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Department of Finance

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PROVINCIAL TREASURY CIRCULAR 7 OF 2010

TO:

**DIRECTOR-GENERAL
HEADS OF DEPARTMENTS**

EXECUTIVE DIRECTIVES HAVING FINANCIAL IMPLICATIONS

The Public Finance Management Act (PFMA), Act No. 1 of 1999 is one of the most important pieces of legislation and promotes the objective of good financial management in order to maximise service delivery through the effective and efficient use of the resources.


There is a very definite division of responsibility as the PFMA assumes that the political head of a department is responsible for policy matters and outcomes while the head official (accounting officer) is responsible for outputs and implementation.

In order to reiterate the principles of accountability and responsibility, your attention is drawn to Section 64 of the PFMA, which stipulates that any directive by an Executive Authority of a department to the Accounting Officer of the department that has financial implications for the department must be in writing. If the implementation of such a directive is likely to result in unauthorised expenditure, the Accounting Officer will be responsible for any resulting unauthorised expenditure unless he/she has informed the Executive Authority in writing of the likelihood of that unauthorised expenditure. Any decision of the Executive Authority to proceed with the implementation of the directive, and the reasons for the decision, must be in writing, and the Accounting Officer must promptly file a copy of this document with the National Treasury, Provincial Treasury and the Auditor-General.

Section 81 furthermore prescribes that an Accounting Officer for a department commits an act of financial misconduct if that accounting officer wilfully or negligently makes or permits an unauthorised expenditure, an irregular expenditure or a fruitless and wasteful expenditure.

It would be appreciated if you could also ensure that the content of this Circular is brought to the attention of all officials in your Department.

Regards



MR. M. MAZIBUKO
HEAD OF DEPARTMENT
DATE: 12/10/2010