



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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PROVINCIAL TREASURY CIRCULAR NO. 1 OF 2017

DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA (MR T MDAKANE)
HEAD: PROVINCIAL TREASURY (MS NZ NKAMBA)
HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR P NYONI)
HEAD: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS S XULU)
HEAD: ECONOMIC DEVELOPMENT AND TOURISM (MR MW MKHIZE)
HEAD: EDUCATION (MS M MHLABANE)
HEAD: PUBLIC WORKS, ROADS AND TRANSPORT (MR KM MOHLASEDI)
HEAD: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W MTHOMBOTHI)
HEAD: HEALTH (DR S MOHANGI)
HEAD: CULTURE, SPORT AND RECREATION (MR SW MNISI)
HEAD: SOCIAL DEVELOPMENT (MS N MLANGENI)
HEAD: HUMAN SETTLEMENTS (MR K MASANGE)

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

CHIEF FINANCIAL OFFICER: OFFICE THE PREMIER OF MPUMALANGA (MR SS SHONGWE)
CHIEF FINANCIAL OFFICER: PROVINCIAL TREASURY (MR M KHOZA)
CHIEF FINANCIAL OFFICER: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR S MATSEBULA)
ACTING CHIEF FINANCIAL OFFICER: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MR S MASEKO)
CHIEF FINANCIAL OFFICER: ECONOMIC DEVELOPMENT AND TOURISM (MR C DLAMINI)
CHIEF FINANCIAL OFFICER: EDUCATION (MS G MASHITENG)
CHIEF FINANCIAL OFFICER: PUBLIC WORKS, ROADS AND TRANSPORT (MS H MDAKA)
CHIEF FINANCIAL OFFICER: COMMUNITY SAFETY, SECURITY AND LIAISON (MS S SOMXAE)
CHIEF FINANCIAL OFFICER: HEALTH (MR C MNISI)
ACTING CHIEF FINANCIAL OFFICER: CULTURE, SPORT AND RECREATION (MR N MAMARO)
CHIEF FINANCIAL OFFICER: SOCIAL DEVELOPMENT (MR JB MBATHA)
ACTING CHIEF FINANCIAL OFFICER: HUMAN SETTLEMENTS (MR TC MASHILE)

CHIEF FINANCIAL OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY (MR E POTGIETER)
CHIEF FINANCIAL OFFICER: MPUMALANGA GAMBLING BOARD (MR BL MASEKO)
CHIEF FINANCIAL OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MR MG JAFTA)
ACTING CHIEF FINANCIAL OFFICER: MPUMALANGA TOURISM AND PARKS AGENCY (MR S MATHYE)

PROGRAMME 2: PROVINCIAL TREASURY: SUSTAINABLE RESOURCE MANAGEMENT
PROGRAMME 3: PROVINCIAL TREASURY: ASSETS AND LIABILITIES MANAGEMENT
PROGRAMME 4: PROVINCIAL TREASURY: FINANCIAL GOVERNANCE

FINANCIAL MANAGEMENT CAPABILITY MATURITY MODEL: 2017/18 (FMCMM)

The purpose of this Circular is to inform the Accounting Officers/Authorities about the Financial Management Capability Maturity Model (FMCMM) that must be completed and returned to the Provincial Treasury for analysis and further monitoring for the 2017/18 financial year. If the template is completed correctly, with accurate information, gaps identified will assist the Departments and Public Entities to improve their Maturity levels, and ultimately improve the audit results.

The Provincial Treasury's Norms and Standards Unit will facilitate the completion of the Financial Maturity Capability assessment for the 2017/18 financial year.

The results of 2016/17, indicated that most Departments and Public Entities are still between the Development level and Control level (2– 3).

A brief outline of levels 1, 2 and 3 are set out below:

Level	Outline
1 – Start-up level	No proper internal control framework exists.
2 – Development level	Proper internal control framework is starting to be developed, e.g. approved policies and procedures are in place but typically not implemented and adhered to.
3 – Control level	Focus on compliance and control. Statutory and Regulatory reporting requirements are met. Internal control framework fully developed, implemented and adhered to. Adequate resources (human, physical, technical and financial) are available. Assets are safeguarded. Data is reliable and its integrity supports operational planning and monitoring. Operations are monitored and controlled.

Since the Control level (level 3) is the minimum requirement for all Government Institutions in South Africa, it should become the explicit goal of all organisations within the Public Sector to achieve this level.

A brief outline of Levels 4, 5 and 6 are set out below:

Level	Outline
4 – Information level	Focus on cost and quality on the goods and services produced and how resources are used. Senior Management explicitly demand and promote effective financial management and demonstrate its value. Consistent, comparable financial and operational information and reports meet the needs of operational managers.
5 – Managed level	The organization is not only capable of analysing the cost and quality of the goods and services produced but should also be capable of assessing whether the production was conducted in the most cost-effective way.
6 – Optimising level	Focus on continuous improvement and learning.


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You are therefore requested to complete the template on the FMCMM and submit the template back to the Provincial Treasury on or before **Tuesday, 28 February 2017**. The electronic copy of the tool was circulated to all Chief Financial Officers. Provincial Treasury will analyse the results and further facilitate the completion of remedial action plans on gaps identified for effective monitoring and improvement of internal controls.

The above documents should please be submitted to the Office of the Provincial Accountant-General, for attention:

Mr W Ngoma
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Tel.: (013) 766-8684

Your co-operation in this regard is appreciated.


MS NZ NKAMBA
HEAD: PROVINCIAL TREASURY
DATE: 28/02/2017