



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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PROVINCIAL TREASURY CIRCULAR NO. 6 OF 2020

TO:-

**ACTING DIRECTOR GENERAL: VOTE 1: OFFICE OF THE PREMIER OF MPUMALANGA
(MR K MASANGE)**

SECRETARY: VOTE 2: PROVINCIAL LEGISLATURE (MR L MWALE)

HEAD: VOTE 3: PROVINCIAL TREASURY (MS GUGU MASHITENG)

HEAD: VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR PT NYONI)

**ACTING HEAD: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND
ENVIROMENTAL AFFAIRS (MR LS MONARENG)**

HEAD: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR MS MTSWENI)

ACTING HEAD: VOTE 7: EDUCATION (MR JR NKOSI)

ACTING HEAD: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MS SP XULU)

ACTING HEAD: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIASON (MR GS NTOMBELA)

HEAD: VOTE 10: HEALTH (DR S MOHANGI)

HEAD: VOTE 11: CULTURE, SPORT AND RECREATION (MR GS NTOMBELA)

HEAD: VOTE 12: SOCIAL DEVELOPMENT (MR MV MAHLALELA)

HEAD: VOTE 13: HUMAN SETTLEMENTS (MR K MASANGE)

**THE ACTING CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER
(MR BP DLALISA)**

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR M MPIKA)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR M KHOZA)

**THE CHIEF FINANCIAL OFFICER: VOTE 4: CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS (MR SEB MATSEBULA)**

**THE CHIEF FINANCIAL OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND
AND ENVIROMENTAL AFFAIRS (MR MA LETSWALO)**

**THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM
(MS H THRUSH)**

THE ACTING CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MR A THELA)

**THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT
(MS HN MDAKA)**

**THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIASON
(MS SA SEFALA)**

THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR PP MAMOGALE)

**THE ACTING CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION
(MR M THOBELA)**

THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT: (MS BJ MOJAPELO)

THE CHIEF FINANCIAL OFFICER: VOTE 13: HUMAN SETTLEMENTS: (MR SB NYOKA)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

AUTOMATION OF BUSINESS PROCESSES

1. OBJECTIVE

The objective of this Circular is to advise all Mpumalanga Provincial Departments of the introduction of automation of business processes in the Mpumalanga Administration.

2. BACKGROUND

Electronic governance or e-governance is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone systems between government to citizen (G2C), government-to-business (G2B), government-to-government (G2G), government-to-employees (G2E) as well as back-office processes and interactions within the entire government.

The current traditional business processes used by Mpumalanga Provincial Government (MPG) for delivering government services, communications, lack of integration of various stand-alone systems for Human Resource Services, Supply Chain Management, Financial Reporting, Financial Management, Risk Management and other business processes, result in the MPG not taking advantage of the above mentioned ICT initiatives. This in turn affects MPG not to be effective in strategies like Revenue Enhancement Strategies.

This process started as early as in 2018 when the establishment of central invoice bureau was announced in the State of the Province (SOPA) address to ensure that all invoices are processed within the stipulated period. Several Provincial Pronouncements were made on Lekgotlas, Provincial Management Committees, Chief Financial Officers' Forum, etc. to introduce automated systems in the Mpumalanga Provincial Administration. In the Provincial Budget for 2019/20 Mpumalanga Provincial Treasury was allocated funds to introduce various automated systems.

It is against this background that Mpumalanga Provincial Treasury (MPT) is introducing **Smart governance** as the process of utilizing modern technologies and ICT to create a collaborative, communication-based, transparent, and sustainable environment for the citizens and government. MPT intends doing this by automating all the business processes as required by e-governance so that it may not be left behind in the Fourth Industrial Revolution.

3. ELECTRONIC LEAVE MANAGEMENT SYSTEM

- a) The management of leave applications has always been a huge challenge for the Mpumalanga Provincial Government.
- b) Leave forms are completed manually by employees and sent to supervisors and managers for recommendation and approval.

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- c) The approved leave forms are eventually sent in batches to HR (Human Resource) at irregular intervals. This process is tedious and often delayed.
- d) Many employees would take leave without completing leave application forms, and leave forms are often misplaced, unaccounted for or lost in the process.
- e) The turnaround times for leave forms from the time a leave form is completed by an employee to the time Human Resource Section (HR) captures the leave on PERSAL is also not acceptable and leads to incorrect leave credits.
- f) This results in the misstatement of the monetary value of leave credits on the financial statements.
- g) Leave credit payments may also be calculated incorrectly at service termination.
- h) There is also a huge challenge regarding the administrative processes of the PILIR (Policy on Incapacity Leave and ill Health Retirement).
- i) The Auditor-General has made repeat findings in Mpumalanga Provincial Government relating to the poor management of leave and PILIR.
- j) It is therefore against this background that an electronic leave management system that will interface with Persal is being implemented.

Implementation approach for electronic leave management system

DATE	ACTIVITIES TO BE UNDERTAKEN
1 July 2020	<ul style="list-style-type: none"> • Live Date for Phase One Departments. • Phase 1 Departments are: <ul style="list-style-type: none"> ➤ Provincial Treasury ➤ Department of Education ➤ Department of Economic Development and Tourism ➤ Department of Cooperative Governance and Traditional Affairs ➤ Department of Public Works, Roads and Transport ➤ The Office of the Premier
1 October 2020	<ul style="list-style-type: none"> • Live date for Phase 2 Departments • Phase two Departments are: <ul style="list-style-type: none"> ➤ Depart of Health ➤ Department of Community Safety, Security and Liaison ➤ Department of Social Development ➤ Department of Agriculture, Rural Development, Land and Environmental Affairs ➤ Department of Culture, Sport and Recreation
31 March 2020	<ul style="list-style-type: none"> • Establishment of Departmental implementation team and a champion for electronic leave management system
30 June 2020	<ul style="list-style-type: none"> • Last day of capturing all the manual leave forms in PERSAL for Phase 1 Departments
30 September 2020	<ul style="list-style-type: none"> • Last day of capturing all the manual leave forms in Persal for Phase 2 Departments

4. INVOICE TRACKING SYSTEM

The invoice tracking system is to be used by all Mpumalanga Provincial Departments to facilitate tracking of payment of all invoices and facilitate the payments of all valid invoices within 30 days as per Treasury Regulation.

Implementation approach for invoice tracking system

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1 October 2020	<ul style="list-style-type: none"> • Live date for Phase 2 Departments • Phase two Departments are: <ul style="list-style-type: none"> ➢ Department of Health ➢ Department of Community Safety, Security and Liaison ➢ Department of Social Development ➢ Department of Agriculture, Rural Development, Land and Environmental Affairs ➢ Department of Culture, Sport and Recreation
31 March 2020	<ul style="list-style-type: none"> • Establishment of Departmental implementation team and a champion for invoice tracking system
30 June 2020	<ul style="list-style-type: none"> • Last day of capturing all the manual invoices in Logis for Phase 1 Departments
30 September 2020	<ul style="list-style-type: none"> • Last day of capturing all the manual invoices in Logis for Phase 2 Departments

5. AUTOMATION OF FINANCIAL STATEMENTS

The automation of financial statements is to be used by all Mpumalanga Provincial Departments to prepare financial statements from the Trial Balance stage to a full set of financial statements. (Please refer to Provincial Treasury Circular 10 of 2020)

6. TRAINING

Training will be provided to all Departments as part of the implementation and capacity will be built at Provincial Treasury to enable it to provide training as and when requested by Departments.

7. PROVINCIAL HELPDESK SUPPORT

For further clarity and assistance the below officials may be contacted

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Your co-operation in this regard is appreciated.

Regards



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 04/03/2020