



Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 13/2024

THE PREMIER

THE MINISTER OF AGRICULTURE
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 INFRASTRUCTURE
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF MOBILITY
THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY
THE MINISTER OF SOCIAL DEVELOPMENT

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)
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 (DR K DU PLESSIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER R ALLEN)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS J GANTANA)
THE ACCOUNTING OFFICER: VOTE 4: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR D COETZEE) (ACTING)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH AND WELLNESS (DR K CLOETE)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: MOBILITY (MS M MOORE)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR G GERBER)
THE ACCOUNTING OFFICER: VOTE 10: INFRASTRUCTURE (ADV. C SMITH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR V DUBE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

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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: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (MR S KAYE)
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THE CHIEF FINANCIAL OFFICER: VOTE 8: MOBILITY (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR J FRITZ) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 10: INFRASTRUCTURE (MS P VAN DER MERWE) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MS L GOVENDER)
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)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR C BASSUDAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. D HENDRICKS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (DR S ZINN)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MR H METTLER) (ACTING)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MR L NOKWAZA)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS G LENTZ)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MS R GANI)
 THE ACCOUNTING AUTHORITY: CASIDRA (MR C VAN DER RHEEDE)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MR R KINGWILL)
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 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS W STANDER)
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 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE (MR M JANSE VAN RENSBURG)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (DR K DU PLESSIS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GEORGE)
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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 (MR S GCWABE)
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 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
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)
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 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MS J GANTANA)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MS J GANTANA) (PRO TEM)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR I SMITH) (ACTING)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS S ROBINSON)
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 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
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 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN)
 THE DIRECTOR: INFRASTRUCTURE (MS S VAN BREDA) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS S ROY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
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 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR I CALLAGHAN) (ACTING)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

CASH MANAGEMENT FRAMEWORK

1. PURPOSE

The purpose/objective of this Circular is to provide guidelines on the monitoring and management of the Provincial Revenue Fund in terms of the required legislative prescripts.

2. LEGAL FRAMEWORK

Treasury Circular No. 36/2009 is hereby withdrawn.

Section 21(1) of the Public Finance Management Act, 1999 (Act 1 of 1999) (hereafter called the PFMA), as amended, prescribes that the Provincial Treasury is in charge of the Provincial Revenue Fund, and must enforce compliance with the provisions of section 226 of the Constitution, namely that:

- (a) All money received by the Provincial Government must promptly be paid into the Fund, except money reasonably excluded by this Act or another Act of Parliament; and
- (b) No money may be withdrawn from the Fund except:
 - i. In terms of an appropriation by a Provincial Act; or
 - ii. As a direct charge against the Fund when it is provided for in the Constitution or a Provincial Act.

Section 21(3) of the PFMA further prescribes that the Provincial Treasury must establish appropriate and effective cash management and banking arrangements for its Provincial Revenue Fund.

Furthermore, the Provincial Treasury may exercise its powers, in accordance with section 24(3)(a) &(b) of the PFMA, to temporarily invest moneys in the Republic in the province's Provincial Revenue Fund that is not immediately needed. When money in a Provincial Revenue Fund is invested, the investment, including interest earned, is regarded as part of that Fund.

In terms of the Public Finance Management Act the Accounting Officer for the department:

- (a) Is responsible for the effective, efficient, economical and transparent use of the resources of the department, as per section 38(1)(b); and
- (b) Must each year before the beginning of a financial year provide the relevant Treasury in the prescribed format, with a breakdown per month of anticipated revenue and expenditure of that department for that financial year, as per section 40(4)(a).

In terms of the National Treasury Regulations the Accounting Officer:

- (a) Is responsible for establishing systems, procedures, processes and awareness programmes to ensure effective and efficient cash management, as per section 15.10.1.1
- (b) For the purpose of this regulation, in terms of section 15.10.1.2, sound cash management includes:
 - i. Collecting revenue when it is due and banking it promptly;
 - ii. Making payments including transfers to other levels of government and non-government entities no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments (within 30 days of receipt of invoice);
 - iii. Avoiding pre-payments for goods and services (i.e. payments in advance of the receipt of goods or services) unless required by contractual arrangement with supplier;
 - iv. Accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the Provincial Treasury;

- v. Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly;
- vi. Accurately forecasting the institution's cash flow requirements so that the National Treasury can optimise its central cash management responsibilities on behalf of government;
- vii. Performing bank reconciliations on a daily basis to detect any unauthorised entries;
- viii. Timing the in and outflow of cash;
- ix. Recognising the time value of money i.e. economically, efficiently and effectively managing cash;
- x. Separation of duties to minimize the incidence of fraud.

Annual Cash Flow Statement

- (a) In accordance with Section 40(4)(a) of the PFMA, the Accounting Officer of a department must each year before the beginning of a financial year provide the relevant Treasury in the prescribed format with a breakdown per month of the anticipated revenue and expenditure of that department, for that financial year.
- (b) Treasury Regulation 15.10.2.1 further requires that the Annual Cash flow statement must be submitted to the relevant Treasury, by no later than the last working day of February, preceding the financial year to which it relates.

The format, in which the anticipated revenue and expenditure must be reported on, will be provided by Provincial Treasury. The completed templates must be signed by the Accounting Officer and submitted (electronically and hard copy) to Provincial Treasury (Liabilities Management):

It is imperative that the anticipated revenue and expenditure represents a department's actual cash flow requirements on a monthly basis as these figures form the basis utilized by National Treasury to determine the funds (especially equitable share) transfers to provinces.

3. DAILY & WEEKLY CASH FLOW MANAGEMENT

According to National Treasury Regulation 15.9.1 each Treasury must account daily for the cash movements of all bank accounts in the books of its Revenue Fund.

Furthermore, considering Treasury Regulations 15.10.1.2(f) and (g), the Provincial Treasury requires the full co-operation of the Accounting Officers to ensure compliance with all relevant legislative prescripts. It is therefore imperative that all departments submit their cash flow requirements by no later than **09:30** daily. This should include all transactions not authorised on the previous day's cash flow as well as any other debits (e.g. foreign transfers). It is therefore requested that all departments adhere to this timeline as late requests would not be funded.

Approved payments must reach this office not later than **10:00** on the required day. payments included in the daily cash flow requirements will be authorised on the Banking system. It should be further noted that all the authorised beneficiary payments **must** also be captured on the Financial Accounting System (BAS) as a CT (Credit Transfer) with the **same** transaction date captured on Banking System.

To assist departments in determining the projected cash available on a monthly basis in respect of equitable share, conditional grants, financing as well as own revenue. A payment schedule per

department will be compiled annually (April & December) and made available electronically to the Chief Financial Officers.

4. MONTHLY CASH FLOW REVIEW

A monthly transfer schedule indicating transfers to and from the departments, and departmental own revenue paid over to the Provincial Revenue Fund is forwarded to the provincial departments within the first week of every month. This schedule should be verified against your departmental records as well as BAS. Should any discrepancies be identified, the department should contact Provincial Revenue Fund to confirm correctness. This reconciliation process is aimed to ensure that the actual transactions based on transfers, and own revenue are accurately accounted for in the Provincial Revenue Fund. The monthly transfers schedule is submitted to Accounting (PG) and Public Finance (PG) in Provincial Treasury for reconciliation.

5. DEPARTMENTAL PAYMENTS

When payments are captured on BAS and LOGIS the payment method Electronic Bank Transfer (EBT) should be used and the payment date should be left blank. The captured payments on BAS and LOGIS system will automatically total the individual payments made to the same entity. The EBT payment method would ensure that all payments are reflected on the Disbursement Reports and to ensure that Provincial Revenue Fund provide sufficient funds to expedite all payments.

Payments in excess of R1 million

These payments must be settled on a same-day basis between the various banks. To achieve this, each department wishing to affect such payments must arranged with the Provincial Revenue Fund, in writing.

a) PERSAL Payments

The full names and banking account details of the beneficiary must be furnished, as the Provincial Revenue Fund will transfer such large amounts utilising the online system of the official banker. The format of such a request is attached as Annexure A. Only payments already captured and authorised on PERSAL will be processed on the official banking system.

b) BAS Payments

Payments in excess of R1 million will be distributed to the departments for authorisation. Refer to Annexure B for authorisation samples.

Batch payments (Transfers and Subsidies)

With regards to Transfer/Subsidy Payments (Batch Payments) a schedule with dates and amounts must be forwarded on the first working day of each month to Provincial Revenue Fund to ensure the availability of funds (cash) required for the day. Allocation on BAS of these batch payments must be done as soon as the interface has taken place, to account for the expenditure.

Foreign payments

The foreign payment process with the Provincial Banker (Nedbank) implies that the relevant department completes a Foreign outward transfer form to book an exchange rate and settlement date. The departments are requested to provide Provincial Revenue Fund (with the details of these payments before the Global Business Centre (Foreign Exchange) settles the payment as agreed with the department, to ensure that the department is funded and within their available cash.

6. MANUAL PAYMENT RELEASE

All payments captured and authorised on BAS/LOGIS will be manually released on a weekly basis as per MPR dates communicated at the beginning of the financial year. This means that payments are processed (captured and authorised) on a weekly basis.

The manual payment release process was implemented by Provincial Treasury to coincide with the fund transfers (equitable share) from National Treasury (National Revenue Fund) on a weekly basis.

Departments must ensure that the payment process is properly planned, executed and aligned to the manual release dates. departments must ensure that payments to creditors are executed within 30 days after receipt of invoices.

Departments should on the day of a release request the necessary EBT Disbursement Reports and provide Provincial Revenue Fund with the amount that will be needed on action date as soon as possible, (day after release).

7. OWN REVENUE

All own revenue that has already been accounted for in the Basic Accounting System (BAS) must be transferred monthly, three (3) working days before the end of each month, from the Paymaster-General Account to the Provincial Exchequer Account. For this purpose the "authority to transfer" Annexure C must be completed and signed by the Chief Financial Officer.

8. SURRENDER OF VOTED SURPLUS FUNDS AND REVENUE ACCRUALS

According to National Treasury Regulation 15.8.1, the Accounting Officer must at the end of each financial year, surrender to the relevant Treasury any unexpended voted money and own revenue still to be surrendered after the books of the account of a department have been closed, for re-depositing into the Exchequer bank account of the relevant Revenue Fund.

For this purpose, the "authority to transfer" form, attached as (Annexure D and E), must be completed by the Accounting Officers, authorising the Provincial Treasury to transfer the surplus funds and Revenue accruals from the Paymaster-General Account to the Provincial Exchequer Account, by no later than the last working day of May each year.

Departments should ensure that when changes in allocations are requested, affecting the surplus funds/revenue accrual amounts, the Provincial Revenue Fund be informed/notified to account for the necessary adjustments to ensure credibility and consistency when reconciling the Provincial Revenue Fund's Annual Financial Statements (AFS) with Department's AFS.

9. BANK RECONCILIATIONS

Each department must, by the end of the month (month-closure) following the specific month, submit the bank reconciliation statement (generated by BAS) to PG: Accounting together with the relevant bank statement and trial balance.

10. OPENING OF BANK ACCOUNT/SUB-ACCOUNT

National Treasury Regulation 15.10.3.1 stipulates that an institution may not open a bank account without the written approval of the relevant Treasury.

If the need should arise for an Accounting Officer to open a bank account or sub-account, full details regarding the need for such an account must be furnished to the Provincial Treasury, preferably at least two (2) months before the account is required.

11. TRANSFERS TO PROVINCIAL EXCHEQUER ACCOUNT

National Treasury Regulation 15.2.3 stipulates that the Head of the Provincial Treasury must nominate one bank account, which is under the control of the Provincial Treasury and is part of the Provincial Revenue Fund, as the accredited account into which all transfers (including conditional grants but excluding agency services) from national departments must be deposited.

The accredited account mentioned above is the Provincial Exchequer account and Accounting Officers must ensure that the under-mentioned bank details of the Provincial Exchequer account are supplied to National Departments for transferring purposes:

The Banking details are as follows:

Bank: Nedbank

Branch: Western Cape Government Banking Branch

Branch code: 145209 (Nedbank SA - 198765)

Swift code: NEDSZAJJ

Account Name: Provincial Government of the Western Cape: Exchequer Account

Account number: 1452 045 143

12. POLICY REVIEW

The policy will be review annually when required.

Your co-operation and support to ensure effective cash flow management will be greatly appreciated.

MR M BOOYSEN
DIRECTOR: FISCAL POLICY