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Enquiries : Ms J Bezuidenhout X 4519  
Ref : MPT13/1/R

## PROVINCIAL TREASURY CIRCULAR NO. 1 OF 2016

**TO:**

THE ACTING ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T MDAKANE)  
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS NZ NKAMBA)  
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR CM CHUNDA)  
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS SP XULU)  
THE ACTING ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR JS MGIDI)  
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)  
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MR KM MOHLASEDI)  
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W MTHOMBOTHI)  
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (DR AM MORAKE)  
THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR W MNISI)  
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)  
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR K MASANGE)

THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR XGS SITHOLE)  
THE CHIEF EXECUTIVE OFFICER: MPUMALANGA GAMBLING BOARD (MR B MLAMBO)  
THE ACTING CHIEF EXECUTIVE OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR R OOSTHUIZEN)  
THE ACTING CHIEF EXECUTIVE OFFICER: MPUMALANGA TOURISM AND PARKS AGENCY (MR A SIBIYA)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR S. SHONGWE)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR MA KHOZA)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR SEB MATSEBULA)  
THE ACTING CHIEF FINANCIAL OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS F NGOBENI)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR CT DLAMINI)  
THE ACTING CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MS TF NTULI)  
THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MS HN MDAKA)  
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MS SA SEFALA)  
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR CB MNISI)  
THE ACTING CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR MAMARU)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MR JB MBATHA)  
THE CHIEF FINANCIAL OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR D SHIPALANA)

THE CHIEF FINANCIAL OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR E POTGIETER)  
THE CHIEFFINANCIAL OFFICER: MPUMALANGA GAMBLING BOARD (MR L MASEKO)  
THE CHIEF FINANCIAL OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR M.G JAFTA)  
THE ACTING CHIEF FINANCIAL OFFICER: MPUMALANGA TOURISM AND PARKS AGENCY (MS N MOGOROSI)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT  
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT  
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

## INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

A concern for the Provincial Treasury is that at 31 March 2015, the Provincial Departments and Provincial Public Entities' financial statements showed that the closing balance of irregular expenditure that required action to be taken stood at R4.635 billion, including the irregular expenditure amounting to R2.339 billion incurred during the 2014/15 financial year. This balance is expected to increase in the following year if accounting officers do not take the necessary steps to deal with the reported non-compliance resulting in irregular expenditure.

Another cause for concern is that the relevant Departments and Public Entities that incurred such expenditure, did not institute or finalize investigations in this regard.

The purpose of this Circular is to reiterate the fact that in terms of Section 38(1)(h) of the Public Finance Management Act, No. 1 of 1999, an Accounting Officer / Authority must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure. The responsibility is thus with the Accounting Officer / Authority to institute an investigation to determine whether any person is liable in law in order to comply with the provision as stated above.

The following matters also need to be emphasised:

- a) In terms of the Guidelines issued by the National Treasury, Accounting Officers / Authorities are encouraged to conclude all investigations and resolve all matters related to irregular expenditure **within 90 days** from the date on which the alleged irregular expenditure was discovered or as soon as practically possible.
- b) The Provincial Treasury, as one of the relevant authorities that must either approve irregular expenditure or make recommendations in this regard, will not perform any investigations into matters of irregular, fruitless and wasteful expenditure.

It will consequently be appreciated if the registers of irregular, fruitless and wasteful expenditure with an indication of the starting date and envisaged finalization date of the investigations, could be submitted to the following official on or before **27 January 2016**:

Ms J Bezuidenhout  
Provincial Accountant-General  
Government Boulevard  
Building 4, UG  
e-mail: [bezuidenhout@mpg.gov.za](mailto:bezuidenhout@mpg.gov.za)

Your co-operation is appreciated.

Kind Regards,

  
MS NZ NKAMBA  
HEAD OFFICIAL: PROVINCIAL TREASURY  
DATE: 6/1/2016