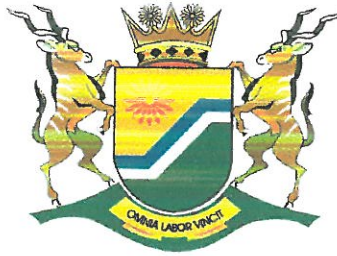


No. 7 Government Boulevard
Building No. 4
Riverside Park Extension 2
Nelspruit
1201



Private Bag X 11205
Nelspruit
1200
Tel: (013) 766 4572
Fax: (013) 766 4604
E-mail : HODFinance@mpg.gov.za

Department of Finance Office of the Head of Department

Litiko LeteTimali

UmNyango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

Enquiries: Ms C. E. Visser
Tel. No. 013 766 4213
REF NO.: DoF 14/3/1/1

PROVINCIAL TREASURY CIRCULAR 38(A) OF 2012

TO:

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (DR N MHKIZE)
THE ACCOUNTING OFFICER: (ACTING) VOTE 2: PROVINCIAL LEGISLATURE (MR SS SANYANE)
THE ACCOUNTING OFFICER (ACTING): VOTE 3: FINANCE (MR JB MBATHA)
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR D MAHLOBO)
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION (MS NL SITHOLE)
THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (DR DV DLAMINI)
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR KM MOHLASEDI)
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MR ST SIBUYI)
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (MR RM MNISI)
THE ACCOUNTING OFFICER: VOTE 11: CULTURE SPORTS AND RECREATION (MS SP MJWARA)
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)
THE ACCOUNTING OFFICER: VOTE 13 (ACTING): HUMAN SETTLEMENTS (MR S MTSWENI)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T NKOJOANA)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (ACTING) (MR. C. MABUNDA)
THE CHIEF FINANCIAL OFFICER: VOTE 3: FINANCE (MS PA SEMENYA)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR MD SHIPALANA)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 5: AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION (MR CT DLAMINI)
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (MS JP HLATSHWAYO)
THE CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MR CB MNISI)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR S SHONGWE)
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MR BH NGOMA)
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MS B MOJAPELO)
THE CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE SPORTS AND RECREATION (MR M KHOZA)
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS P MORGAN)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 13: HUMAN SETTLEMENT (MS SA SEFALA)

THE GENERAL MANAGER: SUSTAINABLE RESOURCE MANAGEMENT (PT) (MS NZ NKAMBA)
THE GENERAL MANAGER (ACTING): ASSETS AND LIABILITIES MANAGEMENT (PT) (MR RM MASAMBO)
THE GENERAL MANAGER: FINANCIAL GOVERNANCE (PT) (MSMFJ BEZUIDENHOUT)

COMPLIANCE TO SECTION 45(e) OF THE PUBLIC FINANCE MANAGEMENT ACT

The Province had a total asset base for the financial year 2011/12 as follows:

TYPE OF ASSET	Amount (R'000)	Totals (R'000)
A. Movable tangible capital assets		1 806 390
1. Heritage Assets		30
2. Machinery and equipment		1 801 415
Transport assets	629 568	
Computer equipment	231 370	
Furniture and office equipment	123 281	
Other Machinery and equipment	817 195	
3. Specialised military assets		4 540
4. Biological assets		405
B. Minor assets		407 282
Intangible assets	62	
Heritage assets	6	
Machinery and equipment	406 554	
Biological assets	660	
C. Computer software		36 358
D. Immovable tangible capital assets		<u>43 960 890</u>
TOTAL		<u>46 210 920</u>

The disposal of damaged, redundant and obsolete assets amounts to R348 598 000 (R260 million for movable assets, R28 million for minor assets, R0,132 million for computer software and R59 million for immovable assets). It has been noticed that officials do not take their responsibility for the assets that were issued to them seriously and that damages and losses of the assets are becoming a challenge for the Province. This includes damages to the immovable assets.

Section 45 of the Public Finance management Act, 1999 (Act 1 of 1999 as amended) (PFMA) stipulates that: "An official in a department, trading entity or constitutional institution- (e) is responsible for the management, including the safeguarding of assets and the management of the liabilities within that official's area of responsibility."

From the above it clear that every single official that is employed by government is responsible for the assets (furniture, vehicles, computers, etc.) allocated to him/her, and therefore must understands the necessity for asset control and management thereof according to prescribed policies and procedures and do not cause damage or loss to assets.

The understanding of the safeguarding of assets against damage and loss must start at the lowest levels and increase with post levels until it reaches the full responsibility for the maintenance and safeguarding of assets with the Accounting Officer.

COMPLIANCE TO SECTION 45(e) OF THE PUBLIC FINANCE MANAGEMENT ACT

The Provincial Treasury recommends that the need to manage assets provided in line with section 45 (e) of the PFMA , that this provision should be included in the performance agreements of all officials as from 1 April 2013.

Regards

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature is highly stylized and cursive, appearing to read 'J B Mbatha'.

MR J B MBATHA
ACTING HEAD OF DEPARTMENT
DATE: 14 / 01 / 2013