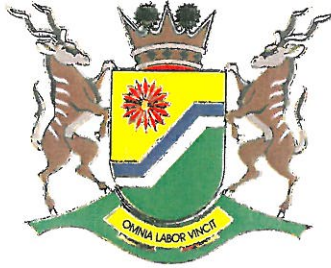


MPUMALANGA PROVINCIAL GOVERNMENT

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. 6 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 Shipalana)

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

2014 ANTICIPATED REVENUES AND EXPENDITURE

The 2014 Budget was tabled by the MEC for Finance in the Provincial Legislature on 11 March 2014 in line with section 27 of the Public Finance Management Act.

Section 40 (4) (a) of PFMA states that the Accounting Officer of a department must—

(a) Each year before the beginning of a financial year provide the treasury in the prescribed format with a breakdown per month of the anticipated revenue and expenditure of that department for that financial year;

Treasury Regulation 15.10.2 provides guidance on how we should prepare cashflows in relation to a new financial year.

Treasury Regulation 15.10.2.1 states that the Accounting Officer must **annually** submit to the relevant treasury a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates.

TR 15.10.2.2

Provincial Treasuries must submit to the National Treasury, by the **15th working day of March**, projections of their expenditure, revenue and borrowings, in a format determined by the National Treasury.

TR 15.10.2.3

Once such amounts have been approved, modified as necessary after consultation with the relevant treasury, the Accounting Officer may not draw from the revenue fund more than the amount approved for a month, without prior written approval from the relevant treasury.

TR 15.10.2.4

Should the Accounting Officer need to adjust the approved projections, the proposed adjustments must be motivated to the relevant treasury for evaluation against the availability of funds in the Exchequer.

As a province we have achieved the first step that of tabling the Provincial Budgets within 14 days as stipulated in section 27 of the PFMA.

The next step is the determination and submission of provincial cashflows by the 15th working day of March in a year to National Treasury as stipulated in TR 15.10.2.2

The graphs that are shown on the annexure represent the cashflows that have been determined by Departments.

The following questions are raised in order to assist Colleagues in **getting our basics right** with respect to preparing for a new budget year:

- a) What informs these amounts? Each CFO, Head of SCM, Heads of Programmes, Head of Planning unit should be in a position to respond to this question in order to ensure that the cashflows are reflective of our plans and budgets
- b) Are these amounts aligned to procurement plans reflective of amounts in excess of R30 000?

- c) What is our state of readiness in relation to Supply Chain Management processes
- d) Is the procurement of goods and services aligned to 2014 APP and operational plans
- e) All procurements over R500 000 must only be advertised in Provincial Tender Bulletins
- f) Below each graph we need to interpret what each line represents in relation to the various trends, what happens in each month
- g) What should be anticipated each month as the PFMA defines this report as a report on anticipated revenues and expenditures
- h) The Provincial Revenue Fund anticipates receiving these monies from National Government from the National Revenue Fund whilst the Department anticipates to spend the funding in order to deliver on its mandate

This is the period of preparation for a new budget year where each Department must revisit its graph and interpret what the graph in each month means in relation to the work of the Department.

Here are some guiding principles:

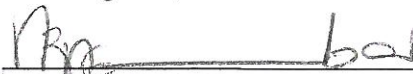
- a) March Spikes are not allowed
- b) In infrastructure Departments, December spike will not be accepted as this is a rainy season and builders' holiday period
- c) Flat graphs will be interpreted as department divided by 12 and will not be accepted
- d) Planting season must be clear in Agriculture sector

Here are some assumptions in support of a new budget year:

- a) Each Accounting Officer has established all Supply Chain Committees for the new financial year.
- b) Any new members in these committees have already received training and if not arrangements have already been concluded with the Provincial Treasury and training dates have been confirmed.
- c) Each Accounting Officer has established the Departmental budget Committee or at least has reviewed existing one and has notified existing members that they should continue serving in that committee.
- d) Each Accounting Officer has revisited the system of delegations and reviewed what has worked and what has not worked and proposed to the Executing Authority any re-arrangements in line with HR and Financial delegations that will lead to improvements in the delivery of services.
- e) That a database of all policies exists and that processes are in place to review same where necessary.

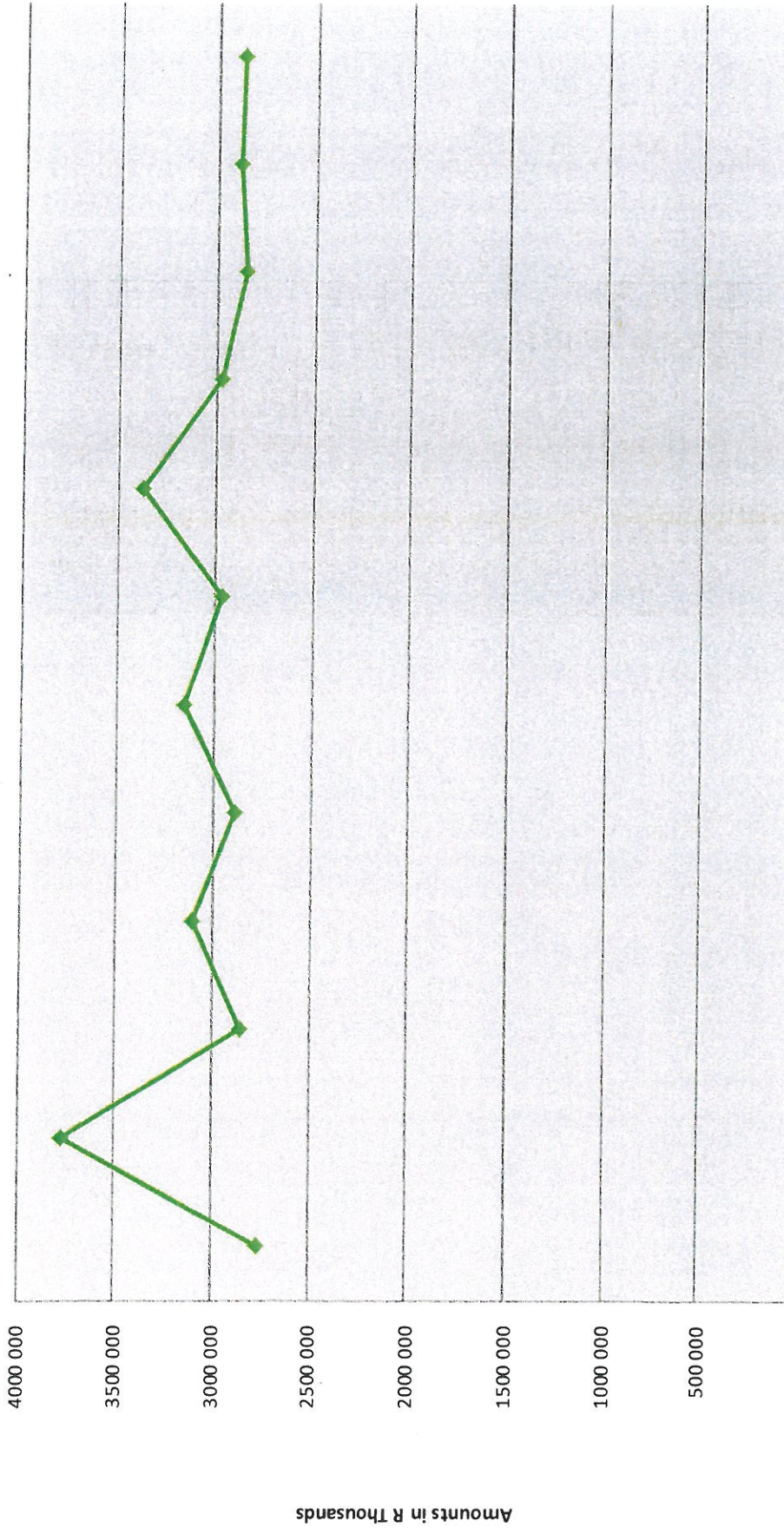
Departments are kindly requested to respond to all issues raised in the circular on or before Monday 31 March 2014.

Kind regards,



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

MPUMALANGA

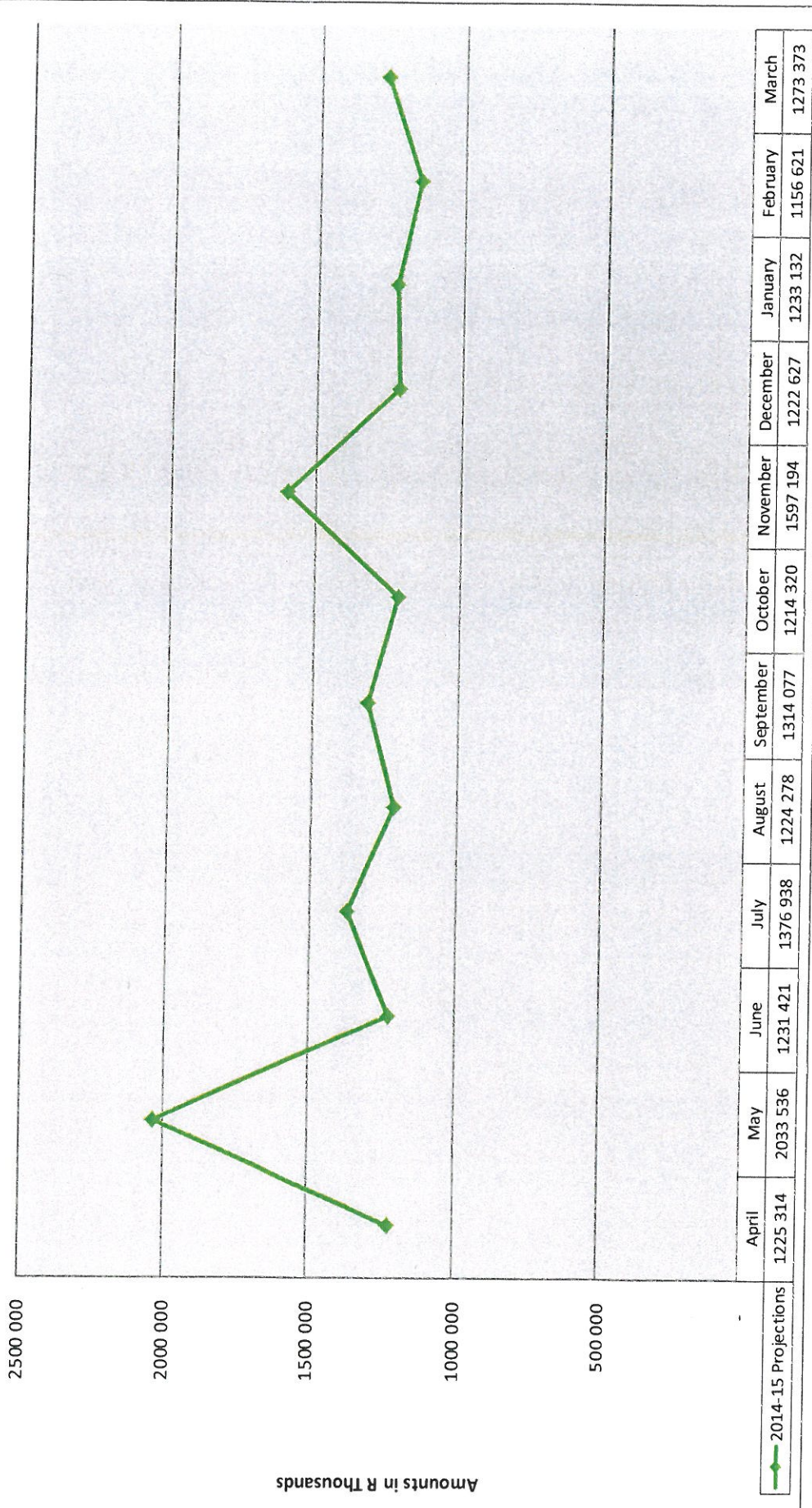


2014-15 Projections	April	May	June	July	August	September	October	November	December	January	February	March
	2769 953	3771 464	2861 539	3104 402	2888 824	3154 511	2966 627	3375 093	2975 941	2851 083	2880 120	2870 257

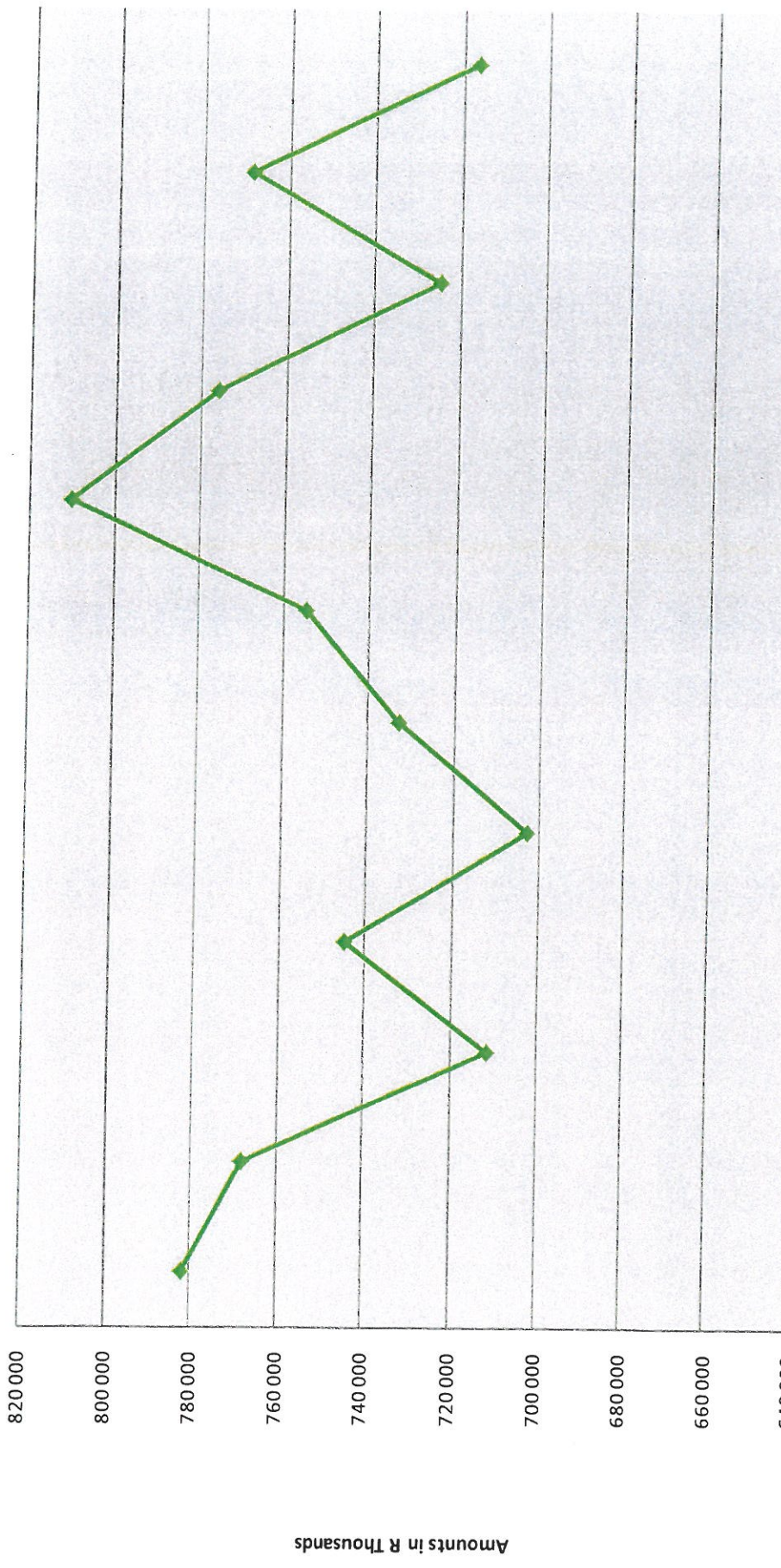
Amounts in R Thousands



EDUCATION



HEALTH



Month	Amount (R Thousands)
April	781 690
May	767 933
June	711 704
July	744 751
August	702 757
September	732 726
October	754 574
November	810 127
December	775 878
January	724 782
February	768 173
March	716 515

Amounts in R Thousands

2014-15 Projections

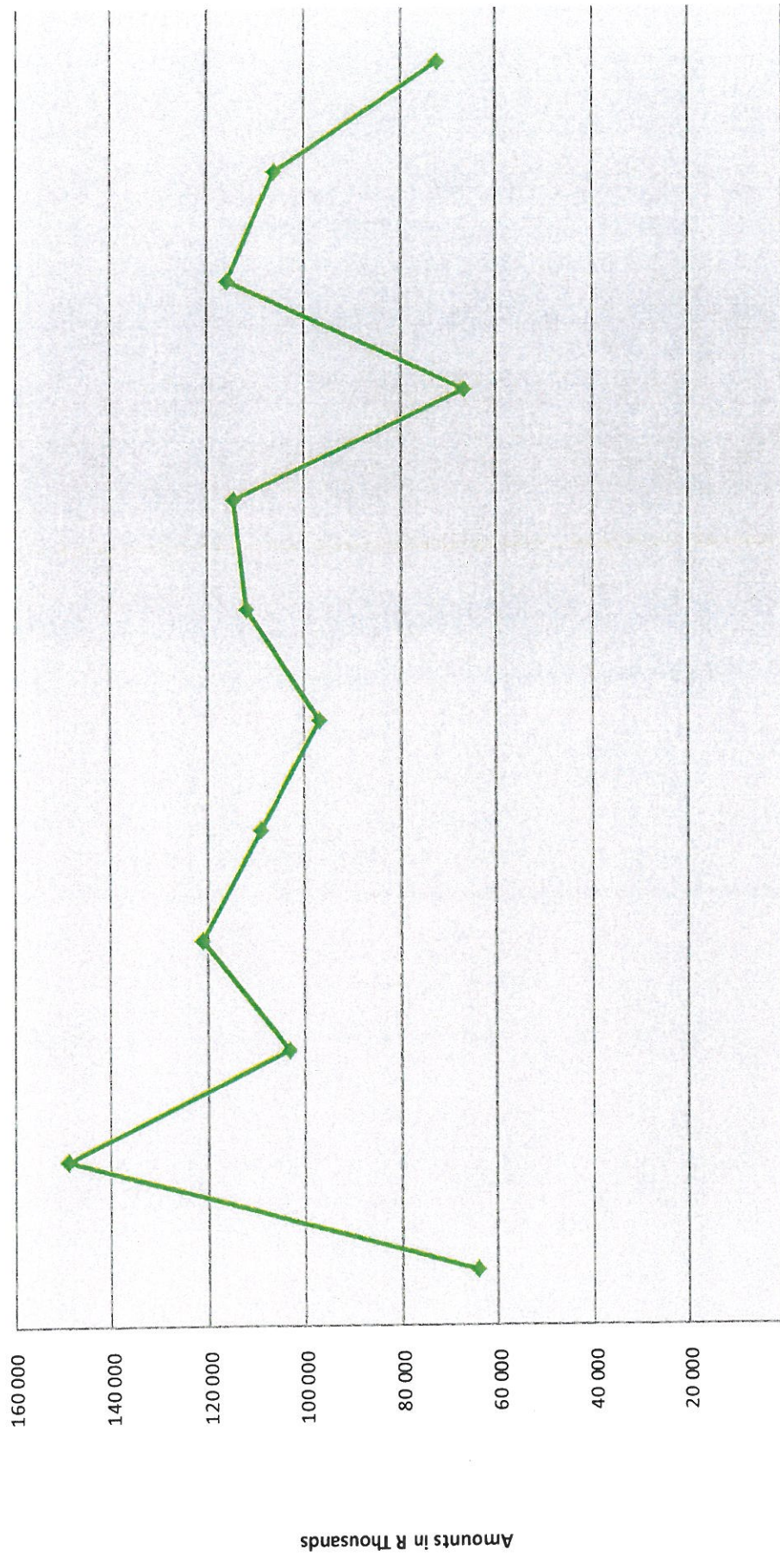


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SOCIAL DEVELOPMENT



2014-15 Projections	April	May	June	July	August	September	October	November	December	January	February	March
	64 133	149 012	103 255	121 487	109 249	96 921	112 066	114 742	66 555	116 117	106 343	72 185

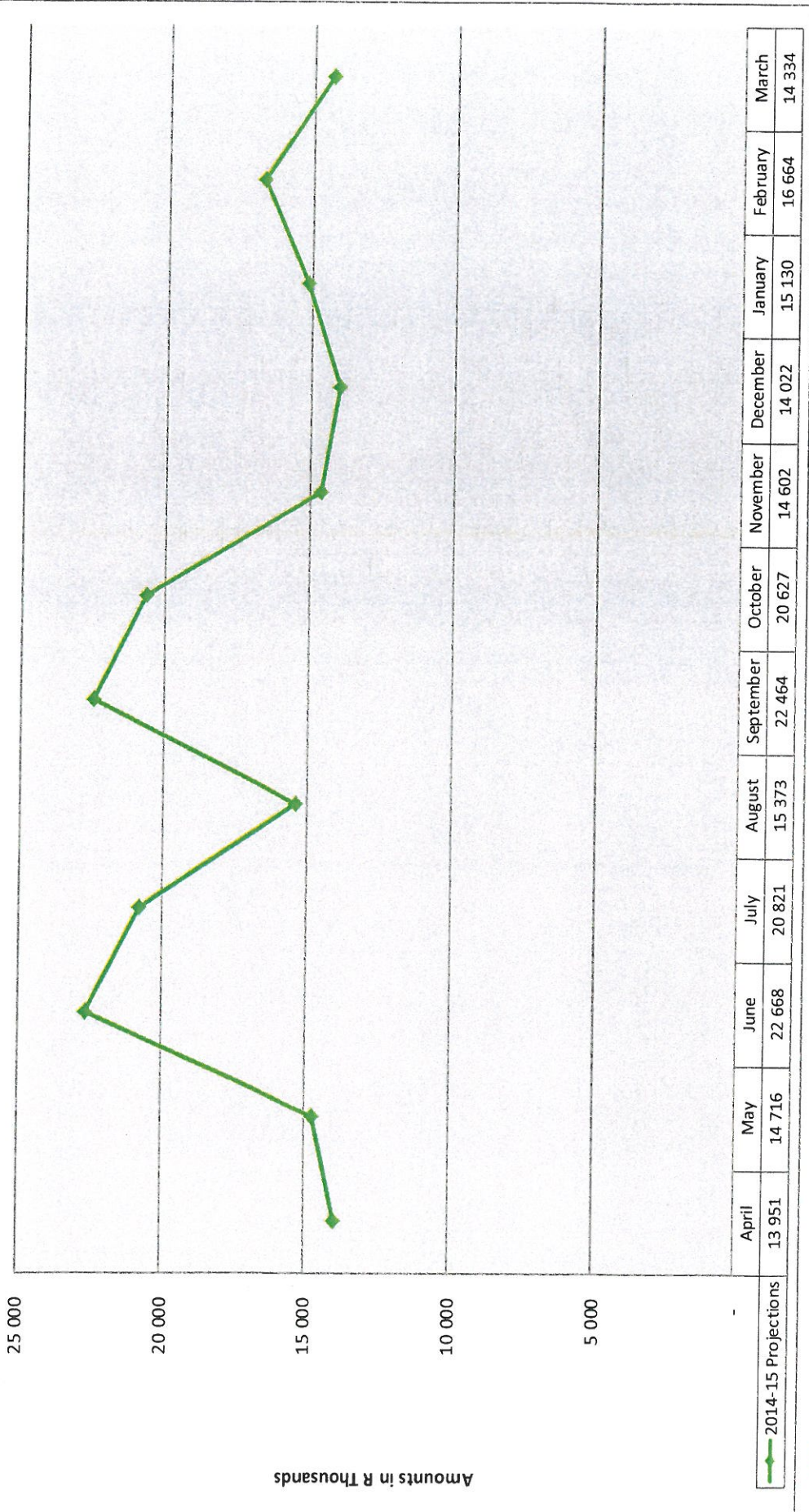


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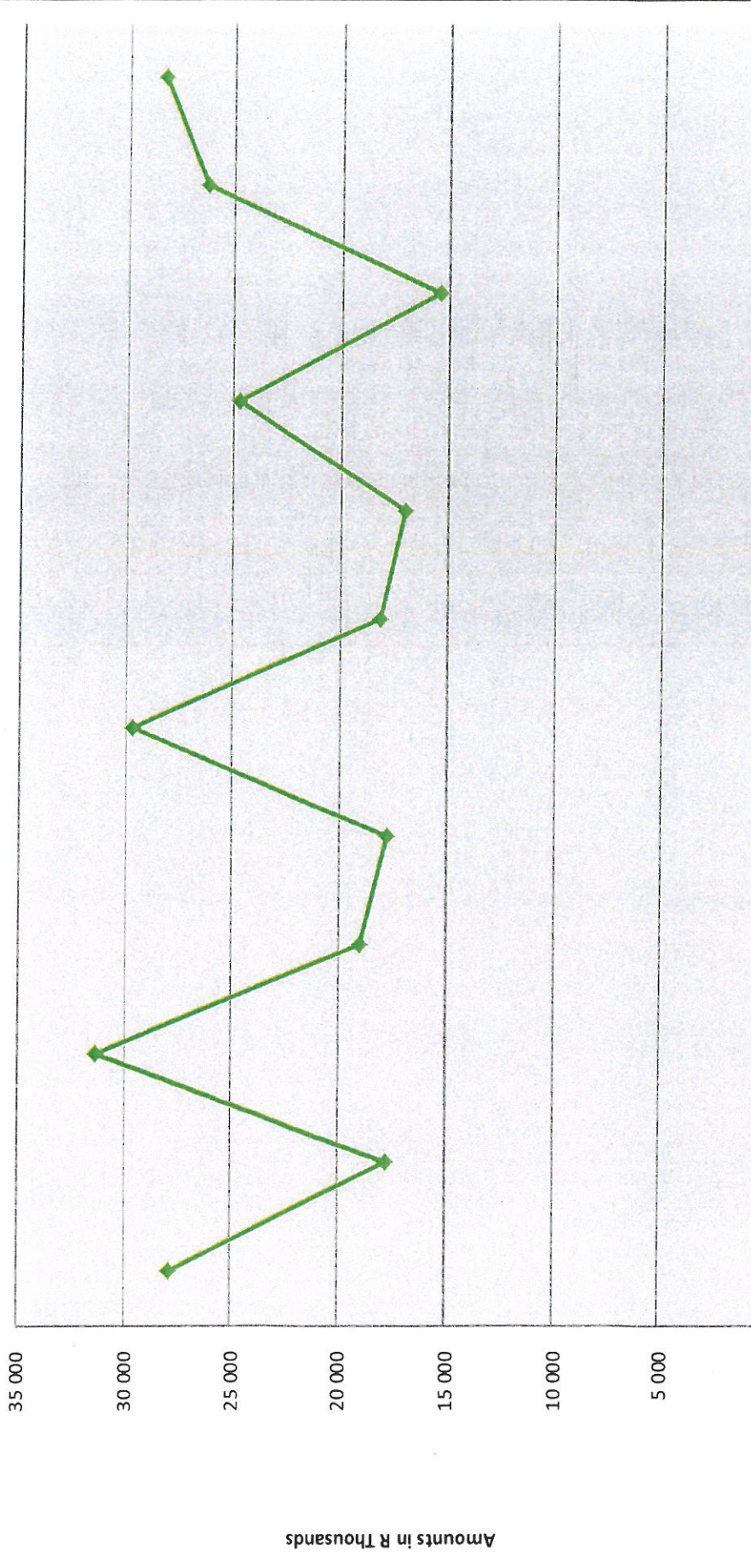




OFFICE OF THE PREMIER

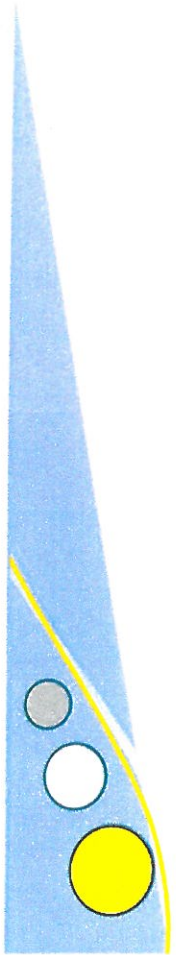


PROVINCIAL LEGISLATURE

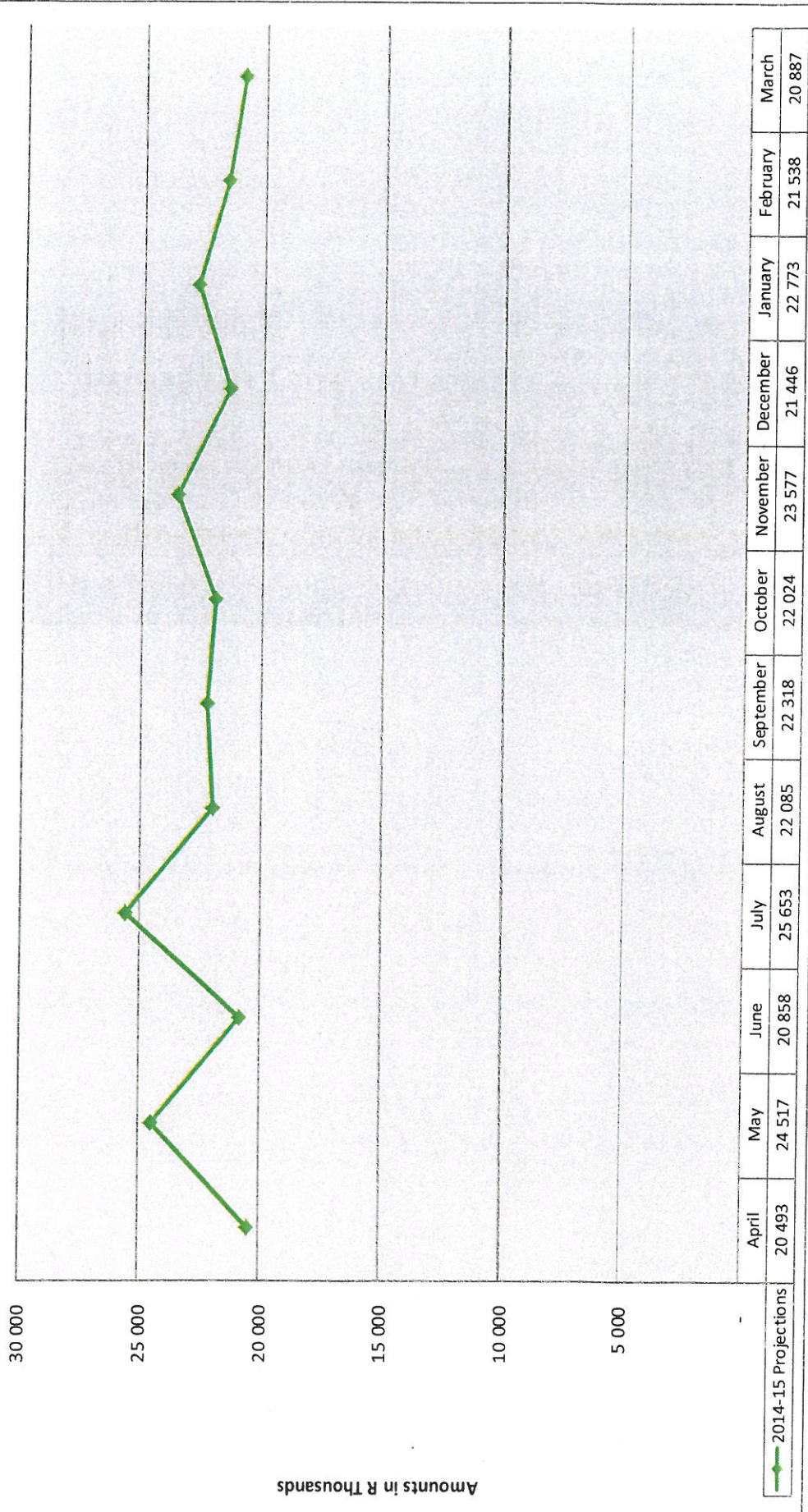


2014-15 Projections	April	May	June	July	August	September	October	November	December	January	February	March
	27 922	17 788	31 379	19 047	17 833	29 700	18 141	17 030	24 735	15 405	26 272	28 236

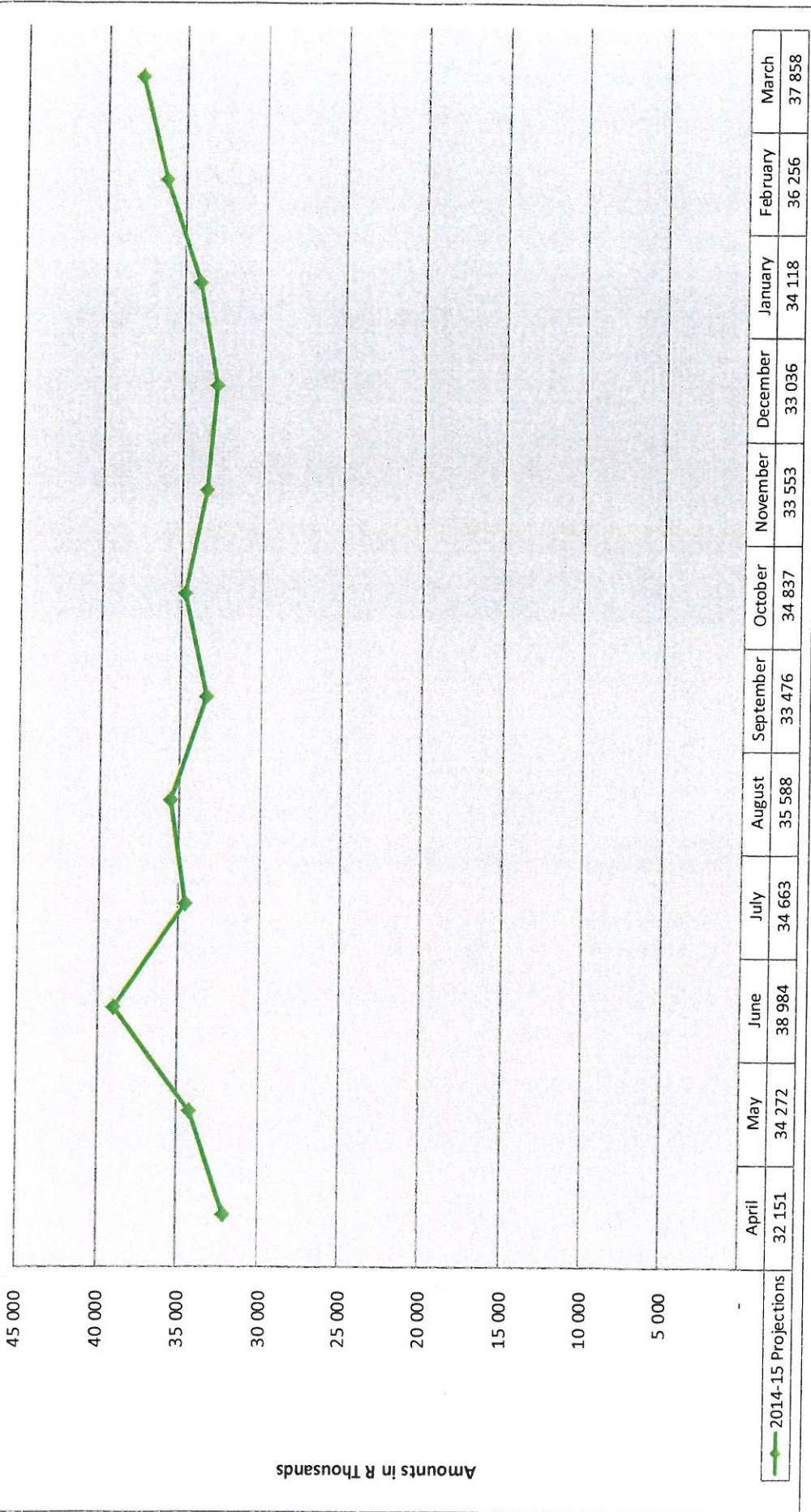
Amounts in R Thousands



FINANCE



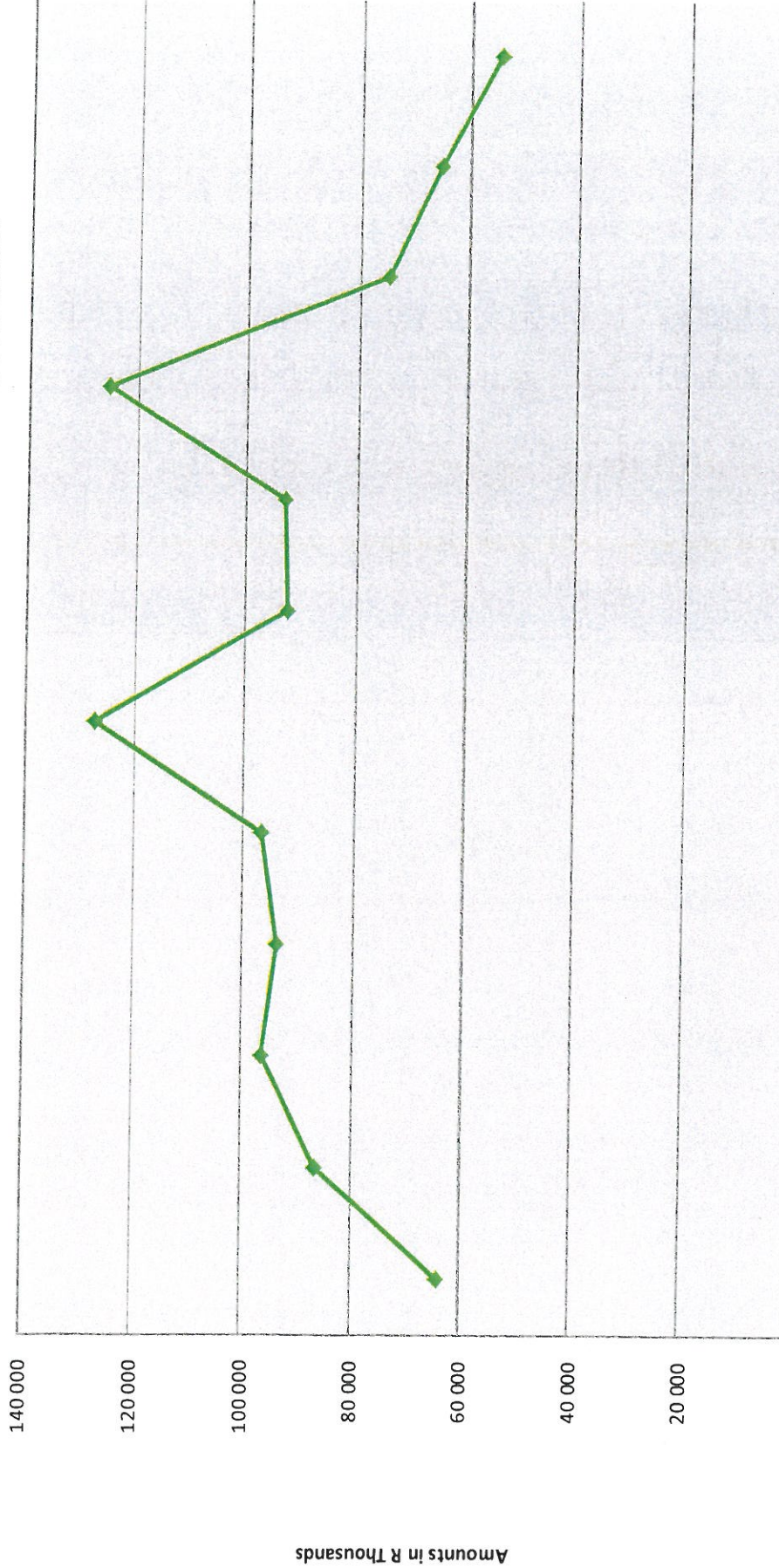
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS



Amounts in R Thousands

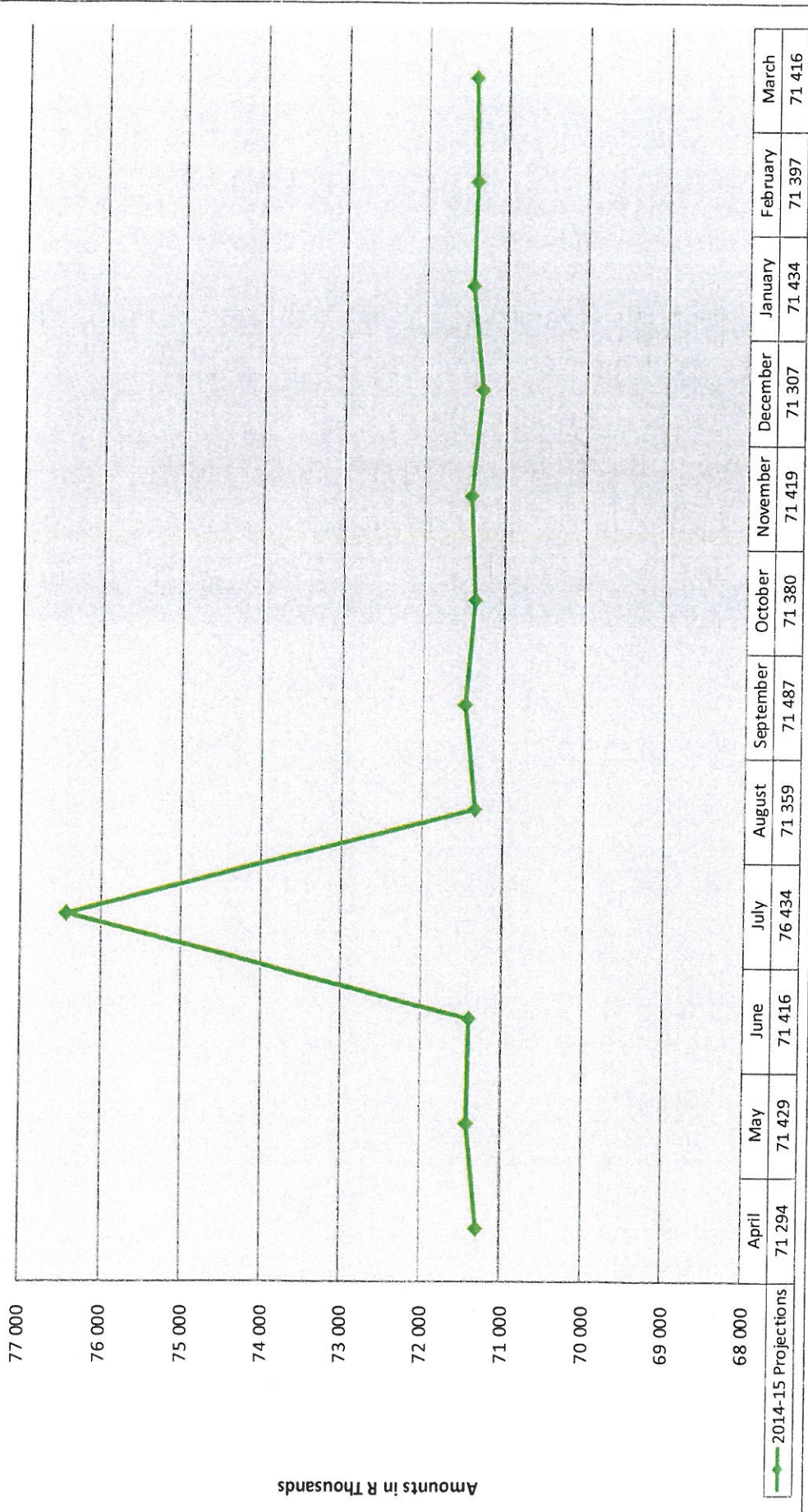
2014-15 Projections

AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION



Month	April	May	June	July	August	September	October	November	December	January	February	March
2014-15 Projections	63 975	86 592	96 704	93 935	96 908	127 510	92 545	93 275	125 576	74 665	65 166	54 553

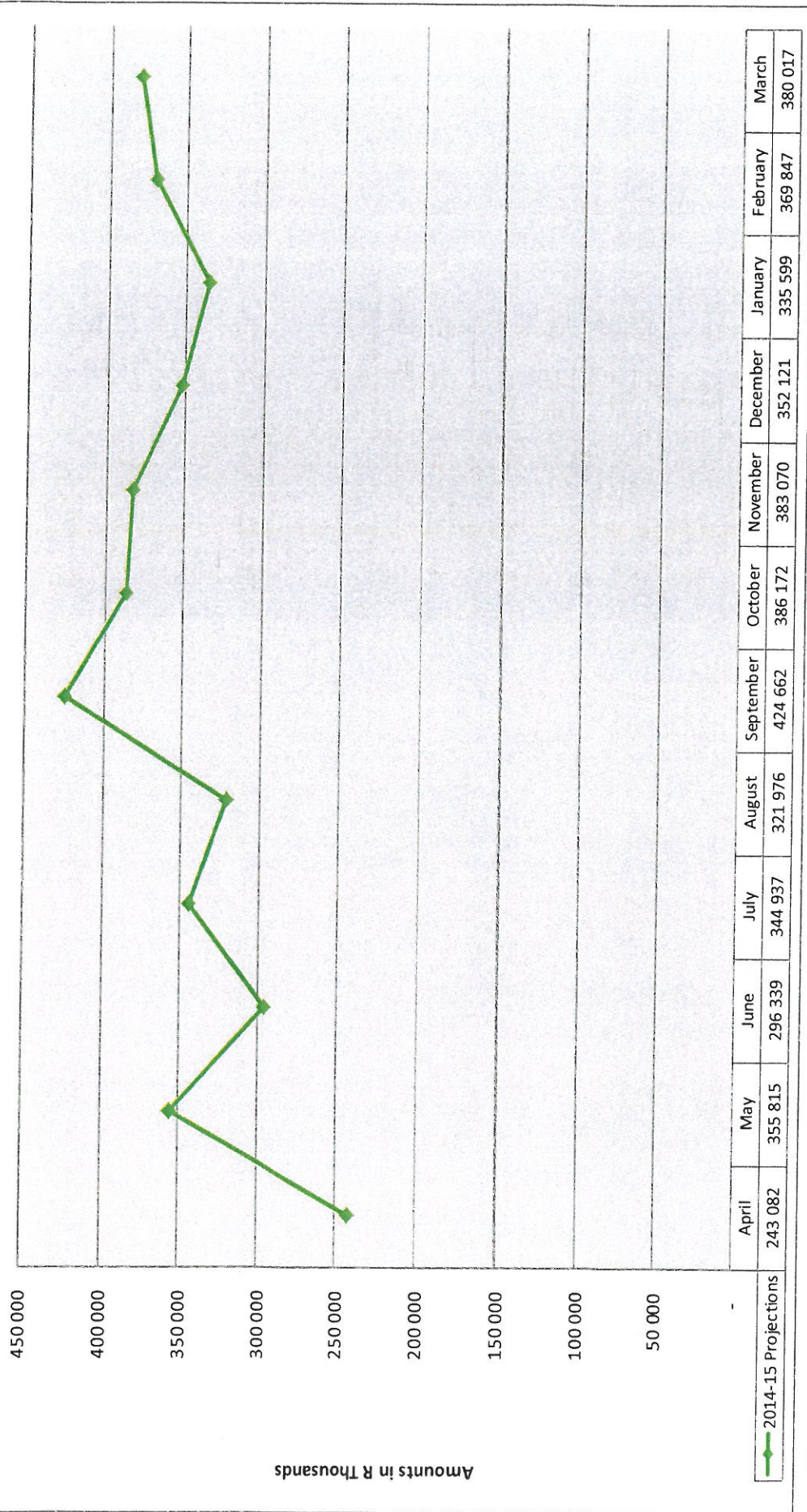
ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM



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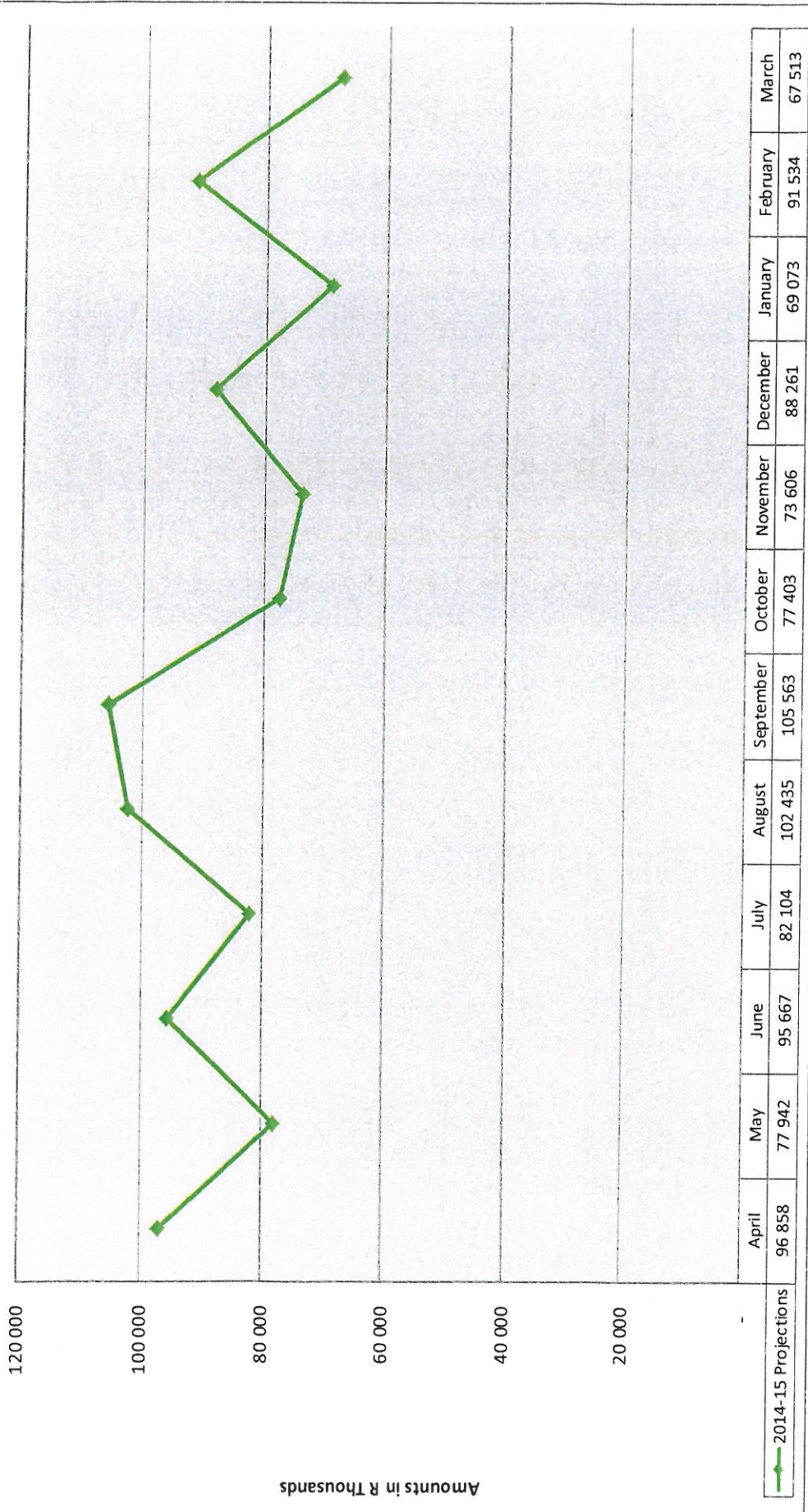
PUBLIC WORKS, ROADS AND TRANSPORT



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COMMUNITY SAFETY, SECURITY AND LIASON



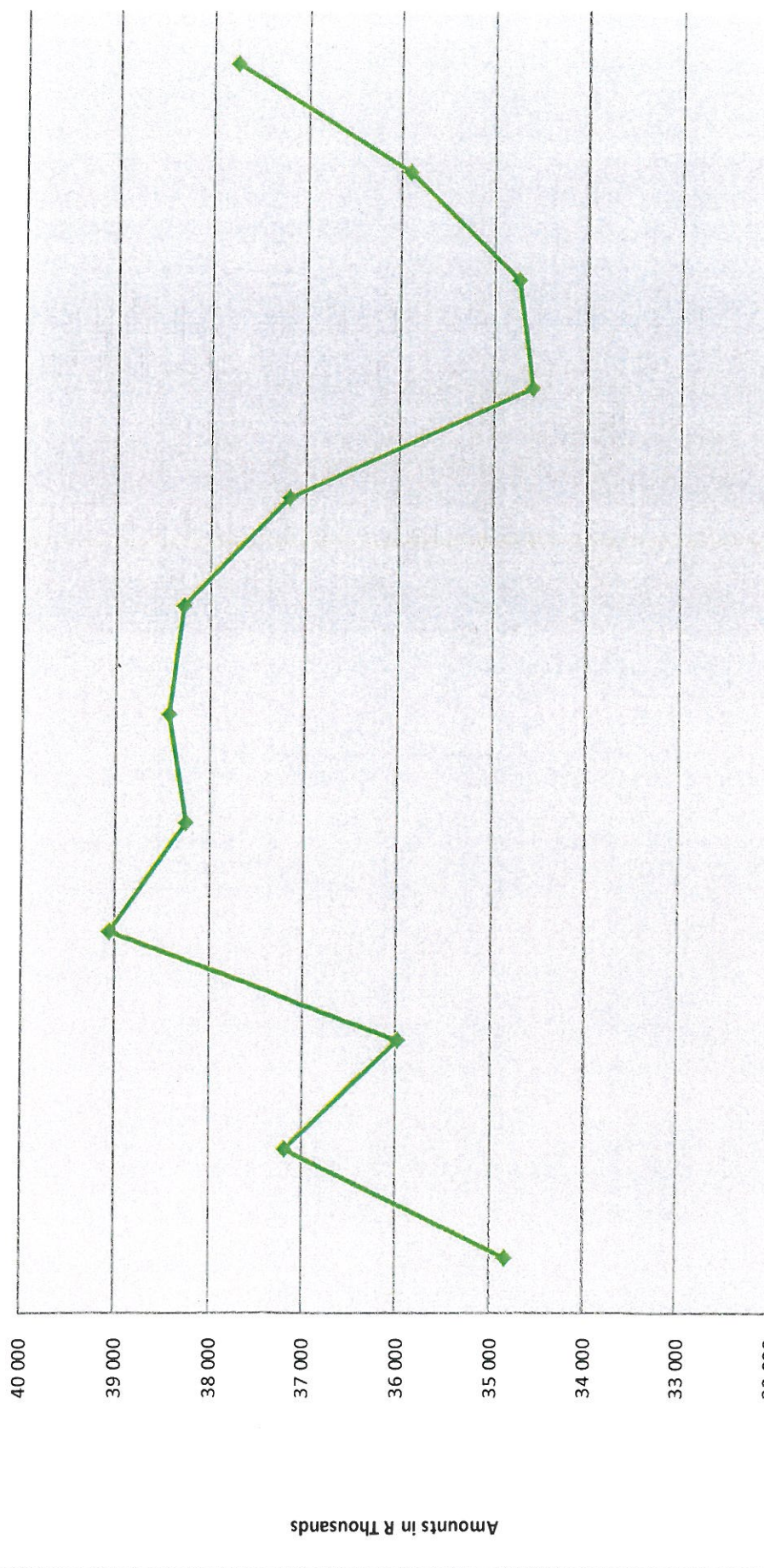
2014-15 Projections	April	May	June	July	August	September	October	November	December	January	February	March
	96 858	77 942	95 667	82 104	102 435	105 563	77 403	73 606	88 261	69 073	91 534	67 513



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 Department:
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CULTURE, SPORTS & RECREATION



2014-15 Projections	April	May	June	July	August	September	October	November	December	January	February	March
	34 838	37 192	35 982	39 065	38 264	38 444	38 289	37 173	34 585	34 735	35 897	37 744

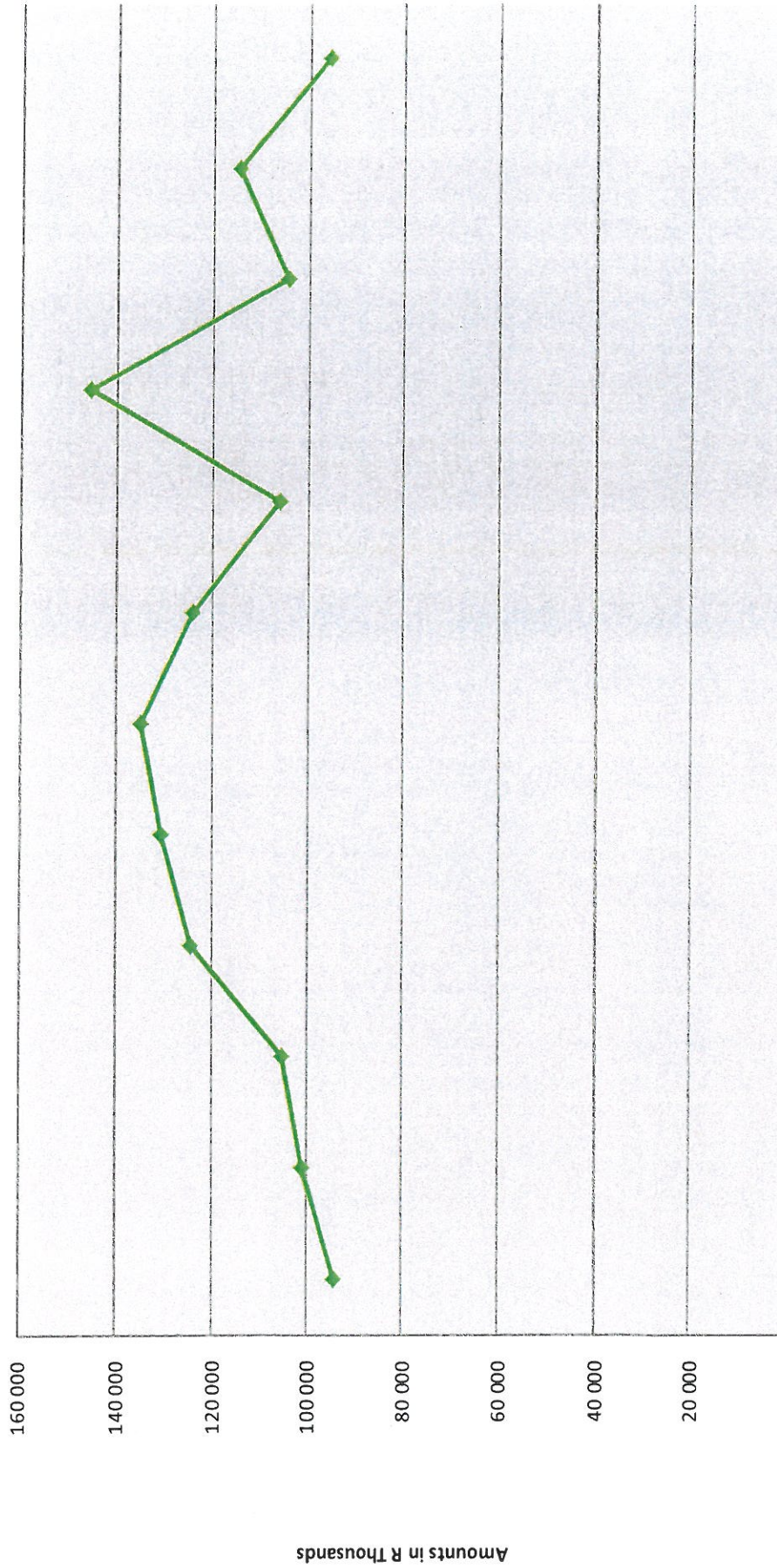
Amounts in R Thousands



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HUMAN SETTLEMENTS



Month	Amount (R Thousands)
April	94 252
May	100 720
June	105 162
July	124 567
August	130 719
September	135 163
October	124 249
November	105 725
December	145 792
January	104 120
February	114 412
March	95 626

