

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO**



Verwysing
Reference
Isalathiso

PT16/4

Navrae
Enquiries
Imibuzo

A Bastiaanse

TREASURY CIRCULAR NO. 9/2007

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS, SPORT AND RECREATION
THE MINISTER OF EDUCATION
THE MINISTER OF ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT
THE MINISTER OF FINANCE AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF LOCAL GOVERNMENT AND HOUSING
THE MINISTER OF SOCIAL SERVICES AND POVERTY ALLEVIATION
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 (DR GA LAWRENCE)
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 (MR M DELIWE)
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) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T TOLMAY)
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 (DR H FAST) (ACTING)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

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 MACIKAMA) (ACTING)
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 PAE BREDEKAMP)
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 (MR A ASSIM)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: SUSTAINABLE RESOURCE MANAGEMENT (MS SMA ROBINSON)
THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS C MILES) (ACTING)
THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)
THE SENIOR MANAGER: ENTERPRISE RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR L NENE)
THE CHIEF AUDIT EXECUTIVE (MS R JAFTHA)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS B BOQWANA)
THE SENIOR MANAGER: FISCAL POLICY (MR D CORNELISSEN) (ACTING)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MS AJ HICKEY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MR DG BASSON)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT ←

For information

PROVISION OF COMMERCIAL BANKING SERVICES BY NEDBANK AS FROM 1 APRIL 2007

1. Purpose

- 1.1 The purpose of this circular is to inform all personnel within the Provincial Government of the Western Cape that in accordance with section 7 (2) of the Public Finance Management Act, 1999 (Act 1 of 1999) as amended, Nedbank will be the official banker of the Provincial Government as from 1 April 2007 and that certain amendments to banking related procedures will be required.

2 Background

- 2.1 The current bid/tender for the provision of commercial banking services with ABSA Bank expires on 31 March 2007. Arrangements have been made that the bank accounts at ABSA may remain open for a further six months till 30 September 2007. It is however the intention of the Provincial Treasury to close the ABSA Bank accounts as soon as possible, after consultation with Provincial Departments.
- 2.2 Nedbank was informed on 15 December 2006 that they were the successful bidder/tenderer for provision of banking services as from 1 April 2007.
- 2.3 Once a new official banker is appointed, there will always be procedures and processes that have to be amended such as deposit books which have to be withdrawn and issued, etc. This circular will address such amendments and inform departments of the progress with the migration from ABSA Bank to Nedbank.

3. Migration from ABSA Bank to Nedbank

3.1 Creation of new bank accounts

All departments were informed on 31 January 2007 of the Nedbank accounts opened for each department/institution.

This was done to ensure that departments could timeously inform depositors, private as well as government institutions, of the relevant department's new bank account details as from 1 April 2007. Although the accounts have been created, they will only be activated on 30 March 2007, to ensure that no transactions can be passed in the interim or bank charges levied.

3.2 Allocated Nedbank branch/cash in transit service (CIT)

On 15 March 2007 all departments (depositing institutions) were informed of the Nedbank branches allocated to them, the physical address and contact details of the branch, where the depositing institution would request /collect a new deposit book as from 1 April 2007(at branch or head office), as well as detail of the cash in transit service (on own request or where there is no Nedbank branch) that were arranged for them.

In the case of depositing institutions for which a cash in transit service has been arranged, the CIT service provider will be visiting the various departments/institutions prior to 1 April 2007, to arrange times and venues for pick up.

3.3. Deposit books

The initial stock of deposit books (3 per depositing institution) were handed over to departments for distribution to their depositing institutions during the week of 12 to 16 March 2007.

As the deposit slips only make provision for 15 cheques to be included in a deposit, an addendum to the Nedbank deposit slip was developed and approved by Nedbank. The addendum will be used in instances where the number of cheques included in a deposit, exceed the 15 entry lines, provided for on the deposit slip.

In these instances the detail of the cheques received (drawer name and amount) will be indicated on the addendum and not the deposit slip. Only the total sum of the cheques received, will be indicated on the deposit slip.

The addendum has been electronically distributed to all departments on 16 March 2007 and customised per department (department name, account number, branch code, etc). A generic version of the addendum will also be made available on intranet.

3.4 Petty cash

After consultation with Nedbank and to simplify and expedite the process for the reimbursement of the authorised petty cash, the Nedbank procurement card (or P-card) has been introduced.

The card or cards as required by a department/institution will be issued in the name of an official responsible for petty cash. The multiple functions normally associated with the Nedbank procurement card will be restricted to the withdrawal of cash only, the authorised petty cash amount and further restricted to the cash available in the card.

In practice the same procedure that is currently followed when requesting the reimbursement of the authorised petty cash amount will be applicable with the only exception that the P-card number into which the funds must be transferred must be supplied to officials in Head office responsible for re-imbursement of the petty cash.

The officials in Head office (normally the banking section) will register the cardholder as a beneficiary on the Nedbank Business system and transfer the amount into the P-card.

The cardholder will then be informed that the transaction has been finalised and is now in a position to withdraw the cash from any Nedbank ATM and follow the current procedures to safeguard the cash.

It is important to note that money must only be withdrawn from a Nedbank ATM as charges at any other financial institution will be much higher. Only in areas where Nedbank does not have a branch/ATM will the cardholder be allowed to withdraw cash at any ATM and Nedbank will be charging the same rates as if a Nedbank ATM has been used.

In exceptional cases, the authorised petty cash amount of a Department/Institution might exceed the maximum amount allowed for withdrawal from an ATM. In these instances the cardholder will have to make the withdrawal at the cashier inside the bank.

Departments will further have access to a mechanism whereby any movement, current balance etc of individual P-cards can be monitored on a daily basis,

As original applications for the P-card are received, it is submitted to Nedbank for the issuing of the card and pin number. The possibility exists that not all applications will be received in time for Nedbank to supply the P-card and pin number before 1 April 2007. Departments are therefore strongly urged to ensure that all authorised petty cash amounts are re-imbursed by 30 March 2007 to ensure that sufficient petty cash is available for at least the first two weeks of April 2007.

3.5 Bankserv (ACB user code)

Provision has been made for three (3) ACB user codes per department, one for BAS and two for Persal (mains and supp's). These codes have been created and successfully tested by Bankserv and National Treasury.

The directorate: Supporting and Interlinked Financial Systems within the Provincial Treasury, will be making contact with all BAS and Persal system controllers to advise, assist and co-ordinate the loading of the ACB codes and bank detail, on the systems.

3.6 Nedbank/BAS interface

As Nedbank was not previously involved with a Province or national department, utilising the Basic Accounting System (BAS), a Nedbank/BAS interface had to be developed by National Treasury.

The interface has been completed and is currently being tested. All indications are that the testing will be successful and that the Nedbank interface will be available prior to 1 April 2007.

3.7 Online electronic banking system (Netbank business)

All users from the various departments, as well as the function they will be performing on the Netbank business system, have been identified, certified as correct by departments and loaded on the Netbank system.

Training for head office personnel in the banking section of the respective departments is currently underway and will be completed by 23 March 2007.

The Netbank Business System, in addition to the normal security aspects (users ID's, passwords etc), utilises a device known as a "token" to further limit the possibility of unlawful access to the banking system. Each authorised user is allocated a "token" which is linked to the users' profile and must not under any circumstances be handed over or transferred to another official. If the need arises for an official other than the authorised user(s), an application must be made to the Financial Asset Management component within the Provincial Treasury at least 1 week prior to the access being required. In these instances, a separate "token" will be issued to the official requiring access.

3.8 ABSA/BAS interface

The final payment on BAS will be manually released by the Provincial Treasury on 30 March 2007, with payment date 4 April 2007.

As BAS is only able to accommodate one interface at a time, the ABSA/BAS interface will stay active till after 1 April 2007, to ensure that the final payments of 30 March 2007, can interface.

The ABSA/BAS interface will only be de-activated on 13 April 2007 to accommodate the activation of the Nedbank/BAS interface.

The ABSA/BAS interface will again be activated and de-activated on 4 May 2007, to allow for the final transactions (bank charges, etc.) to interface.

3.9 Point of sale terminals and business cards

Provision has been made in the new bid/tender for point of sale terminals and business cards.

On 2 February 2007 all departments were requested to indicate their interest in utilising these devices. On receipt of the departmental responses, arrangements were made with Nedbank and all departments for information sessions to be held, to update and inform them of the business cards that would be most suitable to their requirements and the various functions of a point of sale terminal.

Departments are currently interacting directly with Nedbank for the issuing of business cards and point of sale terminals (where required).

3.10 Receipts

All receipts for moneys received on the last working day of March, namely 30 March 2007, must be dated 30 March 2007.

Receipts issued on 30 March 2007 up to the departments/institutions banking hours must be included in the ABSA deposit, that will be deposited on 30 March 2007 at ABSA.

All receipts issued on 30 March 2007 after the departments/institutions banking hours, must be included in the Nedbank deposit of 2 April 2007, that will be deposited at your allocated branch of Nedbank or handed over to your cash in transit service provider, on 2 April 2007.

3.11 Expenditure

All departments will be in a position to make beneficiary payments (previously known as NAPS payments) on the Nedbank business system as from 2 April 2007.

Departments will further be able to capture and authorise payments on BAS and LOGIS but these payments will only be manually released by the Provincial Treasury on 16 April 2007, for payment on 19 April 2007.

The reasons for the late manual release being that the ABSA/BAS interface has to be de-activated, the Nedbank/BAS interface activated and that the Nedbank bank detail can only be captured on BAS, after the last ABSA/BAS interface.

As for PERSAL, the supplementary runs can commence as from 2 April 2007.

3.12 Bank statements

Daily electronic bank statements will be available via the Nedbank business system as from 2 April 2007.

As for hard copies of the daily bank statements, arrangements have been made with Nedbank that officials from the head office of departments will collect the weeks bank statements on a Friday at their allocated Nedbank branch.

3.13 Banking Operations Manual

A banking operations manual addressing all issues from deposits, petty cash, foreign payments, enquiries, contact details of Nedbank officials, etc. will be made available to all departments (hard copy and electronic) prior to 1 April 2007.

3.14 Comprehensive Nedbank Agency Service

The new Bid/Tender provided for the successful bidder/tenderer to establish a comprehensive agency service (cashier facility, ATM, general enquiries etc) on the premises of the Provincial Government of the Western Cape.

In consultation with the Department of Transport and Public Works, a suitable site has been identified and Nedbank has submitted proposed layout plans to Public Works for their consideration.

Discussions are ongoing and you will be kept informed of progress.

3.15 Verification of Housing Guarantees and Banking account detail of employees and suppliers

As this service will only be required as from the end of September 2007, it will be addressed as part of phase two of the implementation of the Nedbank Banking Services project after 1 April 2007.

4. **Enquiries**

Any enquiries regarding the migration from ABSA Bank to Nedbank can be directed to the following officials within the Provincial Treasury:

André Bastiaanse	(021) 483 5670
Surita Hanekom	(021) 483 5203
Denise Coetzee	(021) 483 5653
Donovan Alexander	(021) 483 5007

5. I would then also like to take this opportunity to express my gratitude to all the departmental officials for their assistance to ensure a smooth and successful migration. It will also be greatly appreciated if the above arrangements and procedures are brought to the attention of all personnel concerned.



A BASTIAANSE

SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS

DATE: 26-03-2007