

CFAO Mobility Governance of Finances

1. Introduction and Purpose

1.1 We have a fiduciary duty to shareholders, employees and our customers to manage our business effectively. For this reason, we have implemented financial management processes, policies and procedures that assist in achieving our company's financial goals and meeting our obligations of governance.

1.2 The primary aim of this policy is to ensure that all financial transactions comply with not only our requirements regarding internal control, financial liability and the management of financial risks, but also to comply with all legal and financial requirements as determined by the laws of South Africa.

2. The procedures we adopt

2.1 Our procedures are formalised and all staff in our finance department are aware of those procedures that apply to each individual. They address our general ledger, chart of accounts, income, reconciliations, invoicing, payment processing, inventory and asset management. This ensures the accuracy of reporting, the elimination of fraud and the protection of our resources, both physical and intangible.

2.2 Knowledgeable accounting staff managed by the executive team are responsible for ensuring that the procedures are correctly followed.

3. Liquidity and Investments

3.1 We retain liquid assets to accommodate three months of 50% downtime as required in terms of our business continuity policy. In defining liquid assets, we make use of the definition in Board Notice 194 of 2017 as follows:

- a) Cash
- b) A participatory interest in a money market portfolio
- c) 70% of the market value of a participatory interest in a collective investment scheme (CIS), other than an investment in a money market portfolio or a CIS hedge fund; or
- d) 70% of the market value of a security listed on a licensed exchange provided it does not constitute more than 50% of total liquid assets.

Provided that –

- I. The assets referred to in paragraphs (a) and (b) are capable of being converted, without any penalty in terms of the conditions of the asset, into cash as follows:
 - 50% within 7 days; and
 - 50% within 30 days; and
- II. The assets referred to in paragraphs (c) and (d) are capable of being converted into cash within 7 days

3.2 Additional assets will never in total have a value less than 50% of our annual expenses as determined in our latest signed-off annual financial accounts, which assets must be convertible to cash within 3 months.

4. Premium Handling

4.1 Premium that we collect on behalf of insurers may not, in any circumstances, be used to finance operating expenses.

4.2 We will ensure that all premium collected is paid into a bank account purely designated for receiving and remitting premiums and for no other purpose, which premium we hold in trust on behalf of insurers.

4.3 All premium will be paid to the appropriate insurers within a period of 15 days after the end of the month in which the premium is received, subject to the deduction of:

- a) any refund of premiums due and payable by the insurer to any of our policyholders; and
- b) our commission in respect of the policies for which premium has been paid.

4.4 We will always adhere to the requirements of insurers in terms of reporting and due diligence.

5. Payment Requests and Authorisations

5.1 All creditors are to be paid by electronic bank transfer, the only exception relates to petty cash payments. In the latter case, all staff must refer to our policy on 'expenses'. Prior to making any payment, we must have evidence on file that complies with our responsibilities in terms of the Financial Intelligence Centre Act.

5.2 For each payment made, other than in respect of salaries, there will always be an application for payment which application will be submitted to an authoriser. The applicant and authoriser will never be the same person. The levels of expenditure authorisation are found in the Delegation of Authority document.

5.3 In respect of salaries:

- 5.3.1 The HR manager will maintain adequate and up to date records of sickness/special/maternity/adoption leave and annual leave;
- 5.3.2 The operations manager will complete monthly payroll calculations and double-check them;
- 5.3.3 The finance officer will check the operations manager's calculations, complete SARS calculations and double-check them; and
- 5.3.4 The finance officer and any one director will authorise salary payments.

6. Invoicing, Financial Reporting and Returns

6.1 The provision of our entire range of services is taxable at the standard VAT rate although input tax will be set off against output tax in our returns.

6.2 The fees we charge for services which are not included with premium must be invoiced via our debtor's system. All invoices that are issued must be approved by the person who provided the service. The invoice clerk will ensure that the correct income account is used.

6.3 In respect of PAYE, UIF and SDLs, Monthly Employer Declarations and payments to SARS will be made by the 7th of each month. In instances where the 7th falls on a public holiday, Saturday or Sunday, the due date will become the last business day prior to the 7th. Professional consultants may be employed for this purpose.

6.4 The Board of Directors is responsible for appointing the auditor, but it is expected of the finance manager to make recommendation to the Board in relation to the appointment, termination and oversight of auditors. The auditor will be given access to management, staff, records and company facilities.

6.5 The directors are responsible for the preparation and fair presentation of the annual financial statements which will be submitted to the appropriate authorities within the time-frames permitted by regulation.

6.6 The finance manager will prepare accounting records each month which will be produced by the 15th of the following month. The records will contain comprehensive trading activity for the calendar month (income and expenses), as well as an unaudited balance sheet which highlights our solvency.

7. Reconciliations

An employee who does not have signatory authority will reconcile the bank account transactions and ending balance with our records. The finance manager will reconcile insurer commission accounts with our records.

8. Credit Control

8.1 We view credit control not just as a collection point, but as part of our governance. The finance manager is accountable although the collection 'chase-up' may be outsourced to professionals. To ensure quality credit control, we will:

- 8.1.1 send invoices on time to the person responsible for getting it authorised and paid;
- 8.1.2 state our terms clearly on invoices;
- 8.1.3 always carry out credit checks on new customers and also regular checks on existing customers;
- 8.1.4 Chase for payments by email, letter and in person


Customers that do not pay will be handed over to collection agents and no further services will be provided.

9. Monitoring and Policy Review

9.1 It is essential that, once approved, this policy remains relevant, fit for purpose and consistent with our mission and objectives. Policy compliance must be monitored by recording issues arising from implementation, gathering feedback and by monitoring decisions taken in terms of the policy. Information collected through monitoring activities will be used during the formal review of the policy.

9.2 Amendments to this policy can be approved and implemented only as a result of a formal policy review with appropriate stakeholder consultation which review will consider, inter alia, consistency with best practice and the strategic direction of our group. Introduction

10. Signatures of appropriate persons

NAME	SIGNATURE	DATE
Andre Rhodie		28/05/2024