to ideas and initiatives at local level is important, it has become clear that sustaining this scale of work requires a set of anchor programmes with a core of standard, recurrent, labour- intensive activities. The following have emerged as the most common sets of anchor activities:

	Title	Description
1	Food and Nutrition Security support	This straddles the provision of labour support to HIV/AIDS affected households, orphans and vulnerable children, child-headed households, and people with disabilities. It also includes the development of community gardens and infrastructure, with local-level forms of training and extension support provided through the CWP.
2	Informal settlement upgrading/urban renewal activities	This excludes bulk infrastructure, focusing instead on some of the 'softer' aspects: tree planting, establishment of infrastructure for food-gardens/ allotments, paving, and water harvesting infra- structure, murals and installations in public spaces, landscaping of public spaces, and clearing and cleaning.
3	Environmental programmes	Through cooperation agreements the CWP is able to assist other agencies with 'greening' initiatives, afforestation, erosion control, and other environmental services.
4	Support to schools	School governing bodies are approached and requested to identify where the CWP may provide services such as supervision of homework classes and sports activities, labour for school-based food gardens and other support activities
5	Miscellaneous maintenance tasks	This includes services like painting, fencing repair, grass cutting and drain clearance, which tend otherwise to be neglected by local government in marginal areas, in favour of larger bulk service-delivery challenges.
6	Home-based care and auxiliary care services	This includes cooking and cleaning in vulnerable households, care programmes for orphans and child- headed households, and after-school programmes.

4.7 Training

The successful implementation of Site Business Plans requires well-capacitated local teams with a sound understanding of the CWP, and of their respective functions and roles within it. Implementing Agents should assess training needs and arrange to provide the necessary training to enable and empower such teams.

IAs are also encouraged to develop training programmes that strive to establish links with training institutions and opportunities to enable participants to access further training, and to assist participants in identifying possible career paths available to them beyond the CWP.

Given the nature and ambit of CWP training there is no requirement that training courses must be SAQA accredited.

4.7.1 Induction

The IA should conduct induction training for all site management staff and participants immediately after recruitment. The training / induction should be designed to enable local project management to understand all processes in the CWP and launch the work immediately upon completion. Community development workers and other municipal officials could be invited to attend the induction training, to ensure that they also understand the CWP.

Function	Description
CWP Background	- Background of the CWP; - The purpose of the CWP; - CWP Norms and Standards; - What kind of work is done in the CWP and how is work decided - The weekly planning cycle; - How does the CWP relate to local priorities - How does the CWP avoid duplication in relation to existing programmes - How is the CWP managed. - CWP governance structures - Local management structure - The CWP Local Reference Committee: function, composition, roles and responsibilities. - Code of conduct and applicable legislation
Understanding your community	- What is a community. What is the history of your community. - Resources in the community; - What is your role in your community - Do you like your community, and if so, why? - What are the problems in your community, and what should be done about them? - Community development approaches, including community participation.
Management	- Time management; - Listening skills; - The value of work

4.7.2 On-the job-training

At each site, IA staff supervise and mentor local project management, by providing ongoing on-the- job training, depending on the respective needs and capability levels of local management. Coordinators and Safety Officers should undergo accredited and updated training in health and safety.

Strong partnerships should be sought with local government to ensure that there is adequate opportunity and technical expertise to source relevant and practical skills training.

The training of site managers, administrators, coordinators and supervisors must be prioritised. Every participant should also be provided with guidance relevant to the task(s) s/he is contracted to perform. Sites should also seek to provide various life skills courses for participants. All sites should aim in particular to 'career-path' coordinators / supervisors, with training and mentoring provided by site managers and facilitators/administrators in line with participants' interests and capabilities.

4.7.3 Training opportunities through EPWP

The Department of Labour has an extensive catalogue of training opportunities which are available to the CWP through the Expanded Public Works Programme (EPWP). These opportunities can be accessed to address the capacity needs of local site management and implementation staff in particular, but also those of CWP work coordinators and participants when appropriate.

The courses range from 1 day to 4 months in duration and cover a wide range of categories of skills and industries, such as:
- Project Management for Community Development; Human Resources Management; Community Development Practitioner;
- Basic Management; Computerised Bookkeeping; General Office Practice;
- Procurement of Materials, Tools and Equipment; Stock Control and Storekeeping;
- Principles of Supervision; First Aid;
- HIV Counselling; Child Care; Home-Based Care;
- Food Gardens, Vegetable Cultivation; Environment Life Skills; Combat Soil Erosion;
- Bricklaying and Plastering; Brickmaking; Rural Pipelaying and Maintenance; Construction of Gravel Road Surface.

4.7.4 Overview of training responsibilities and processes

The overall roles and responsibilities in providing training opportunities to participants are set out in the table below.

Roles	Responsibility
Establish skills levels of participants through a questionnaire or during the registration process to ascertain the available skills and skills shortages	IAs
Identify training needs (needs analysis)	IAs
Develop a Training Plan	IAs
Inputs to the Training Plan by the LRCs as part of the Site Business Plan and it should also appear in the Procurement Plan	LRC
Draft training requisition and submit to DCOG National for both internal/ in-house as well as outsourced training	IAs
Approval of training plan and requisition	DCOG
Appoint Service Provider	IAs and DCOG representative
Draw a training roll out plan with the identified service provider	IAs
Service provider conducts training and draft training report	Service provider
Submit training reports with portfolio of evidence within 5 working days after training	IAs

4.7.5   Training processes

The CWP processes associated with the provision of training at CWP sites is as follows:

- DCOG, Municipalities and IAs to develop the CWP Training Framework and review it from time to time to guide CWP training.
- DCOG to determine and communicate annually the training budget per site.
- IAs establish skills levels of participants through a questionnaire (skills audit) to ascertain the available skills and skills shortages.
- Lists all identified training needs and classify them into either accredited or non-accredited courses.
- Non-Accredited training: This refers to courses that are not credit bearing and not aligned to National Qualification Framework (NQF). Information on the course need to be checked and verified with the training provider.
- IAs develop a Training Plan as part of the Site Business Plans.
- LRCs in each CWP site to endorse the Training Plans.
- Contracts to be signed between the IA and Training Providers.
- Training Monitoring – DCOG and municipalities through the LRCs will monitor training together with IAs.
- The Service provider writes a report which is consolidated by the IAs and submitted to LRCs and to DCOG.
- Training Reports to be accompanied by the following documents:
    o Attendance registers
    o Signed training plan
    o Training manual or course pack
    o Evaluation forms.
    o Certificates of attendance
    o Pictures
- At the end of training, IAs must do the following:
    o Submit evidence of Training to the CWP Branch in the form of training reports, registers and invoices with correct supporting documents stipulated above within five working days after the implementation of training.
    o Capture training details on to the Management Information System (MIS).
- Training Evaluation: The following evaluations to be conducted as M&E exercise through the use of questionnaires.
    o On-Training Evaluation
    o Post Training Evaluation
- The following will be evaluated:
    o Overall impression of the course by the learners.
    o The practicality of the course to the workplace environment.
    o The overall facilitation of the course.
    o Logistical arrangements.

4.8   Technical Support

The Technical Support budget (B4) is intended to support useful work and training activities and is primarily utilised for the payment of honoraria to specialists and professionals contracted to support the development and implementation of Site Business Plans. Unless otherwise approved by the DDG: CWP, only the following may be paid from the Technical Support Budget:

4.8.1 Contracting of specialists / professionals

Technical support generally include:
- Providing technical assistance in relation to CWP norms and standards, and monitor adherence to the implementation policy;
- Facilitating technical support in relation to standards and benchmarks for sectoral work, straddling, inter alia, home based care, environmental work, minor infrastructure provision, food security, etc.;
- Pilot, develop, advance and document community development approaches for CWP.

Specialists and professionals can be contracted directly and must meet the following minimum criteria:
- A bachelors degree or similar NQF level 7 qualification.
- At least 5 years' experience in the required area of specialisation.
- Must be a South African citizen unless approved otherwise by DCOG.
- May not be an IA staff member or a member of the board of the IA.

The direct contracting of technical experts or professionals (without following the prescribed procurement procedures) are allowed on condition that the total honorarium to be paid will not exceed R10,000 for a particular assignment or a particular month and will not exceed R50,000 in any financial year.

Expenditure claims for technical experts/professionals must include the following:
- Appointment letter, clearly stipulating the nature and duration of support required.
- Copies of CV, qualifications and SA ID document.
- Assessment report signed by an IA staff member, indicating the work completed by the expert/professional.

4.8.2 LRC meetings

The Technical Support budget may be used to cover reasonable costs related to quarterly meetings of LRCs. The following expenses are permitted:
- Transport costs for members the LRCs up to R75 per person on average for meeting.
- Meals/refreshments for LRC meetings up to R100 per person.
- Venue hire (National Treasury limits apply).

Expenditure claims for LRC meetings must be submitted as one IA invoice per LRC meeting and must include:
- Meeting Agenda.
- Signed attendance register.
- Expenses cost summary.
- Signed cash receipts where transport / meal / refreshments were paid in cash.
- Invoice and proof of payment for venue hire.
- All other invoices and proof of payments and related procurement documentation.

The procurement of venues and catering must comply with the prescripts contained in this Policy.

4.8.3 Travel expenses for Participants and Supervisors to attend meetings

The Technical Support budget may be used to cover reasonable travel expenses for participants and supervisors to attend monthly site management meetings. The following expenses are permitted:
- Transport costs up to R75 per person on average for meeting.

Expenditure claims for site management meetings must include the following:
- Receipts singed by participants/supervisors for cash disbursements
- Receipts signed by transport providers for cash disbursements
- Proof of payment were paid via EFT

4.9 Safety and emergency action plans

IAs must ensure that the following are in place for each site

Function	Description / Tasks
Safety	• Ensure that health and safety standards are adhered to by all work teams and by every coordinator and participant; • Conduct a baseline risk assessment and prepare an emergency action plan of all CWP work at the site; • Maintain the site's first aid kits and ensuring that every work team has a full kit on site; • Report all work-related accidents or injuries to the Site Manager; • Provide all coordinators with basic first aid training and ensuring that at least one person per work site is able to administer basic first aid; • Arrange any health and safety training, as may be required.
Emergency Action Plan	• Hazard assessment • Communication systems • Emergency services • On-site emergency personnel • Emergency procedures • Evacuation procedures • Emergency checklist • Education and training • Other useful considerations

5. PARTICIPANT RECRUITMENT, REGISTRATION AND WAGES

5.1 Overview

The Ministerial Determination by the Minister of Employment and Labour sets out the conditions of employment for participants in Expanded Public Works Programmes (EPWP) – such as the CWP. The following provisions of the Basic Conditions of Employment Act are listed as not applicable to EPWP:

- Overtime rate;
- Remuneration required for meal intervals of longer than 75 minutes;
- Notice of termination;
- Severance pay; and
- Sectoral determinations.

The Ministerial Determination sets forth special provisions in place of the above exclusions, covering areas like working hours, leave entitlement, payment, and health and safety.

The Code of Good Practice does not impose any legal obligation in respect of employment and work conditions, but gives useful guidance on key legal provisions in relevant legislation.
Employers in EPWPs must comply with relevant legislation such as the -

- Basic Conditions of Employment Act 75 of 1997
- Labour Relations Act 66 of 1995
- Employment Equity Act 55 of 1998
- Occupational Health and Safety Act 85 of 1993
- Compensation for Occupational Injuries and Diseases Act 130 of 1993
- Unemployment Insurance Act 63 of 2001
- Skills Development Act of 1998.

5.2 Recruitment

The recruitment of CWP Participants is the responsibility of the IA in consultation with and as directed by the LRC and must be undertaken on a fair and transparent basis. Where possible local indigent registers will be used but if such registers are not accurate then any other equitable process may be used provided that it is targeted at indigent participants and no political or other bias is introduced.

Eligibility requirements for CWP participation are outlined in the CWP Policy Framework.

The roles and responsibilities with respect to the recruitment of CWP participants are set out below.

Roles	Responsibility
• Determine total number of participants to be recruited in a CWP site. • Stipulates Criteria for participants' identification. • Verify and approve participants captured on the MIS.	DCOG
Identifies participants based on stipulated criteria as well as target demographics.	LRC
• Facilitate the registration of recruited participants by filling in registration documents. • Capture prospective Participants on to the MIS • Submission of all original registration documents to DCOG for approval. • Allocation of approved participants to work groups and assignment of supervisors. • Induction of new CWP participants.	IA

5.3 Registration

Each prospective participant must complete the applicable CWP Participant Registration Form and submit:

- a completed and signed registration form and Participation Agreement.
- a copy of his/her identity document (certified copies not required).
- Proof of banking details (issued by a registered South African Bank).

The registration form must contain the terms and conditions of participation in the Community Work Programme (CWP Participation Agreement). CWP Participant registration remains valid unless a participant is de-registered as provided for in this Policy.

Should a participant wish to utilise the bank account of another person, the following additional documents must be submitted:

- A copy of the identity document of the account holder.
- Written permission from the account holder for the participant to utilise the bank account.

The person capturing participant details on the CWP MIS and the person approving registration may not be the same person.

Prior to registering a participant on the CWP MIS, the IA must verify the public service employment status of the participant at http://www.dpsa.gov.za/psearch/. The registration of a participant with a government employee number must be approved by the CWP Data Centre.

Once the required validation processes have been completed, the status of the participant will be indicated as "Active" on the CWP MIS.

The DDG: CWP must approve detailed participant registration procedures, manuals and forms.

Where there is a change in Implementing Agents at a particular site, all rights and obligations of the Implementing Agent that signed a CWP Participation Agreement, or a CWP Work Contract will automatically transfer to the newly appointed Implementing Agent.

5.4 Allocation to workgroups and CWP Work Contracts

Only "Active" participants may be allocated to work groups.

Before a participant can be allocated to a work group, he/she must sign a CWP Work Contract. The Work Contract must be signed each time a participant is assigned to a new Work Group and must be renewed at least annually.

The CWP Work Contract must contain the following details:

- The IAs name and address and the name of the site or project;
- The tasks or jobs that the participant will be required to perform;
- The period for which the participant is hired, or the expected duration of the contract (not exceeding 1 year);
- The applicable daily wage rate
- The maximum allowable days to be worked per month and per year.

The IA must ensure that these terms are also verbally explained in a suitable language to any participant who is unable to read the statement.

Work Contracts must be retained for a minimum period of 3 years.

5.5   Wage Payments

The CWP operates a cashless payment system (EFTs) in order to eliminate the dangers inherent in the transportation and disbursement of large amounts of cash and to ensure that there is proper payment documentation and audit control. DCOG will assist with challenges, blockages and communication with banks, if needed.

The wage (stipend) component of site implementation is paid directly by DCOG to participants using electronic payments. IAs are required to facilitate this process by providing supporting documentation to DCOG as evidence of the useful work performed during a given payment period.

Site payments are undertaken at a workgroup level. Participants are required to sign in and out on a work group register (time sheet) on a daily basis. The work group register will cover possible workday allocations per participant per pay period. Site administrators or other delegated IA staff are responsible for the initial capturing with site managers providing oversight and countersigning.

The number of days per participant are loaded onto the MIS and supporting documentation is uploaded onto the MIS Portal by IAs. DCOG must verify the number of days captured against the time sheets and at the same time conduct an analysis of signature presence and validity.

The IA monthly narrative reporting must contain information as to, inter alia, the useful work activities undertaken at a site level in the relevant time period and can be cross-referenced during the validation process if required. Once the information has been verified the payments per work group are triggered. If errors are found the IA must resolve queries in the shortest possible time frame to avoid late payments. All valid monthly wages must be paid on or before the last working day of each month.

The specific steps in the work process will vary with each site (in response to issues like community organisation and priorities, availability of banking facilities in the area, etc.), and with the institutional arrangements of each IA. The detailed steps to be followed are contained in the MIS Manual.

All checks, reviews and approvals should be signed and dated by the persons who performed them, as evidence that the work was done in a timely manner, and reviewed for accuracy, completeness and validity, before it is finally submitted to effect payment.

All documents required to affect payments to participants must be retained for at least three years for external verification purposes. Where emails are used to express approval for payments, these emails must be retained to ensure transparency and accountability.

The following will be regarded as dismissible offenses. Any person found guilty of committing these offenses must be dismissed and may not be employed by any IA and may not participate in the CWP programme for a period of 5 years:

- Submitting time sheets for a deceased participant (days worked by a participant prior to passing on must however be submitted and captured).
- Capturing days worked for a deceased participant after the date he/she passed on.
- Falsification of timesheets.

- Allowing anyone other than the participant to sigh his/her time sheet or signing a time sheet on behalf of another participant.
- Negligence resulting in missing time sheets and participant contracts.

Failure by an Implementing Agent to comply with these requirements will be regarded as a material breach of contract.

5.6   CWP conditions of work

5.6.1   Hours of work

An IA may not set tasks or hours of work that require a participant to work:
- more than forty hours a week;
- more than five days a week;
- more than eight hours a day, including breaks
- CWP participants should work for 8 hours a day.

Participants must be given a meal break of at least thirty minutes after no more than five hours worked. Every participant is entitled to a daily rest period of at least twelve consecutive hours and a weekly rest period of two days.

Participants are not generally expected to work on Sundays and public holidays. Participants may be required to work on Sundays and public holidays only to perform emergency or security work.

5.6.2   Leave and Absenteeism

Matters relating to leave and absenteeism will be dealt with in accordance with the current Ministerial Determination made in terms of the Basic Conditions of Employment Act for the EPWP.

The CWP allows/encourages participants to temporarily leave the programme for other work opportunities. Commonly these work opportunities are seasonal such as fruit picking and are predictable. IAs should encourage participants to fill in leave forms prior to temporarily leaving their CWP site.

A participant, if advanced notice in writing is submitted, can engage in another work opportunity for up to six months. If a participant leaves the programme without advanced written notification, the participant will have to join the queue again when returning to the site.

5.6.3   Pay frequency and documentation

- All wages must be paid monthly on or before the last working day of the month;
- Participants must be provided with a written participation slip which sets out the period for which payment is made, the number of days worked, the participant's earnings, any deductions made, and the actual amount to be paid to the participant;
- If a participant's participation is ended, DCOG must pay all moneys owed to the participant within one month of the termination;
- Neither the IA nor DCOG may deduct money from a participant's payment unless this is required in terms of a law;

5.6.4   Health and safety

Key health and safety principles include:
- The IA is required to do everything that is reasonably practicable to ensure the health and safety of persons working on a CWP site;

- Participants are required to perform their duties in a manner that does not endanger their health or safety, or that of other persons;
- Behaviour that endangers the health and safety of others is a serious disciplinary offence, for which a participant can be dismissed;

The IA must:
- Ensure that all Participants are informed and trained in respect of any risks and dangers associated with their tasks, and the precautions that must be taken to avoid or minimise those risks;
- Not permit participants to perform tasks for which they have not been trained;
- Provide participants with the necessary protective clothing and equipment – such as hard hats, goggles, ear-plugs and boots – to complete their tasks in safety;
- Provide First Aid Kits on site;
- Ensure that at least one person per site is trained to act as a First Aid Officer and that that person is capable of providing First Aid to injured or ill participants;
- Provide sufficient clean drinking water and adequate sanitation to all participants.

Participants must:
- Obey all safety rules and instructions;
- Wear all protective clothing issued;
- Report any accident or near-miss incident, or any dangerous conduct by another participant, to he IA Site Manager and/or delegated person.

IAs must take particular care to ensure participants with a disability, pregnant workers or workers who are breast-feeding do not perform work that may endanger their health and safety, or that of their child.

5.6.5   Compensation for Occupational Injuries and Diseases (COID)

It is the responsibility of the IAs to arrange for all participants to be covered in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993. The IA must annually obtain an assessment from the Compensation Commission. DCOG will advance funds to the IA to pay the assessed amount and will clear the advance once proof of payment to the Compensation Commission has been received from the IA.

The IA must report all incidents and accident within 7 days, and disease within 14 days, to the Compensation Commissioner.

5.6.6   Disciplinary and grievance procedures

The following principles must be adhered to in respect of disciplinary and grievance procedures:
- Every EPWP must have a disciplinary code and a grievance procedure. These procedures will apply to all persons employed in the EPWP.
- When exercising their powers of discipline and dismissal, IAs should make use of the Code of Good Practice: Dismissal (Schedule 8 to the Labour Relations Act 66 of 1995) as a guideline.
- An IA may only dismiss a participant if there is a good reason for the dismissal and if a fair procedure is followed.
- Good reasons for dismissal or termination may include the participant's misconduct (e.g. late coming, drunkenness); the participant's capacity (inability to perform a job despite receiving training); or failure to attend required training without good reasons.
- A fair procedure means that the IA should investigate the charge; notify the participant of any allegations against her/him; and give the participant an opportunity to respond to the allegations.

- It is important that an IA informs participants of workplace rules and standards, as workers may only be disciplined for contravening rules and standards of which they should reasonably have been aware.
- IAs may take action against Participants for poor work performance, but participants must have been informed of the standard of performance expected of them, and must be given a reasonable opportunity to improve, before a decision is taken to dismiss them.
- Disciplinary sanctions could include:
  - o Verbal warnings for minor offences, such as arriving at work late (only one verbal warning is required before moving on to written warnings).
  - o Written warnings for repeated minor offences or for more serious offences (e.g. drunkenness, fighting, and abusive behaviour, dangerous or negligent use of programme equipment or failure to attend training).
  - o Dismissal for serious offences that would make continued employment intolerable, even if the participant previously had a clean record (e.g. wilful damage to property, theft, fraud, assault, sexual harassment or endangering the health and safety of others).
- IAs must keep a written record of all disciplinary actions taken.
- A participant with a grievance should bring it to the attention of the IA. The IA must listen to the grievance and attempt to settle the matter by discussion. If this is not possible, the IA may conduct an investigation or inquiry.

5.6.7 Termination

The following principles apply to termination:
- The IA may terminate the employment of a participant for good cause after following a fair procedure. The worker will not receive severance pay on termination.
- A participant is not required to give notice to terminate employment. However, a participant who wishes to resign should advise the IA in advance to allow the IA to find a replacement.
- A participant who is absent for more than eight consecutive days without informing the IA will be deemed to have left the CWP, and should be deactivated on the MIS.
- On termination of employment, a participant is entitled to a certificate of service stating the participant's name, the name and address of the IA, the project on which the participant worked, the work performed by the participant , any training s/he received, and the period worked.

5.7 Retention of documents

IAs are required to retain documents for the following minimum periods

Document	Period
CWP Participant Registration Forms and all required supporting documents	3 years after the participant permanently exits the programme
Work Agreements	3 years
Time Sheets	5 years
Training attendance registers	3 Years

The IA must furnish the department with all documents requested for verification and audit purposes withing 3 business days. Failure to provide requested documents will be regarded as a material breach of contract.

Where missing or incomplete documents result in a material audit finding against DCOG, the minimum penalty to be imposed by DCOG shall be 100% of the retained portion of Project Management Fees for the financial year in question.

6. PROCUREMENT

6.1 Procurement overview

IAs are required to have procurement policies and processes in place that are aligned to the SLA and CWP Implementation Policy. The following general principles applies to all CWP procurement conducted by IAs:

6.1.1 Procurement prescripts

All procurement must comply with the provisions of the Public Finance Management Act (PFMA), National Treasury Regulations and Instruction Notes, the Preferential Procurement Policy Framework Act (PPPFA) and Regulations as well as Directives issued by DCOG.

IAs must comply with the same procurement prescripts that govern the public sector. As provided for in the PFMA as read together with associated National Treasury Regulations and practice notes, deviations from this rule must receive prior written approval from the DCOG CFO and/or National Treasury.

Government generally permits three types of procurement process:
- petty cash purchases,
- written price quotations, and
- competitive bidding (tenders)

The use of a procurement type depends on the financial value of the transaction. The following general principles will apply to all procurement by IAs:

- The procurement of goods and services must consider the provisions of Section 217 of the Constitution and must therefore be done in a manner that is equitable, transparent, competitive and cost-effective.
- Where possible, goods and services should be procured from local suppliers in the provinces and districts allocated to the IA. In this respect the use of local intermediaries is discouraged and if no local suppliers are readily available then the use of provincial or national suppliers is acceptable.
- Where possible, procurement should target local emerging micro-enterprises and small and medium-sized enterprises, in particular enterprises owned by women, youth and persons with disabilities.
- When requesting quotations, the specifications or terms of reference which form part of the requisition should be compiled in a manner which promotes competition and which does not favour a particular supplier or service provider.
- Where competitive price quotations are required in the procurement of goods or services, preference should normally be given to the supplier whose offer represents the best value for money.
- As a general rule, preference should be given to South African made quality products rather than cheap imports. However, in cases where savings could be justified, price should be the main consideration.

IAs must, on a rotational basis, procure goods and services from suppliers that are registered on the Central Suppliers Database (CSD) administered by National Treasury. IAs must, prior to issuing a purchase order to a supplier, verify on CSD that:
- The supplier is Tax compliant;
- None of the owners / directors of the supplier are employed by government; and
- The supplier is registered for VAT if charging VAT.

DCOG will facilitate access to CSD for up to 2 IA employees.

A printout of the CSD report for the supplier must be included in the procurement documentation to be submitted to DCOG. **The Department will under no circumstances reimburse the IA for any procurement from suppliers that do not meet the above minimum requirements.**

The DCOG CFO may implement additional requirements related to the pre-approval of specifications and approval of the award of bids by DCOG.

6.1.2 Conflict of interest and combatting corruption

IAs must maintain arms-length relationships between themselves and suppliers at all times. IAs must identify any transaction between the IA and any firm/individual owned or managed by someone who is a relative or friend of an employee of the IA. Any such transaction must receive prior written approval from the DCOG CFO. Where necessary, IAs should conduct due diligence enquiries into suppliers to ensure that there is an arms length relationship between them and employees/officials of the IA.

The following will be regarded as a material breach of the Service Level Agreement between the IA and the Department:

- Awarding of contracts to employees or direct family members of employees of the IA or board members of the IA.
- Manipulating procurement processes for the purposes of private or personal gain.
- Accepting any form of compensation (whether in cash or in kind) in exchange for or as a result of the awarding of contracts.

6.1.3 Record keeping

IAs must maintain comprehensive records of all procurement undertaken in implementing the CWP, including specifications/ToRs, requests for quotations/proposals, quotations, contracts, statements/invoices, payment records/deposit slips, and delivery notes. These must be maintained both at sites (where relevant) and at a central location and must be available for inspection by DCOG and auditors.

DCOG procedures and check-lists indicating the documents to be kept for records purposes must be complied with at all times.

6.1.4 Value for money

DCOG may provide IAs with guidelines relating to the costs of commonly used goods and equipment. When these guides are provided, it is expected that IAs will ensure that the procurement of goods for which guideline prices have been provided will conform to those guidelines.

The Department reserves the right to establish its own transversal contracts for certain categories of goods and services through an open tender process. Where such a transversal contract is in place, goods and services available through such a contract may not be procured through any other means (unless otherwise approved by the DCOG CFO).

Where DCOG already participates in a transversal contract arranged by National Treasury, goods and services available through such contract may not be procured through any other means (unless otherwise approved by the DCOG CFO).

6.2   Procurement thresholds

6.2.1   Procurement of goods and services below R2 000

Procurement in this band should take place as follows:

- Written specifications of the items/services required must be signed-off by the relevant authority as per the approved IA delegations of authority.
- The Implementing Agent must secure at least one written price quotation (the CSD requirement does not apply to this band)
- No assets or stock items may be procured utilizing this method.
- No splitting of services to fall within this threshold should be allowed.
- Where relevant DCOG's petty cash policy must be followed.

6.2.2   Procurement of goods and services from R2 000 up to R100 000

Procurement in this band should take place as follows:

- Written specifications for the required goods/services, signed-off by the relevant authority as per the approved IA delegations of authority.
- Three or more written quotations must be <u>obtained</u> from suppliers registered on the Central Supplier Database.
- Proof of all invitations to submit price quotations must be kept and attached to the claim.
- Evaluation criteria should normally be price-based, unless otherwise specifically provided for in the request for quotations.
- The 80/20 preference points systems as prescribed by the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Preferential Procurement Regulations, 2017 must be utilised for all procurement from R30,000.00.
- It less than three quotations are obtained or if the lowest quote is not chosen, a detailed motivation signed by a delegated IA official should be provided. The detailed motivation must be sent to DCOG for approval by the DCOG CFO prior to awarding the contract. DCOG must respond to the IA within 5 working days.

6.2.3   Procurement of goods and services above R100 000, less than R1 000 000

Procurement in this band should take place as follows:

- Written specifications for the required goods/services, signed-off by the relevant authority as per the approved IA delegations of authority and the DCOG CFO or delegated official. DCOG must respond within 3 working days to requests to approve specifications.
- Three more written quotations must be <u>obtained</u> from suppliers registered on the Central Supplier Database.
- Proof of all invitations to submit price quotations must be kept and attached to the claim.
- The award of the procurement must be approved in writing by the DCOG CFO or delegated official prior to communication with the successful supplier. DCOG must respond within 3 working days to requests to approve the award of contracts.
- Evaluation criteria should normally be price-based, unless otherwise specifically provided for in the request for quotation.
- The 80/20 preference points systems as prescribed by the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Preferential Procurement Regulations, 2017 must be utilised.
- It less than three quotations are obtained or if the lowest quote is not chosen, a detailed motivation signed by a delegated IA official should be provided. The detailed motivation must be sent to DCOG for approval by the DCOG CFO prior to awarding the contract. DCOG must respond to the IA within 5 working days.

6.2.4   Procurement of goods and services from R1 000 000

Procurement in this band should take place as follows:

- IA procurement from R1 000 000 is discouraged and may only take place after obtaining specific approval from the DCOG CFO or delegated official. DCOG must respond to the IA within 5 working days.
- A request for such approval must explain why the particular tender is required and detail the fair, equitable, transparent, competitive, cost effective and PFMA compliant process which it proposes to follow when issuing and awarding the tender. DCOG retains the right to refuse the request to allow the tender to proceed or may approve the proposed tender subject to any conditions which it deems prudent.

6.3   Receipt of goods

The following minimum requirements relate to the receipt of goods:

- Delivered goods should be thoroughly checked for quantity and quality. The person receiving the goods must compare the delivery note with the purchase requisition and invoice to ensure that the correct goods were received. Both the person receiving and the person delivering the goods should sign and date the delivery note as evidence that the goods were received in good order and in a timely manner.
- The person accepting delivery of goods must also sign and date copies of the purchase requisition and invoice, as evidence of the comparison done between the relevant supporting documentation.
- Delivery notes and invoices must list goods with details about respective sizes, prices, quantities and cost, with the total and VAT amount shown separately.

6.4   Procurement of training

The provision of training to CWP participants will generally comprise of the below listed categories. All procurement for training must be undertaken in accordance with the Site Business Plan and with the principles set out in this section.

- Acquisition of external (outsourced) training for Community Work Programme participants refers to any professional services in the form of training for CWP participants. This can be either accredited or non-accredited training.
- Acquisition of transport for CWP participants to enable them to attend organised training and or events.
- Acquisition of catering provided to participants during training and or organised events.
- Acquisition of venue hire to accommodate participants during organised training. According to current cost containment measures all Implementing Agents must consider venues where there are no financial implications.
- The Implementing Agent must ensure that all the required services are clearly indicated on the request. For example, request for training should clearly indicate all other services required such as transport and catering.
- In order to allow for the processing of training costs, the following procedures must be adhered to.
- Daily attendance registers signed by the participants who attended the training.
  - A training summary report (template to be provided by DCOG) must be compiled. This report must include the relevant delegate training resources or course pack and must include information:
  - The number of participants who were trained
  - The name of the service provider
  - The venue where the training was held
  - The duration of the training; and
  - The training material utilised for the training.

6.5 Goods and services expenditure claims

The Department will reimburse the IA (or will offset against advances) all valid expenditure incurred in relation to the implementation of the CWP. The term "valid expenditure" implies full compliance with the requirements stipulated herein and in other applicable policies and prescripts. All invalid expenditure will be for the account of the IA and my not be funded from CWP budgets.

Valid expenditure on goods and services must meet all the following minimum criteria:
- Goods / services were required for the implementation of the CWP as provided for in the applicable Site Business Plans and DCOG policies, procedures and directives.
- Goods / services were procured in full compliance with existing legislation, regulations, National Treasury instructions as well as applicable Departmental policies and procedures.
- The goods were delivered or services were rendered.
- Certification by the IA that goods were delivered / services were rendered.

The IA must invoice the Department for valid expenditure on goods and services. IA invoices must comply with the minimum requirements as stipulated by the Department, including but not limited to:
- A unique system generated IA invoice number;
- Invoice date;
- IA VAT Number;
- A detailed description of the goods or services procured;

The following **supporting documentation** must accompany all IA invoices for goods and services (excluding training):
- Part A:
  - Supplier invoice(s);
  - Signed delivery note for goods or written confirmation by the IA that services were rendered;
  - Proof of payment by the IA to the supplier.
  - For part payment: Breakdown and details of previous / future payments.
- Part B: All required procurement related documentation. The Department will develop separate checklists for different categories of goods and services and different procurement processes.

A single IA invoice must be generated for all expenses related to a particular training course. The following **supporting documentation** must accompany all IA invoices for training:
- Part A:
  - Detailed cost breakdown and summary.
  - Supplier invoices (training, venues, catering, transport etc.);
  - Signed delivery notes for goods or written confirmation by the IA that services were rendered;
  - Proof of payment by the IA to the suppliers.
  - Signed receipts for cash payments (goods/services procured below the R2,000 threshold).
- Part B: All required procurement related documentation. The Department will develop separate checklists for procurement of training.
- Part C: Training reports and documents:
  - Training summary report
  - Signed attendance registers for each day of training;

Expenditure claims for <u>travel for participants and supervisors</u> to attend monthly site management meetings must be submitted as follows:

- A single IA invoice for all meetings per month per province.
- A summary of total costs per site and per meeting.
- Required supporting documents per meeting.

The IA must submit invoices for valid expenditure as soon as possible but no later than 10 business days after payment was made to the supplier. Late invoices may be excluded from the amounts used to calculate project management fees. The Department will endeavour to process all valid IA invoices within 10 business days but no later than 30 calendar days.

6.6   Supplier performance

Implementing Agents should verify and assess the level of compliance by service providers to the terms and conditions of the SLA and must communicate identified deviations with affected service providers to resolve or agree on the solutions.

- IAs must indicate areas of improvement required from effected service providers and should indicate timeframes for improvement.
- IAs must monitor compliance by service providers with interventions agreed upon for an improved service.
- IAs must advise on service providers who should be restricted from doing business with the State. A report with detailed findings should be submitted to DCOG for consideration.

7. MANAGEMENT OF CONSUMABLES AND ASSETS

All consumables and assets acquired by IAs in the course of implementing the CWP belong to DCOG and can be used only for CWP business. Consumables and assets must be managed and controlled by the IA in a transparent and responsible manner and IAs must institute risk mitigation strategies to minimise losses of, and damage to, consumables and assets.

The storage and recording keeping of all consumables and assets are the responsibility of a local Storekeeper, recruited and trained under the CWP wages budget, and supervised by a member of the IAs Site Management team. The Storekeeper issues consumables and tools at the start of the workday and records their return at the end of the day, registering any losses or breakages and reporting them to her/ his supervisor. S/he is also responsible for conducting regular stock counts.

A designated member of the site management team should be responsible for carrying out regular and periodical physical inspections of consumables and assets, ensuring that registers are up to date and accurate.

All physical assets must be carefully managed, with accurate records maintained about the use of all goods purchased, and their physical location. Registers must be maintained for all assets, indicating who has possession and responsibility for such assets. All losses and damages sustained through wear-and-tear, theft and accidents must be recorded in appropriate registers, and where negligence or theft is suspected, appropriate steps must be taken against those responsible.

The consumables and assets procured must be allocated to the respective CWP sites based on their actual participation rates and requirements as contained in Site Business Plans. Records of these allocations and proof of delivery of goods must be retained for audit purposes.

Asset and equipment registers must be maintained for all CWP tools and equipment. Major and Minor assets must be marked and identifiable with CWP aluminium barcode or any approved unique mark/tag. IAs are responsible for instituting systems and processes that ensure they are able to identify who has control over all assets and equipment at all times.

Comprehensive assets verification must be conducted on an annual basis, as a minimum requirement. Verification of Major Assets must be conducted on a quarterly basis. In keeping with the CWP Monitoring and Evaluation Framework, DCOG will conduct periodic inspections implementing internal control verification of assets and performance. The outcome of such Monitoring and Evaluation inspections will be reported to the CWP governance structures on a quarterly basis.

7.1 Consumables

Consumables are considered to be:
- Any item with a value of less than R5,000 and a useful lifespan of less than 1 year.
- Any item with a value of less than R500, regardless of useful lifespan.
- All clothing and protective gear issued to participants.

Simple record keeping in respect of consumables is required. This record keeping would include how the consumable was procured and used. Consumables must be reflected as a line item in the IA audited annual financial statements which record how DCOG disbursements to the IA for the CWP have been used.

While it is not expected that items of protective clothing will be returned to IAs by CWP participants at the conclusion of their involvement, IAs must maintain accurate records relating to the issuing of protective clothing to participants. Participants are not permitted to participate in CWP activities without protective gear, so if protective gear is lost, individuals to whom it has been issued may be excluded from further participation in the CWP until replacements can be purchased.

7.2   Assets

Assets are considered to be:
- Tools and equipment valued at R5,000 or more (regardless of useful lifespan) are classified as Major Assets.
- Tools and equipment valued between R500 and R4,999.99 with a useful lifespan of 1 year or longer are classified as Minor Assets.

The procurement of all Major Assets must receive prior written approval from the DCOG CFO and the DDG: CWP or delegated officials.

IAs should avoid purchasing expensive, long-lived assets such as vehicles and should instead seek to engage in operating lease agreements, unless a careful cost-benefit analysis shows that purchase is a decisively better option. **IAs may not enter into Finance Lease agreements for any CWP assets.**

Where it is deemed desirable to purchase long-lived assets, IAs must budget for insuring these against accident or theft.

No provision is made for depreciation of CWP assets.

Under no circumstances should IAs purchase fixed property using funds intended for the CWP project.

General:
- The IA must conduct a monthly reconciliation between the assets register and CWP expenditure to ensure accuracy of the CWP Assets register.
- Assets lost or damaged thorough criminal acts must be reported to the South African Police Service within 24 hours. The SAPS case number must be included on the assets register.
- Assets procured using project management fees will remain the property of IAs.

7.3   Disposal of consumables and assets

The DCOG CFO must, in consultation with the DDG: CWP, develop and implement appropriate policies and procedures related to the disposal or transfer of assets.

8. PROJECT MANAGEMENT, MONITORING AND REPORTING

8.1 Introduction

CWP Branch is responsible for evaluating IA performance on a quarterly basis. The first step in this performance evaluation focuses on the delivery of useful work and training and whether this matches the commitments made in the SLA and site business plans.

The review will assess the extent to which the delivery of useful work accords with the expectations set out in the SLA and Site Business Plans. In this regard, it is crucial to understand that it is DCOG's intention that the CWP provide continuous, predictable income to participants. It is for this reason critical that sites achieve their monthly and annual targets, failing which site budgets might be reduced and funds may be redirected elsewhere. For this reason, the performance review will identify any divergence from agreed levels of performance, and where these depart too far from expected levels, DCOG may insist on changes in the pace of delivery:

If a site has delivered less than 90% of the useful work to which the IA committed in the site plan for the relevant period, the Department may require that conditions be imposed on the disbursement of funds in the next period such that the IA increase the pace of delivery or face a reduction in the budget for a particular site to be effected in later periods.

If delivery is below 80% of the target amount, site budgets for the remainder of the year will be reduced proportionally, with the funds directed to other sites, some or all of which may be under the control of other IAs.

The next step of the process is the review of sites' financial performance. Like the non-financial review, the financial review assesses the extent to which sites are on track relative to the commitments made by the IA in the SLA, drawing schedules, and Site Business Plans. Like the non-financial review, a key consideration in the review is the extent to which the site is delivering continuous, predictable income for participants. To the extent that there are departures from commitments in site plans, it is possible that conditions might be imposed on future disbursements.

CWP provincial managers play a key role in authorising the disbursement of funds, and they are required to make recommendations in relation to conditions (if any) that should be imposed on disbursements. This decision will depend on site performance: if the delivery of useful work and training is on-time and expenditure on non-wage items is within budget, no conditions will be imposed unless the Programme Manager has received credible information relating to serious deficiencies in the management of sites. If, on the other hand, delivery is below target or expenditure on non-wage items exceeds the budget, conditions might be imposed on disbursements to ensure that these are rectified.

8.2 Project management fees

Project management fees shall be utilised by the IA for all overheads and operational expenses related to the implementation of the CWP as specified in the SLA and this CWP Implementation Policy.

The project management fee is a tender response specific set percentage of wage and non-wage components of CWP site implementation.

The project management fees (PM Fees) due by the Department to the IA will be calculated as follows:

PM Fee Base (PMB) = (A) Actual valid wages paid by the Department to Participants (where facilitated by the IA) PLUS (B) actual valid expenditure by the IA on goods / services procured by the IA on behalf of the Department.

PM Fee Due (PMD) = PM Fee Base multiplied by the Percentage PM Fee quoted by the IA during tender process or as agreed in the SLA.

PM Fee Payable (PMP) = PM Fee due less 5% retention fee.

The monthly amount to be paid to IAs will be calculated as follows: PM Fee Payable for the entire contracting period less PM Fees already paid during the contracting period.

The following procedure for the calculation and payment of PM Fees must be followed monthly:

- The Department must provide the IA by the 5th business day of each month with the relevant PM Fee amount due for that particular month. Where the value of actual valid wages paid by the Department to Participants is not yet available, the Department may utilise an estimate based on the last known paid amount.
- The IA must invoice the Department by the 10th business day of each month for the PM Fee due for that month, based on the PM Fee amount provided by the Department.
- The Department must settle PM Fee invoices within 5 business days of receipt.

The PM Fee paid for the first month of a new contracting period will be the total Annual PM Fee Budget for the IA divided by 12 (or by the number of months remaining in the financial year if the new contracting period does not commence on 1 April).

Retained Project Management fees (Retention Fees) will be paid to the IA within 30 days of finalisation of the applicable handover processes as defined in the SLA and this Implementation Policy.

Once-off fixed fees related to the taking over of existing sites or the establishment of new sites are excluded from Project Management Fees. The budget allocated to Technical Support will be utilised for such once-off fixed fees.

8.3   CWP monitoring and reporting framework

The current focus of reporting in the Community Work Programme is on the programme's primary objective –the creation of predictable work opportunities – and the outcomes most directly associated with this.

Although complemented by narrative reports that describe more qualitative development outcomes, CWP reports have been designed primarily to enable the evaluation of quantitative and qualitative performance management outcomes.

While the monitoring and evaluation system is being developed, Implementing Agents must ensure that documents are always readily available for regular audits of documentation and unannounced site visits conducted to check on programme implementation. The inspection of the procurement process and assets must be conducted regularly.

The municipality, provincial departments responsible for CWP, and the CWP Branch must also ensure that the programme is closely monitored through inspection of documentation, procurement processes, assets and site visits. Local, provincial and national officials are also encouraged to attend local reference committees to observe and provide support.

8.3.1 Reporting overview

IAs are required to submit monthly, quarterly and annual reports. The content, format and required supporting documents indicated in this section may be amended by the CWP Branch where required.

Report	Frequency	Due
Summary report on implementation of site business plans (not required in months when quarterly reports are submitted) Purpose is to highlight matters that require intervention	Monthly	5th business day of next month
Quarterly report on implementation of site business plans. Purpose is to review CWP and IA performance	Q1 to Q3	10th business day after end of quarter
Annual Report on CWP and IA performance	Annually	20 April or first business day thereafter

Report	Content
Summary Reports	• Short narrative section highlighting specific challenges and interventions • Summary of achievement of participant targets (per site and aggregate per province) • Training summary report • Site staff wage bill • Updated Assets register • Financial report
Quarterly Reports	• Summary of overall progress per Province (Detailed addendum for each site) • Summary of achievement of participant targets (per site and aggregate per province) • Training summary report (Detailed report per site as attachment) • Summary of LRC Meetings (Detailed report per site and Minutes as attachment) • Performance of site staff • Financial report (Actual cash-flow and projected cash-flows) + Proposed revisions to Drawing Schedules
Annual Reports	• Summary of overall progress per Province (Detailed addendum for each site) • Summary of achievement of participant targets (per site and aggregate per province) • Training summary report (Detailed report per site as attachment) • Summary of LRC Meetings (Detailed report per site and Minutes as attachment) • Performance of site staff • Financial report (Actual cash-flow and projected cash-flows)

8.3.2 IA performance indicators

IAs are required to report regularly on their performance at Provincial and at site levels.

Measure	Indicator	Target	Frequency	Means of Verification
Reporting	Percentage of on-time submission of reports	98%	Monthly, Quarterly, Annually	DCOG Register
Site Plans	Percentage of sites with approved and up to date Site Business Plans	100%	Monthly, Quarterly, Annually	IA reports
Participation levels and payments	Total number of participants working at least one day during the period as percentage of target	98%	Monthly, Quarterly, Annually	MIS Reports
	Total number of participant days worked during the period as percentage of target	95%	Monthly, Quarterly, Annually	MIS Reports

Measure	Indicator	Target	Frequency	Means of Verification
	Percentage expenditure of wage budget	95%	Monthly, Quarterly, Annually	MIS Reports
	Percentage of participants paid on time	99.9%	Monthly, Quarterly, Annually	MIS Reports
	Deviation from demographic targets	<2%	Quarterly, Annually	MIS Reports
Functioning LRCs	Number of LRCs established as percentage of number of sites	100%	Quarterly, Annually	Council resolutions. Terms of reference and list of LRC members
	Number of LRC meetings during the period as percentage of number of sites	90%	Quarterly, Annually	Minutes and attendance registers
IA Site Staff	Ratio of site staff to target number of participants	1:500	Quarterly, Annually	IA Report
Financial	Percentage variation of actual expenditure from total projected expenditure on G&S	+- 2%	Quarterly, Annually	IA Report / CWP Data
	Percentage variation of actual expenditure from projected expenditure par category (B1-B4)	+- 5%	Quarterly, Annually	IA Report / CWP Data
	Percentage of invoices processed without queries	98%	Quarterly, Annually	CWP Report
Training	Total number of participants trained as percentage of target number of participants	10%	Quarterly, Annually	IA Training reports
Assets	Accuracy of assets registers. Total value of assets per category as percentage of recorded expenditure .	<1%	Quarterly, Annually	CWP report

In addition to the above quantitative indicators, the CWP Branch should develop and implement qualitative indicators to assess useful work and relevant training as well as procurement efficiency and value for money.

8.3.3   DCOG Reporting Indicators

These indicators are those that DCOG uses to measure its own performance and that of the CWP generally. IA performance indicators above (where applicable) will also apply to DCOG CWP Reporting. The following additional indicators should also be considered:

Measure	Indicator	Target	Frequency	Means of Verification
Site visits	Percentage of sites visited by DCOG employees	Q: 5% A: 20%	Quarterly, Annually	DCOG Register
Finance	Average turnaround time in calendar days to process IA invoices	10	Monthly, Quarterly, Annually	DCOG Register
	Percentage of invoices processed after 20 calendar days	<5%	Monthly, Quarterly, Annually	DCOG Register
Site Business Plans	% of Site Business Plans approved within 15 calendar days of receipt.	95%	Monthly, Quarterly, Annually	DCOG Register

ANNEXURE A: CWP NORMS AND STANDARDS

The Norms and Standards set out below reflect the key design features of the CWP. The implementation of the CWP must be managed, implemented and regulated by DCOG in terms of these norms and standards. The CWP Policy Framework is currently being consulted with CWP stakeholders. The norms and standards contained herein will apply until the Policy Framework has been approved:

Key Design Feature	1. **The CWP must provide a minimum level of regular and predictable work for participants, to provide an employment safety net.**

Norms and Standards	1.1. Regular and predictable work means:
	   a) Participants - Up to 8 days of work per month and 100 days of work per year.
	   b) Supervisors - Up to 20 days of work per month and 240 days of work per year.
	
	1.2. CWP sites will generally offer participants 2 days of work per week.
	1.3. While flexibility to meet contextual requirements is encouraged, these must meet the criteria of 'regularity' and 'predictability' and contribute to a sustainable earnings floor.
	1.4. The point of a safety net is that it is there when people need it. While budget constraints may impose limits on this, there is no explicit requirement of 'exiting' participants within any timeframe.
	1.5. The impacts of this model on poverty and local economic development are potentially significant. Sufficient continuity in the model is needed for rigorous assessment of these impacts over time, and this should be enabled.

Key Design Feature	2. **The CWP targets the poorest and most marginalised**

Norms and Standards	2.1. Eligibility to be registered as a participant:
	   a) At least 18 years old unless exceptional circumstances exist
	   b) Unemployed or under-employed (not full time employed)
	   c) Earning less than the national minimum wage in a particular month from other government employment opportunities such as public employment programmes and temporary government employment.
	
	2.2. The following does not disqualify individuals from participating in the programme
	   a) Receiving any form of social assistance and/or other grants or pension.
	   b) Receiving Unemployment Insurance Fund benefits (UIF).
	   c) Undertaking any other livelihood activities.
	
	2.3. DCOG must develop an approach to targeting that includes the following:
	   a) Where resources are constrained, CWP should target those who need it most. Mechanisms to decide this must be put in place by DCOG in consultation with Provincial DCoG and be based on community consultation. This could comprise utilising available indigent registers or alternative transparent mechanisms.
	   b) Where there are more poor people in need than spaces in CWP, the methods of selection should be transparent and without bias.
	
	2.4. Agreed participation rates of target constituencies such as women, youth and people with disabilities must be adhered to.

Key Design Feature	3. The CWP is an area based local programme that operates at a "Site"

Norms and Standards	3.1. The Community Work Programme, as an area based local programme comprises "Sites".
	 3.2. Where possible, a CWP "Site" should be located in an area that aligns with ward structures.
	 3.3. A site usually encompasses one ward, when fully operational employs at least 500 participants for the equivalent of two days a week.
	 3.4. Sites are selected by DCOG based on set criteria and in consultation with provincial departments responsible for local government.
	    a) Criteria for selection of a site include geographical distribution; poor areas with high rates of unemployment; wards with the highest percentage of indigent families; and the interest and involvement of local government in the establishment of a CWP initiative in their locality.
	    b) The CWP seeks the highest participation rates in the poorest wards of the poorest local municipalities.
	    c) Resources are limited, hence the CWP must target those who need it most. This includes all profiles, but seeks to achieve set participation targets for women, youth and people with disabilities.
	    d) Selection methods of participants must be transparent and equitable.
	 3.5. A CWP site may organise work to take place in separate areas within the total site area: e.g., a site may include ten villages, with each sub area running as a discrete work site.
	 3.6. CWP sites are encouraged to undertake work in partnership with local agencies of both national and provincial government e.g., supporting activities of the Local Clinics; participating in a Working for Water type initiative etc and/or with NGOs or other non-state actors.

Key Design Feature	4. Work in the CWP is identified and prioritised through consultative local processes

Norms and Standards	4.1. Work should be identified and prioritised through local consultation processes. Typically, useful work will be identified by in consultation with the Local Reference Committee.
	 4.2. This process aims to encourage alignment between the CWP and DDM or IDP processes, assist in identifying potential partnerships, and avoid duplication with existing government or non-governmental initiatives.
	 4.3. Where proposals for work interface with the mandates of public bodies responsible for service delivery, DCOG is responsible for consultation with such bodies to ensure complementarity and alignment.
	 4.4. DCOG is responsible for assessing the 'usefulness' of the work proposed in local structures against CWP criteria, the feasibility of the proposed work in terms of affordability, labour intensity and capacity/technical support requirements, and for approving Site Business Plans.
	 4.5. While each CWP site will need to develop a set of 'anchor activities,' and may not be able to cover all areas of work proposed, a CWP site is expected to enable a multi-sectoral approach rather than having a single-issue focus.
	 4.6. The work undertaken in the CWP must be 'useful work':
	    a) Work undertaken by the CWP must create / improve public goods and services, contribute to community development and/or complement/ enhance/expand core services being delivered.
	    b) Such work must not displace or replace existing employment in the public sector.
	 4.7. The CWP cannot fund enterprise activity directly (i.e., invest in businesses).

Key Design Feature	5. The CWP must comply with set employment conditions
Norms and Standards	5.1. All CWP workers should be employed under EPWP conditions of employment as determined by the Minister of Employment and Labour. 5.2. Wage levels for all categories of CWP workers should be determined annually by DCOG, taking into consideration that the budget allocations will be informed by the EPWP minimum wage rates. 5.3. Workers must be covered by Workmen's Compensation (COID) provisions.

Key Design Feature	6. Where required, the CWP is managed by Implementing Agents appointed by DCOG

Norms and Standards	6.1. IAs are responsible for the management of specific aspects of the programme as defined in the CWP Implementation Policy.
	6.2. Where required DCOG will undertake a procurement process from time to time to appoint a panel of Implementing Agents (IAs).
	6.3. Where other government entities and agencies want to support CWP sites and procure IAs, this must be against guidelines provided by COGTA.
	6.4. IAs may manage multiple sites.
	6.5. IAs will report to DCOG, and DCOG will report into the EPWP web-based reporting system.
	6.6. All implementing agents must meet the criteria specified by the CWP. These criteria include:
	   a) Registered as a Not for Profit entity (classified as an NPO in accordance with the Department of Social Development) <u>or</u> operate on a not-for-profit basis.
	   b) Meets the due diligence requirements of DCOG
	   c) Able to implement an effective community development / capacity building methodology.

Key Design Feature	7. The CWP must achieve targeted labour intensity requirements.
Norms and Standards	7.1. After a site inception phase of 3 months (which includes consultation, site establishment and the initiation of work) programmes should spend not less than 75% of site costs on wages. 7.2. Managing the site to achieve this level of labour intensity is a critical function of DCOG and IAs. 7.3. It may require the capacity to forge partnerships and to mobilise complementary resources for tools and materials.

Key Design Feature	8. The CWP must achieve Geographic Reach and Scale
Norms and Standards	8.1. In its rollout phase, the allocation of DCOG funds for the CWP will balance geographical spread with methods to target the poorest communities in each Province. 8.2. Rapid rollout depends on the expansion of new sites. This must occur through targeted interventions initiated by DCOG, for areas with high levels of poverty and unemployment. 8.3. The above targeting applies to the allocation of DCOG's own funds and should not limit Provinces, municipalities or other players from mobilising resources to fast-track CWP rollout against their own priorities, within this framework of norms and standards. 8.4. These targets are subject to the available budget. 8.5. The CWP will aim to have the highest participation rates in the poorest local municipalities.

Key Design Feature	9. Encourage Partnerships, especially with Local Government
Norms and Standards	9.1. The multi-sectoral nature of CWP and the need to mobilise resources and energies across spheres of government, with the private sector and communities means that a range of partnerships will be essential. 9.2. The support of the relevant local government structures is encouraged and in cases (such as infrastructure or licenced activities) will need to be supported through an agreement or other mechanisms.

Key Design Feature	10. Focus on delivery and simplicity
Norms and Standards	10.1. CWP is designed to fast-track resources to the local level, in areas where other government delivery mechanisms are inadequate. 10.2. The institutionalisation of CWP must reflect this; it must maintain this flexibility to deploy resources from national to local level in the way it is institutionalised

Key Design Feature	11. Encourage Innovation and Scale
Norms and Standards	11.1. The CWP must encourage innovation in respect of delivery models, useful work opportunities as well as partnerships that can drive scale and reach of the programme. 11.2. Dedicated funding for the testing / piloting of innovations should be provided.