

Reference: T9/4/2 (2015/2016)

TREASURY CIRCULAR NO. 40/2014

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)
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 (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
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: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
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 CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

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 Z HOOSAIN)
THE HEAD: PUBLIC POLICY SERVICES (MR H MALILA) (PRO TEM)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)

} For information

RE: ROLL OUT OF NATIONAL TREASURY'S (NT) PERSONNEL FORECASTING MODEL

1. PURPOSE

The purpose of this circular is to inform all departments of the Personnel Forecasting Model developed by National Treasury (NT) and the requisite training to be provided by Provincial Treasury to the relevant departmental Budget Management

Unit officials. It further communicates the logistics and requirements for departments in terms of the implementation of the model for the current budget process.

2. BACKGROUND

- 2.1 Excessive expenditure and in some cases over expenditure on personnel in the past three years prompted the need at national level for government to strengthen the management of public service through the alignment of recruitment plans with available budget.
- 2.2 This further required that provincial departments effectively and efficiently budget for personnel over the Medium Term Expenditure Framework (MTEF).
- 2.3 In this context, NT established a need to develop a standardised personnel forecasting model for the crafting of more credible and sustainable personnel budgets at a provincial level with the aim of:
 - Provincial departments determining the short and long term impacts of staff reductions and/or increases;
 - Better understanding how employee costs might impact the overall budget over the MTEF;
 - Developing a generic framework on personnel modelling; and
 - Ensuring more accurate salary related budget figures.
- 2.4 NT piloted the tool toward the start of the 2014/15 financial year and received inputs from three (3) provinces, namely Western Cape, KwaZulu-Natal and North West.
- 2.5 On 5 September 2014 the Western Cape Provincial Treasury attended a workshop with the view to launch the Personnel Forecasting Model and the build capacity for provincial treasuries through training.
- 2.6 The provincial treasuries were informed of the obligation to implement the Personnel Forecasting Model as part of the current 2015 budget process.

3. THE WAY FORWARD

3.1 Reporting Dates

As part of the 2015 budget process provincial treasuries are required to submit the following to NT:

- Consolidated 2nd draft Budget Submission; and
- Consolidated 1st draft Personnel Forecasting Model.

To this end, departments are hereby requested to submit the following to PT in line with the dates provided in the budget circular:

- 2nd draft Budget Submission; and
- 1st draft Personnel Forecasting Model.

3.2 Training

To ensure effective implementation and maximum benefit regarding the utilisation of the Personnel Forecasting Model for departments, training on the personnel model will be conducted on the **20 October 2014**.

Venue: 7 Wale Street
M Floor
M2 Boardroom

Time: 09:00 am to 13:00 pm

4. ACTIONS REQUIRED

- 4.1 Accounting Officers should ensure that staff members are selected to attend the training session scheduled for the **20 October 2014**.
- 4.2 Accounting Officers should ensure that the Personnel Forecasting Model is completed and submitted to Provincial Treasury by **18 November 2014**.
- 4.3 Future submission dates for the Personnel Forecasting Model will align with the departmental budget submissions to Provincial Treasury as specified in the budget circular for the duration of the 2015 MTEF.
- 4.4 Further enquiries regarding the model and training may be directed to Ms Indiana Gqwede at 021 483 9024 or e-mail Indiana.Gqwede@westerncape.gov.za.



IEREFAAN BATCHELOR

DEPUTY-DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT

DATE: 10 OCTOBER 2014