

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 16/2020

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 AND ECONOMIC OPPORTUNITIES
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
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

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A FRITZ)

For information

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MR H MALILA)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS J SAMSON)
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 (MR G PAULSE)

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 (MS A SMIT)
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 S KAYE)
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 (MS O SAMUELS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)
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 ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (MR A MOOS)
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 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
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 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GCWABE)
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 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
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 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
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 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
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 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (VACANT)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

REVISED CASH FLOW FORECAST FOR 2020/21

1. PURPOSE

- 1.1 To provide Western Cape Provincial Departments and Public Entities an opportunity to amend their section 40(4)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), cashflow requirements in response expenditure measures in the 2020/21 financial year to combat the COVID-19 pandemic.

2. BACKGROUND

- 2.1 As of 15 March 2020, the COVID-19 has been classified as a Disaster in terms of section 23 of the Disaster Management Act, 2002 (Act No. 57 of 2002) ("the DMA"). It has further been classified as a national state of disaster in terms of Section 27 of the DMA.
- 2.2 The National Executive is therefore primarily responsible for the co-ordination and management of the COVID-19 Disaster (pursuant to section 26(1) of the DMA), and provincial organs of state must play a supportive role to the National Executive. Provincial support must be provided in close co-operation with the National Executive; undertaken in consultation with all relevant disaster management centres; and provided in accordance with any contingency plans, emergency procedures and disaster management plans that are applicable at a national, provincial and municipal level.
- 2.3 PT Circular 4/2020 required departments to submit cash flow projections for 2020/21 in the prescribed IYM format for consolidation and submission to the National Treasury. The due date for the submission of annual cashflows as prescribed was 28 February 2019.
- 2.4 In response to the COVID-19, the Provincial Treasury has issued a number of circulars with the aim to assist departments and entities:
- PT Circular 12/2020 sought to inform all departments, and Public Entities and the Provincial Parliament (where applicable) of financial measures to be put in place to respond to the COVID-19 pandemic; and
 - PT Circular 14/2020 sought to inform departments and Provincial Public Entities of the arrangements related to cash donations, budgeting, accounting and reporting in response to the COVID-19 pandemic.
- 2.5 Noting the requirements of Treasury Regulations 15.10.2.3 and 15.10.2.4, regarding the limitations to draw amounts from the revenue fund for more than the amount approved, as well as the restrictions and process to adjust the approved projections, the disaster from a practical perspective require, deviation and require an adjustment for improved planning and certainty.
- 2.6 With reference to Treasury Circular No. 36/2009, paragraph 3, the Provincial Treasury does not allow departments to exceed their available cash as reflected in the Provincial Payment Schedule unless prior written approval is obtained from the Provincial Treasury is obtained.
- 2.7 The opportunity for a revised cashflow projections and the resubmission of departmental cashflow before the start of the 2020/21 financial year will assist with effective cash management and planning certainty on behalf of departments and entities.

3. REVISED CASH FLOW FORECAST FOR 2020/21

- 3.1 Considering the foregoing, departments and entities that are unable to reprioritise COVID-19 expenditure within the cash flow projections submitted for the 28 February 2020 submission, are required to submit revised cashflow projections in the IYM format for the 2020/21 financial year by 1 April 2020.
- 3.2 The Provincial Treasury will facilitate **two payment releases per week** for the duration of the crisis period to ensure that departments are able to efficiently procure and pay services providers timeously. For the month of April 2020, the following release dates have been scheduled: 6 April 2020, 9 April 2020, 17 April 2020, 21 April 2020, 24 April 2020, and 30 April 2020.

3.3 Should any problems be encountered with its completion or for general enquiries in this regard, please contact the Provincial Treasury Cash Management team:

- Christa Pause at 021 483 8919 or e-mail Christa.Pause@westerncape.gov.za
- Fabioh Busby at 021 483 8201 or e-mail Fabioh.Busby@westerncape.gov.za
- Kyle Daniels at 021 483 5500 or e-mail Kyle.Daniels@westerncape.gov.za

OR

WCProvincial.RevenueFund@westerncape.gov.za

3.4 The completed schedules must be submitted via e-mail to the above-mentioned email addresses and signed hard copies to Provincial Treasury: Cash Management by no later than 1 April 2020.

3.5 The revised preliminary Cash Flow Schedules will be formally communicated to departments and will need to be adhered to until the final schedules are communicated once the Division of Revenue Act is passed.

3.6 In compiling cash flow requests departments will need to be aware of the limitations in terms of section 29(2) of the PFMA (Act 1 of 1999).

Your co-operation in this regard will be greatly appreciated.



DR N NLEYA
DIRECTOR: FISCAL POLICY
DATE: 30 March 2020