

- 6 POWERFUL SESSIONS -

FINANCE POLICIES & OPERATING PROCEDURES



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FRIDAYS 25 FEB - 01 APR, 2022
10:00 - 12:00



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Finance policies and operating procedures

- ✓ **Week 1:** Update your policies without consultants
- ✓ **Week 2:** Document a process flow aligned to the policy
- ✓ **Week 3:** Document the standard operating procedures aligned to the policy
- ✓ **Week 4:** Review standard operating procedures for effectiveness and internal controls
- ✓ **Week 5:** Building standard operating procedures for performance targets and reporting
- ✓ **Week 6:** Monitoring the implementation of standard operating procedures





5. Building standard operating procedures for performance targets and reporting



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Week 5: Presenter

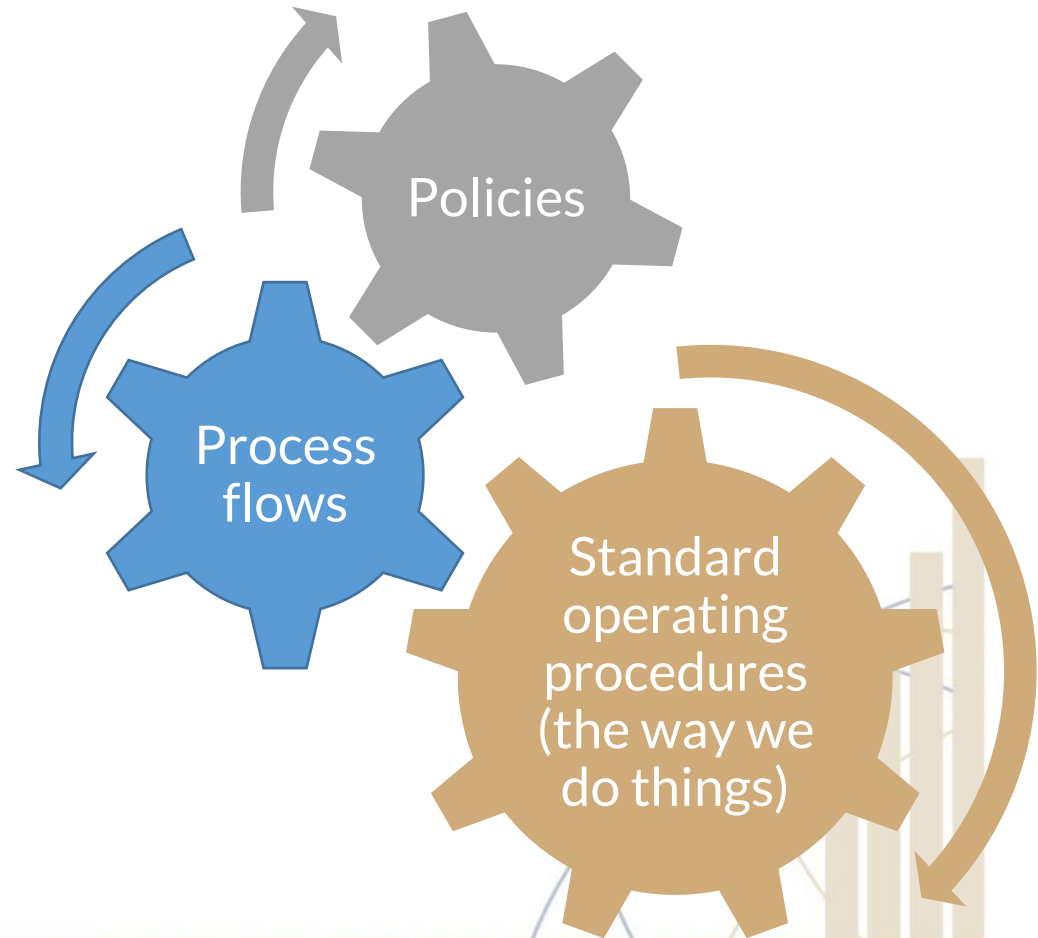
Noeline Slogrove

[B Com, MBA, Post-grad Diploma in Risk,
Fellow member of Inst. Directors, Member of IRMSA]

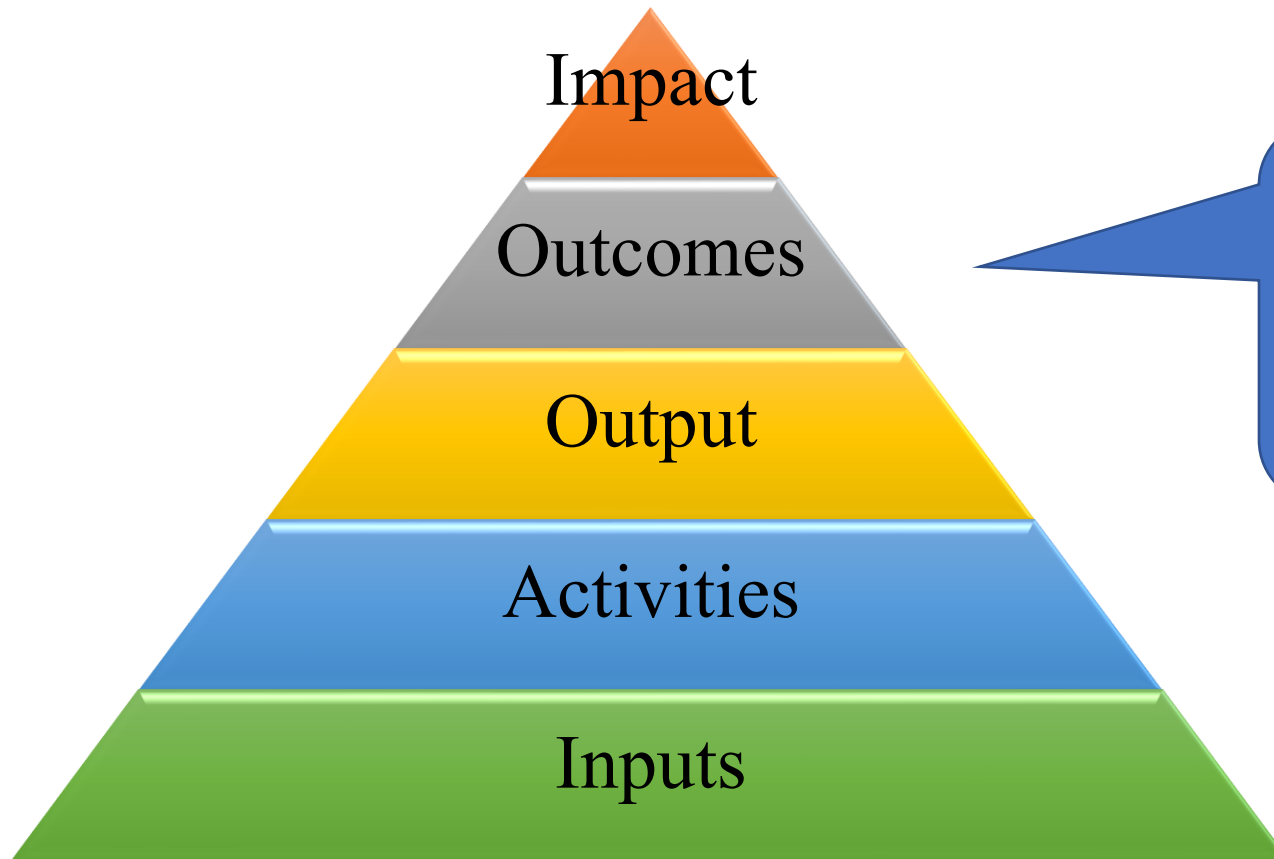


Week 5: Outline

- ✓ A few principles of performance targets and reporting
- ✓ Standard operating procedures for performance targets and reporting
- ✓ Discussion of your questions

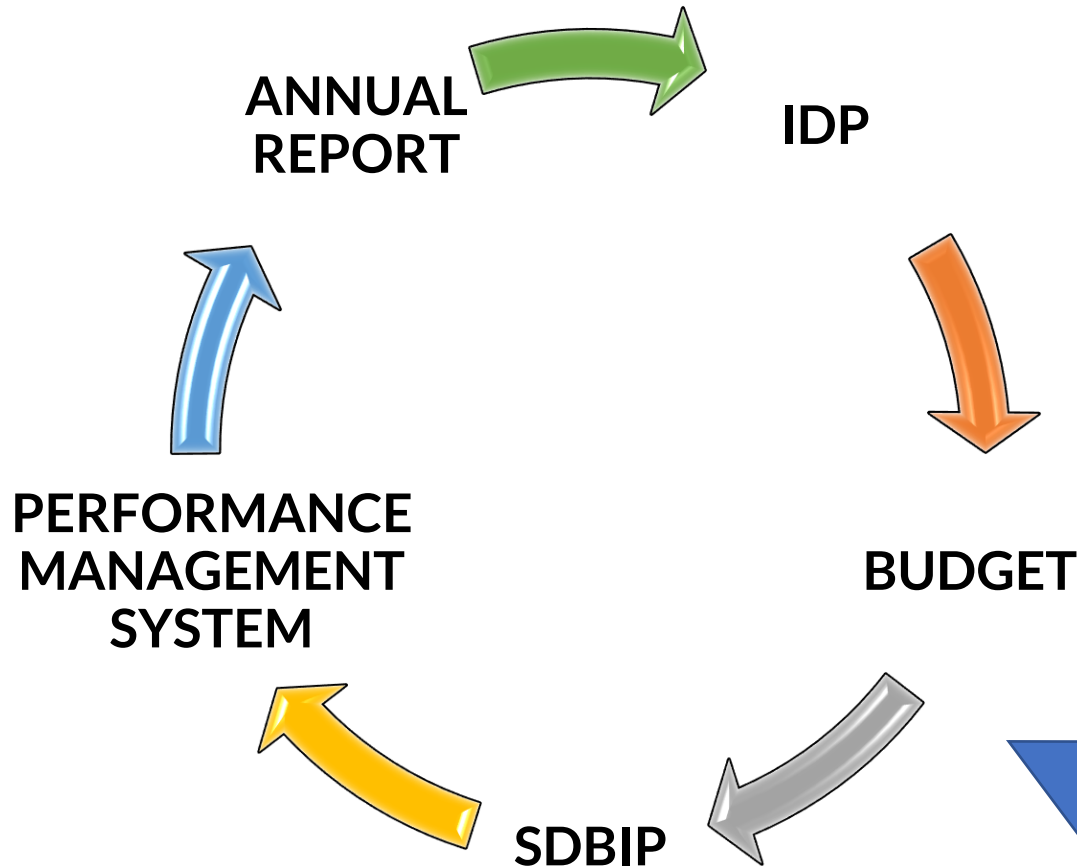


Principles of performance targets and reporting



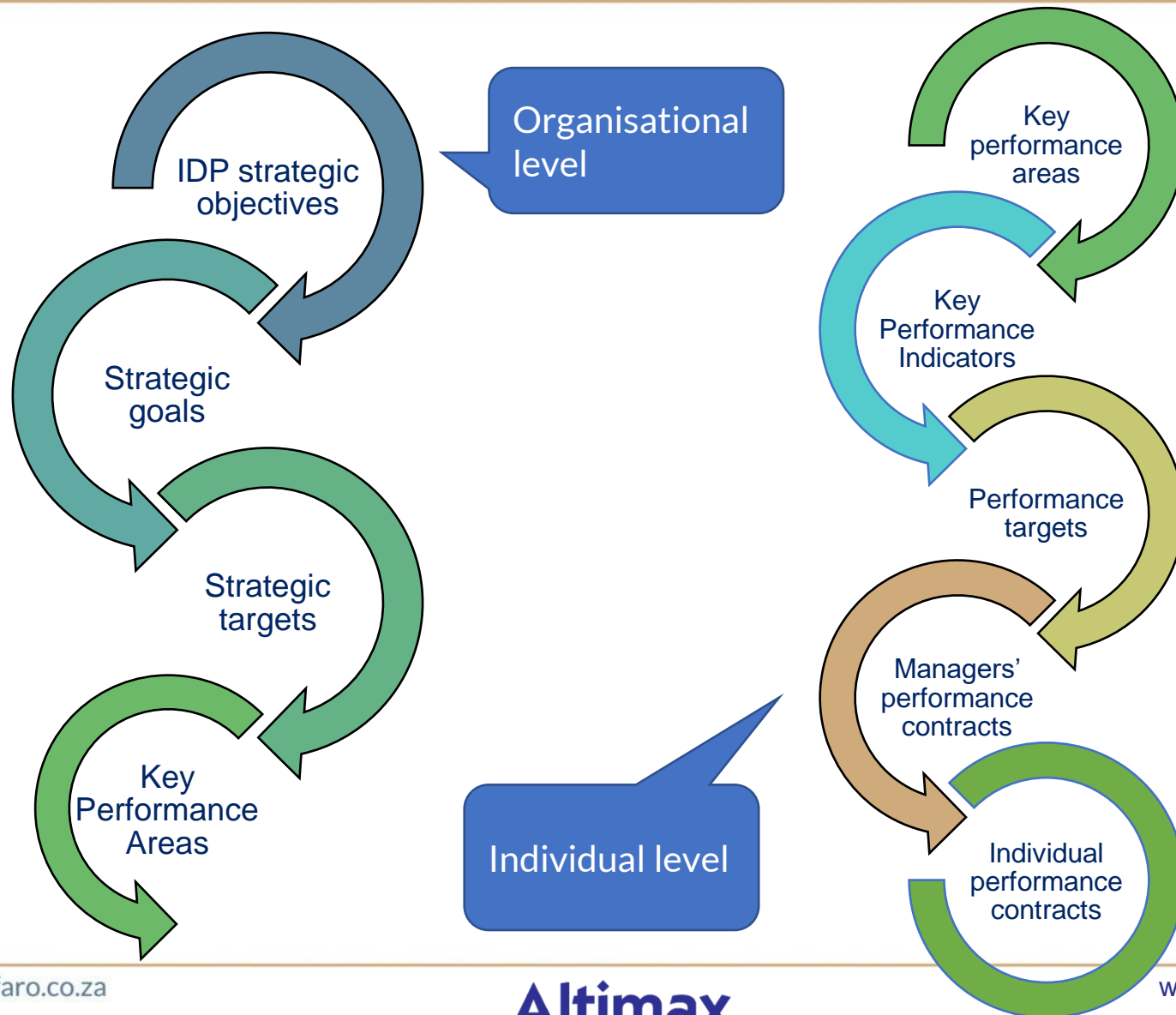
Does your standard operating procedure capture these elements?

Principles of performance targets and reporting



Chapter 2: IDP and SDBIP
Chapter 3: Budgeting
Chapter 4 Topic 9: In-year reporting requirements for performance
Chapter 6: Annual and performance reports
Chapter 7: Supervision and performance management

Principles of performance targets and reporting



Example: Cascading strategic goals into KPIs

STRATEGIC OBJECTIVE: Building a local government that enables opportunity and promotes responsibility in a safer community



STRATEGIC GOAL: To provide safe living and working conditions for our community



STRATEGIC TARGET: To reduce accidental death by 10% each year over a 5-year period



KPA 1: Safer communities
KPA 2: Job creation
KPA 3: People empowerment



Example: Cascading strategic goals into KPIs

KEY PERFORMANCE INDICATOR: Number of accidental deaths in the municipal area

PERFORMANCE TARGET: Overall reduction in accidental deaths of 12% over the next financial year

MANAGER'S PERFORMANCE CONTRACT: Overall reduction in deaths caused by traffic accidents of 12% in the financial year

INDIVIDUAL PERFORMANCE CONTRACT: 10 Traffic safety campaigns in the financial year

SMART TARGETS

- **S - Specific:** The nature and required level of performance is clear
- **M – Measurable:** the required performance can be measured
- **A – Achievable:** The target is realistic given the existing capacity
- **R – Relevant:** the required performance is linked to achieving a goal
- **T – Timebound:** The period or deadline is specified



Example: SMART Targets

✓ Review bylaws annually and submit review report to Council

- S – Review report on bylaws
- M – Count the number of reports
- A – Necessary resources are available
- R – The target supports the strategic goal
- T – By the end of June each year

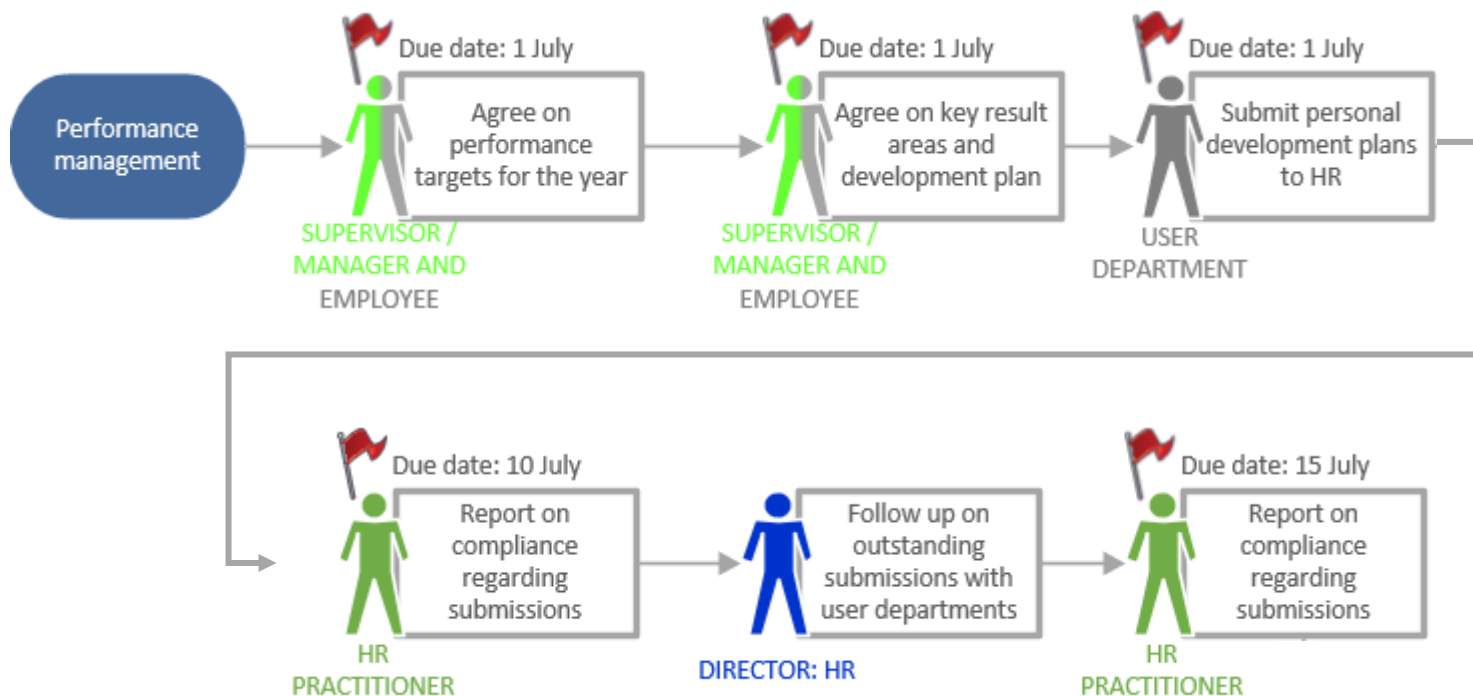
If you are struggling to measure performance, the targets are probably not SMART

Standard operating procedures for performance targets and reporting

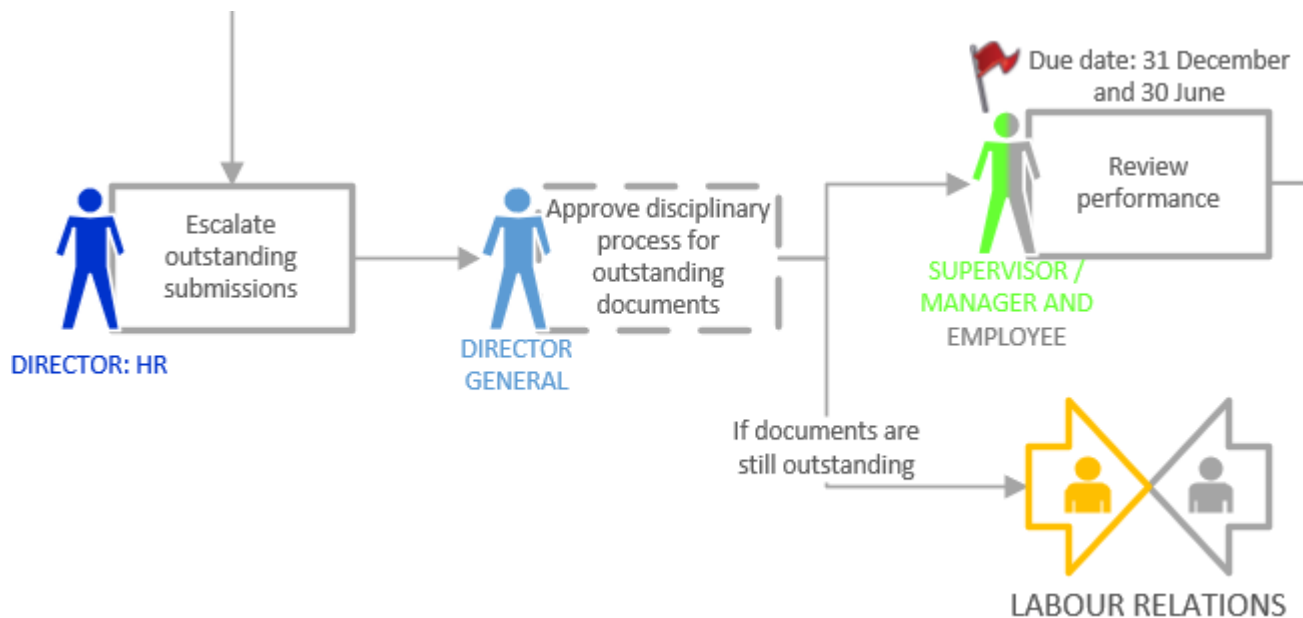
1. Identify procedure
2. Define the scope
3. Set process boundaries and measurements
4. Determine procedure's resource requirements and outputs
5. Organise the procedure
6. Describe the team members involved
7. Visualise the procedure
8. Consider exceptions to the standard operating procedure
9. Review and test the procedures

Refer to the presentation
in Week 3 for more detail

Example: Performance targets and reporting

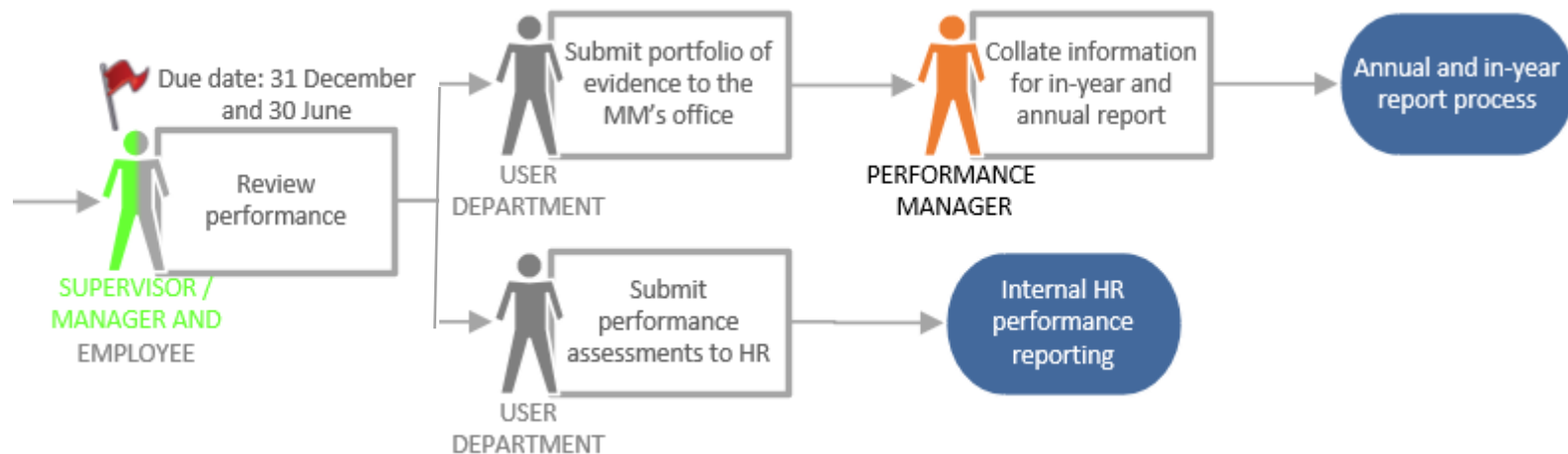


Example: Performance targets and reporting



Refer to the presentation
in Week 3 for more detail

Example: Performance targets and reporting

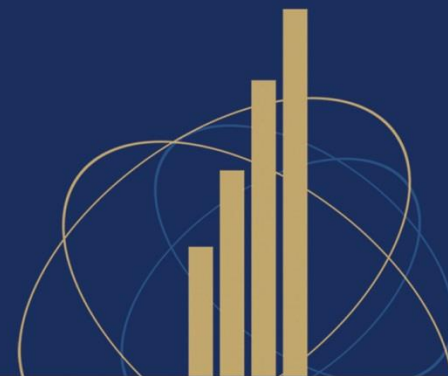


Questions?





Thank You!



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Next week's
session

6. Monitoring and implementation of standard operating procedures



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