



Reference number: RCS/C.6

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TREASURY CIRCULAR NO. 14/2024

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)
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 4: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR M FRIZLAR)
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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)

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THE UTILISATION AND MANAGEMENT OF THE OFFICIAL BANKERS SYSTEM

1. PURPOSE

- 1.1 The purpose of this policy is to outline the roles and responsibilities of the Departmental Service Administrator, Provincial Treasury and the Official Banker in the effective management of user accounts and the beneficiary master file, as well as the optimal utilization of the official bankers system.

2. INTRODUCTION

- 2.1 The official bankers system currently in use is Netbank Business. The day-to-day operation of the system (user access, payments, direct transfers, etc.) is the responsibility of the Provincial Revenue Fund, executed by Departmental users, appointed by the Accounting Officer/Chief Financial Officers, as authorized users of the system.
- 2.2 The Provincial Treasury, in addition to being in control of the Provincial Revenue Fund (PRF), which includes the Paymaster-General accounts of departments, render a support service to all Provincial Departments and further provide the linkage between departments and the official banker.
- 2.3 Vital to the integrity of the official bankers system is the institution and management of proper systems control to ensure the accuracy, completeness and validity of transactions.
- 2.4 Therefore to ensure that the official bankers system is professionally managed the guidelines, procedures and processes as outlined in this policy document must be adhered to.

3. PROCEDURES/POLICIES TO BE IMPLEMENTED WITH IMMEDIATE EFFECT

3.1 Applicability

The content of this Circular is applicable to all Provincial Departments within the Provincial Government of the Western Cape (excluding Provincial Parliament) and does not replace the departmental policy that must be in place to guide and direct access and define responsibilities for the management of systems on departmental level.

4. ACCESS CONTROL

4.1 New users

- The Accounting Officer/Chief Financial Officer is responsible for the appointment of a Service Administrator and users of the Banking System.
- When appointing a user the Chief Financial Officer must ensure that prescripts and procedures relating to access control are in place and adhered to. To limit risk only a limited number of officials must be given access to the Banking System.
- New users will only be granted access to the system upon receipt of a request signed by the Chief Financial Officer indicating the following:
 - NBB profile number;
 - Name & surname;
 - ID number (certified copy of ID);
 - Cell phone number;
 - Office telephone, office address and e-mail address;
 - Access to which accounts;
 - User rights for the new user; and
 - Functions to be allocated.

It is important to note that the application must reflect all relevant information to ensure that a new user is created correctly. The Chief Financial Officer must further ensure that the request for a new user is in line with their job description and that segregation of duties does exist.

4.2 Changes to access rights

- A request signed by the Chief Financial Officer indicating the following must be forwarded to the Provincial Treasury:
 - NBB profile number;
 - Username;
 - User ID; and
 - Indication of new access rights.

4.3 Nedbank ID name and Passwords

• General:

Passwords are solely for the relevant user's access to the system and must be used in a responsible manner and never shared with any other person under any circumstances. A "complex password", consisting of alpha, numeric and special characters (e.g. *, %, & etc.) must be utilised at all times. A password will be case-sensitive and may not contain any characters that are repeated three times or more.

• Password and User ID

- Create a Nedbank ID username and password;
- Your username must be at least 7 characters long; be alphanumeric (Aa - Zz or 0 - 9); Can also have ONLY these characters @. -+() and no spaces;
- Your password must be a minimum of 12 characters long;
- No complexity requirements enforced but should have strength meter and allow complex passwords, should the user desire masked with option to unmask;
- No uni-code allowed;
- These are allowed !@#\$%^&*() _+=\[\];:;<> |./?,-;
- This is allowed A-Z, a-z, 0-9;
- Your password must: be between 12-64 characters long; and
- Password should not be sequential i.e. 1234 or abcD or repetitive i.e. 1111 or aAaA.

• Reset:

- The user will contact the Nedbank Helpdesk (010 217 4337) to reset the password if he/she can remember the password (was typed incorrectly). Three consecutive errors will result in a user's access being suspended until reset.

• Re-Issue:

- A request indicating the NBB profile number; username/id, reason(s) for re-issue and signed by the Chief Financial Officer must be sent to the Provincial Treasury requesting the re-issue of a password. When the Provincial Treasury receives the new password the user will have to sign for the sealed envelope containing the password.

4.4 Tokens

- Netbank Business in addition to the normal security aspects, utilizes a device known as a token to further limit the possibility of unlawful access to the banking system.

- Tokens must under no circumstances be handed over or transferred to another official.
- Tokens are solely the responsibility of the relevant user(s). Tokens should at all times be kept in a safe place. If a token is no longer used by an user, the user must return the token to Provincial Treasury, Financial Asset Management, Third floor, 15 Wale Street, Cape Town.
- Departments to ensure that any unused tokens are returned to the Provincial Revenue Fund.

4.5 **Deactivate dormant users in service as well as users who have left the service:**

- Users registered on the banking system who have not accessed the system for long periods, have been promoted or rotated within the department, who do not render that specific system function anymore and users that have left the service of the department, must be deactivated. It is the responsibility of the Department to inform the Provincial Revenue Fund by means of a letter signed by the Chief Financial Officer indicating the Departmental Profile, username and user id to be deactivated. The following users must be deactivated:
 - System users who are on leave for periods exceeding 30 days (maternity; study; overseas, special leave; etc.) must be deactivated at the start of their leave period and activated again upon their return;
 - Users who have been promoted or rotated within their departments and do not perform that specific function anymore; and
 - Users who have left the service of the department.
- Departments must review all user accounts on an annual basis as users only have viewing rights and **NO** transactional rights on the Banking System. Departmental CFO must provide written confirmation to Provincial Treasury that all active users on the system are a true reflection of the departmental officials permitted access to the system in accordance with their job descriptions. PG: Cash Management will remind the Departments at the beginning of each Financial Year to review the users active on the banking system.

5. **BENEFICIARY LISTS**

Payments are made against the bank account detail contained in beneficiary lists, therefore it is important to ensure adequate approval and change control over these profiles. The function of maintaining beneficiary lists should be performed by officials not involved with capturing and authorizing of payments on the banking system. This is to ensure proper segregation of duties and to reduce the risk of payments against unauthorised or incorrect bank account numbers.

When changes must be made on banking details, original documentation must be provided by the beneficiary and an audit trail must be printed of changes made and filed with the request for the change.

- Account Verification Services
 - Nedbank has implemented an AVS, that will be activated at departments during June 2010.
 - AVS allows Business Banking users to verify that the details of an account and the account holder correlate to the risk of fraudulent redirection of funds.
 - The key benefits of AVS are risk reduction and cost savings.
 - The following data fields will be verified:
 - The account number (current or savings) is valid;
 - The ID number or company registration number specified belongs to the account

- number; and
 - o The initials and surname match.
- The following information must be available for Account Verification to be done:
 - o Account Type (Current/Savings);
 - o Account number;
 - o Branch code;
 - o ID Number/Company registration number;
 - o Surname/Company name [Account name]; and
 - o Initial(s).
- The following banks currently form part of the AVS:
 - o Nedbank;
 - o ABSA;
 - o Standard Bank;
 - o FNB;
 - o Capitec;
 - o Merchantile Bank; and
 - o African Bank.

6. IMPORTING OF FILES IN ORDER TO MAKE PAYMENTS

Electronic importing of payment transactions are protected from unauthorised tampering by security controls such as encryption. An unsecure file increases the risk of information being amended and unauthorised payments being created. The imported file must be approved on the Banking system and reconciled from the source to the Banking system, therefore in instances where:

- A department wishes to make use of the import function on the Banking System they must ensure that the following are in place;
- Use a secure interface method [e.g. Automatic Clearing Bureau (ACB), Comma separated value (CSV)], and
- Ensure segregation of duties between the importing of the file from the source system and the authorisation on the Banking System.

7. STATEMENTS AND AUDIT TRIALS

- After transactions have been captured and authorized on the Banking system a bank statement and audit trail (proof of payment/transfer). This will assist with the cash flow reconciliation purposes to ensure all payments were processed and the correct banking details were used.
- Original copies (including E-statements) of Bank statements must be kept for Audit purposes for a period of five (5) years.

8. CONCLUSION

- Your assistance to ensure the effective and efficient management of the banking system and compliance to the prescripts will be greatly appreciated.
- This policy will be revisited on at least an annual basis and revised if required.

MR M BOOYSEN
DIRECTOR: FISCAL POLICY