



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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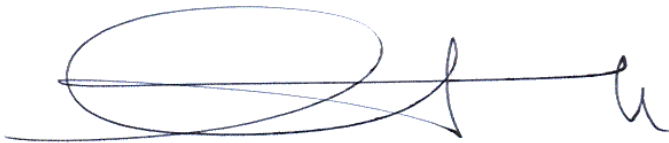
ALL ACCOUNTING OFFICERS
HEADS OF PROVINCIAL TREASURY'S
PROVINCIAL ACCOUNTANTS-GENERAL

TREASURY PRACTICE NOTE 2 OF 2000:

CAPTURING AND MAINTENANCE OF MTEF BUDGET ALLOCATIONS

1. Chapter 5 of the Public Finance Management Act (Act 1 of 1999), prescribes the responsibilities of Accounting officers in respect of budgeting and financial reporting. According to Paragraph 4(c) of Section 40, departments must submit, within 15 days of the end of a month, information to the relevant treasury on revenue, expenditure, as well as reasons for any material deviations.
2. To ensure compliance to abovementioned requirements, accurate and reliable budget information has to be captured and maintained on the financial system(s). The reflection of accurate budget information, as per approved budget allocation (White book), will facilitate proper budget management and reporting. At the same time, such information will support current initiatives, such as the Early Warning System (EWS), management information, in-year budget management, and performance reporting.
3. You are therefor requested to ensure that the approved budget allocation for your Province / Department for the 2000/01 financial year, is captured on the financial system(s) as soon as possible, but not later than 13 October 2000. Please also ensure that the capturing, and subsequent reflection of the budget allocations, correlate with the White book figures, *i.e.* per Standard item level, as well as per Programme, per Sub programme, and per Element levels, where applicable.

4. It is also recommended that the provisional guideline allocations for the subsequent two financial years, *i.e.* 2001/02 and 2002/03, as per Medium Term Expenditure Framework (MTEF), are captured as estimates in the same manner. This process will facilitate and support medium term planning, and management information.
5. It would be appreciated if you could confirm the capturing and accuracy of budget information for your Province / Department, on completion of such action.

A handwritten signature in blue ink, consisting of a large, stylized 'G' followed by a horizontal line and a small 'u'.

GODFREY GULSTON
ACCOUNTANT GENERAL

DATE: 29/9/00

Previous Treasury Practise note: SS1/3 of 16 August 2000

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