

PROVINSIALE TESOURIE • PROVINCIAL TREASURY • UNONDYEBU WEPHONDO



Verwysing
Reference
Isalathiso

T 11/2/2-(2009/10)

Navrae
Enquiries
Imibuzo

N.Zozoba

TREASURY CIRCULAR NO. 17/2009

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF HOUSING
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MS V PETERSEN)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR P WILLIAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR RB SWARTZ)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS) (ACTING)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR B ROBERTS)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS) (ACTING)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE) (ACTING)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR H DU TOIT) (ACTING)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS N OLIPHANT)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: INTERNAL AUDIT: GOVERNANCE AND ADMINISTRATION CLUSTER (MS B CAIRNCROSS)
THE SENIOR MANAGER: INTERNAL AUDIT: SOCIAL CLUSTER (MR M MALULEKA)
THE SENIOR MANAGER: INTERNAL AUDIT: ECONOMIC CLUSTER (MR J RADEBE)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MR PP PIENAAR) (ACTING)
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MS N SILULWANE) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR G PAULSE)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS A PICK) (PRO TEM)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MS J DAVIDS)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

For information

EXPENDITURE BEFORE 2009/10 APPROPRIATION BILL IS PASSED: LEGAL LIMITATIONS

PURPOSE

1. The purpose of this circular, issued in terms of section 29 of the Public Finance Management Act, 1999 (No 1 of 1999) (PFMA), is to remind accounting officers of the guiding statutory limitations regarding 2009/10 expenditure before the 2009 Main Budget (Western Cape Appropriation Bill, 2009) is enacted.

BACKGROUND

2. The tabling of the 2009 Budget and First Reading of the Western Cape Appropriation Bill, 2009, has taken place on 24 February 2009.
3. The Second Reading, consideration of the different votes, Third Reading and finalisation of the Western Cape Appropriation Bill, 2009, are only due to take place after the general elections on the 22nd of April 2009 once the Bill has been revived by the new Provincial Parliament.
4. The Western Cape is thus in a position where a new financial year has already started, although the 2009 Main Budget has not as yet been approved.

GUIDING STATUTORY LIMITATIONS

5. Section 29 of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) stipulates that:

“(1) If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the relevant Revenue Fund for the services of the state or the province concerned during that financial year as direct charges against the Fund until the budget is passed.

(2) Funds withdrawn from the Revenue Fund in terms of subsection (1) -

(a) may be utilised only for services which funds were appropriated in the previous annual budget or adjustments budget; and

(b) may not -

- (i) during the first four months of the financial year, exceed 45 per cent of the total amount appropriated in the previous annual budget;
- (ii) during each of the following months, exceed 10 per cent of the total amount appropriated in the previous annual budget; and
- (iii) in aggregate, exceed the total amount appropriated in the previous annual budget.

- (3) The funds provided for in subsection (1) are not additional to funds appropriated for the relevant financial year and any funds withdrawn in terms of that subsection must be regarded as forming part of the funds appropriated in the relevant annual budget for that financial year.”
6. In terms of Section 3 of the Western Cape Direct Charges Act, 2000, as amended, if an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn from the Provincial Revenue Fund as a direct charge against the Fund until the Budget is passed, in accordance with section 29 of the PFMA.

ACTIONS REQUIRED

7. Accounting Officers must note the statutory limitations as detailed above, that, until the 2009 Main Budget (Western Cape Appropriation Bill, 2009) has been enacted, -
- (a) No new services may be funded in the 2009/10 financial year, except for services carried through from the 2008/09 Main and Adjusted Budgets.
- (b) The table below illustrates the monetary (expenditure) limitations per provincial department:

Provincial Department R'000	Main Appropriation 2008/09	Expenditure limitation 45 % April to June 2009/10	Expenditure limitation 10 % per month after June 2009/10
1. Department of the Premier	407 473	183 363	40 747
2. Provincial Parliament	63 690	28 661	6 369
3. Provincial Treasury	120 596	54 268	12 060
4. Community Safety	228 282	102 727	22 828
5. Education	9 019 913	4 058 961	901 991
6. Health	8 641 973	3 888 888	864 197
7. Social Development	1 088 065	489 629	108 807
8. Local Government and Housing	1 451 041	652 968	145 104
9. Environmental Affairs and Development Planning	198 817	89 468	19 882
10. Transport and Public Works	2 610 516	1 174 732	261 052
11. Agriculture	344 704	155 117	34 470
12. Economic Development and Tourism	219 244	98 660	21 924
13. Cultural Affairs and Sport	497 740	223 983	49 774
Total Estimates of Provincial Expenditure	24 892 054	11 201 424	2 489 205

- (c) Expenditure for the period April to June 2009 is limited to 45 per cent of the total amount appropriated in the previous Annual Budget.
- (d) For each of the months following July 2009, expenditure will be limited to 10 per cent of the total amount appropriated in the previous Annual Budget.
- (e) In aggregate expenditure will be limited to the total amount appropriated in the 2008 Main Budget.

8. Your cooperation will be appreciated.

HEAD OFFICIAL: PROVINCIAL TREASURY

DATE: