

MPUMALANGA PROVINCIAL GOVERNMENT

No. 7 Government Boulevard
Building No. 4, Upper Ground
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 NZ Nkamba**
Tel : **(013) 766-4564**

PROVINCIAL CIRCULAR NO. 5 OF 2014

The Accounting Officer: vote 1: Office of the Premier (Dr. Nonhlanhla Mkhize)
The **Acting** Accounting Officer: Vote 2: Provincial Legislature (Mr. S Silinda)

The Accounting Officer: Vote 3: Finance (Ms. NZ Nkamba)
The Accounting Officer: Vote 4: Cooperative Governance and Traditional Affairs (Mr. MD 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 **Acting** Accounting Officer: Vote 9: Community Safety, Security & Liaison (Mr. W Mthombothi)

The **Acting** Accounting Officer: Vote 10: Health (Dr. VJ Dhlamini)
The Accounting Officer: Vote 11: Culture Sport and Recreation (Ms. SL Xulu)

The Accounting Officer: Vote 12: Social Development (Ms NL Mlangeni)
The Accounting Officer: Vote 13: Human Settlements (Mr. SM Mtsweni)



The **Acting** Chief Financial Officer: Vote 1: Office of the Premier (Mr. K Dlamini)

The Chief Financial Officer: Vote 2: Provincial Legislature (Mr. SS Sanyane)

The **Acting** Chief Financial Officer: Vote 3: Finance (Ms. LC Mlambo)

The Chief Financial Officer: Vote 4: Cooperative Governance and Traditional Affairs
(Mr. MD Shivalana)

The Chief Financial Officer: 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 **Acting** Chief Financial Officer: Vote 8: Public Works, Roads & Transport (Ms. H Mdaka)

The Chief Financial Officer: Vote 9: Community Safety, Security & Liaison (Ms. S Sefala)

The Chief Financial Officer: Vote 10: Health (Mr. Vs Makhubedu)

The Chief Financial Officer: Vote 11: Culture Sport and Recreation (Mr. T Nkojoana)

The Chief Financial Officer: Vote 12: Social Development (Ms. P Morgan)

The Chief Financial Officer: Vote 13: Human Settlements (Mr. SEB Matsebula)

GM: Provincial Treasury: Sustainable Resource Management: Ms. G Milazi

GM: Provincial Treasury: Assets and Liabilities: Mr. RM Masambo

GM: Provincial Treasury: Financial Governance (**Acting**): Mr. JB Mbatha

Head of Intervention: Provincial Treasury: Mrs. MJF Bezuidenhout

DIRECT PAYMENTS MADE TO SERVICE PROVIDERS WITHOUT BEING PROCESSED IN LOGIS AND BAS SYSTEMS

The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) promotes economy, efficiency, effectiveness and transparency in the use of state resource and one of its key objectives is to eliminate waste and corruption in the use of public assets.

It has, however come to Provincial Treasury's attention that some Provincial Departments are bypassing the government procurement and reporting systems namely LOGIS and BAS when effecting certain sums of payments thus undermining sound cash and financial management.

The records of the suppliers being paid are not recorded on the transversal systems (Logis and BAS) which might result in future audit queries as the transactions were not captured on the transversal systems in the first place and inaccurate reporting as reporting is done through the transversal systems.

While the Provincial Treasury has previously raised concerns around this matter, recent checks have necessitated that we request all Accounting Officers to provide confirmation to Provincial Treasury whether such facilities and practices still exist in the respective departments.

In addition, should it be the case, please provide Provincial Treasury with records reflecting all direct payments made by your institution to beneficiaries during the 2013/14 financial year without having recorded the transaction details on BAS or Logis.

The records should be accompanied by documentary evidence for the service of goods provided and reason for deviating from agreed processes by effecting direct payments.

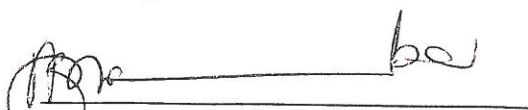
The bank will be instructed not to accept any direct payment letter from any Department except the direct transfer letter which is printed by BAS that indicates the payments have been captured on the system which must also be in line with the cut off dates circular.

Departments are urged to cease from issuing any direct payments letter outside of the system with immediate effect and punitive measures will be taken which may include withholding of funds as provided for by Section 18(2) (g) of the PFMA.

The requested information should be submitted to Provincial Treasury by no later than Monday, 31 March 2014 to Ms G Milazi - GMilazi@mpg.gov.za

Kindly note that an excel template has been forwarded to your emails.

Kind regards,


MS. NZ NKAMBA
HEAD OF DEPARTMENT
DATE: 24/3/2014



DIRECT TRANSFERS 2013/14 - PAYMENTS WHERE SYSTEM WAS BYPASSED BY DEPARTMENT OF XXXXXX					
	Supplier	Amount	Payment Date	Reasons for payment	Reason for not using the system
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
		R			