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Ref : MPT 14/6/1

## PROVINCIAL TREASURY CIRCULAR NO. 8 OF 2017

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### TO:

DIRECTOR GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA (MR T MDAKANE)  
HEAD: VOTE 3: PROVINCIAL TREASURY (MS NZ NKAMBA)  
HEAD: VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
(MR PT NYONI)  
HEAD: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL  
AFFAIRS (MS SP XULU)  
HEAD: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR MW MKHIZE)  
HEAD: VOTE 7: EDUCATION (MS MOC MHLABANE)  
HEAD: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MR KM MOHLASEDI)  
HEAD: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W MTHOMBOHI)  
HEAD: VOTE 10: HEALTH (DR S MOHANGI)  
HEAD: VOTE 11: CULTURE, SPORT AND RECREATION (MR W MNISI)  
HEAD: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)  
HEAD: VOTE 13: HUMAN SETTLEMENTS (MR K MASANGE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR SS SHONGWE)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR MA KHOZA)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: CO-OPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS (MR SEB MATSEBULA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 5: AGRICULTURE, RURAL  
DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MR S MASEKO)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM  
(MR CT DLAMINI)  
THE CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MS G MASHITENG)  
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 CHIEF FINANCIAL OFFICER (ACTING): VOTE 11: CULTURE, SPORT AND  
RECREATION (MR NC MAMARU)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MR JB MBATHA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 13: HUMAN SETTLEMENTS  
(MR TC MASHILE)

**CENTRALISATION OF BUDGET BLOCKING AND BUDGET FREEZING FUNCTIONALITY AT PROVINCIAL TREASURY**

**1. Objective**

The objective of this circular is to advise all Mpumalanga Provincial Departments that Provincial Treasury will be implementing a budget blocking and a budget freezing functionality on the Basic Accounting System (BAS) and to repeal Provincial Treasury Circular 11 of 2013 (Budget blocking).

**2. Background**

There is a budget blocking tool in BAS that enables Departments to avoid spending where there is no budget and in 2013 a Provincial Treasury Circular was issued advising Departments to implement it. Furthermore there is a budget freezing tool on BAS that assists in ensuring that once all the budget processes had been finalized, the budget may be captured on BAS and be locked to ensure that no unauthorized shifting or adjustment may be made.

**3. Project standardization as per budget statement B5**

All projects that are created on BAS must be aligned to B5 in all material respects and should a Department for any other reason be unable to align its projects to B5 an approval to deviate must be requested from Provincial Treasury.

**4. Implementation of budget blocking and budget freezing**

The Public Finance Management Act, No. 1 of 1999, (PFMA) in section 18(2)(a) states that a Provincial Treasury may do anything further that is necessary to fulfil its responsibilities effectively. One of Provincial Treasury's functions is to promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of Provincial Departments (PFMA section 18(1)(c)).

In invoking the above mentioned PFMA sections, Provincial Treasury will be enforcing the budget blocking and budget freezing centrally in BAS for all Provincial Departments. Should a budget shifting or adjustment be required during the freezing period then an approval must be requested to unfreeze or unblock the budget with reasons why the adjustment may not wait for normal budget processes.

**5. Effective date of this circular**

The effective date of this circular will be 5 February 2017.

**6. Request for unblocking of the budget or unfreezing of the budget may be sent to the following officials for approval.**

Department	Budget Blocking	Contact Number	E-mail address
All Departments	Lucky Radebe	013 766 4380	ljradebe@mpg.gov.za
All Departments	Judith Gama	013 766 4372	jgama@mpg.gov.za

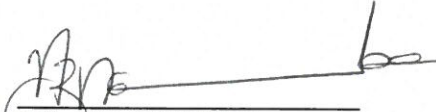


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Department	Budget Freezing
Office of the Premier	Provincial Treasury Programme Officer
Provincial Treasury	Provincial Treasury Programme Officer
Department of Health	Provincial Treasury Programme Officer
Department of Economic Development and Tourism	Provincial Treasury Programme Officer
Department of Community Safety, Security and Liaison	Provincial Treasury Programme Officer
Department of Education	Provincial Treasury Programme Officer
Department of Culture, Sport and Recreation	Provincial Treasury Programme Officer
Department of Cooperative Governance and Traditional Affairs	Provincial Treasury Programme Officer
Departments of Public Works, Roads and Transport	Provincial Treasury Programme Officer
Department of Social Development	Provincial Treasury Programme Officer
Department of Human Settlements	Provincial Treasury Programme Officer
Department of Agriculture, Rural Development, Land and Environmental Affairs	Provincial Treasury Programme Officer

Departments are urged to comply with this circular without exception.

Your co-operation in this regard is appreciated.



**MS. NZ. NKAMBA**  
**HEAD: PROVINCIAL TRAESURY**  
**DATE 11/2/2017**