



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

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Reference: 3/3/3/P

**HEADS OF FINANCE IN PROVINCIAL OFFICES AND HEAD OFFICE
SCM REGIONS AND HEAD OFFICE
ALL OFFICIALS REGIONS AND HEAD OFFICE
PROVINCIAL HEADS**

FINANCE CIRCULAR NO 7 OF 2016

PAYMENTS MADE TO INSTITUTIONS ELECTED TO PROCURE GOODS AND SERVICES ON BEHALF OF THE DEPARTMENT

1. In terms of Section 8.1.1 of Treasury Regulations, read with Section 76(4)(b) of the PFMA "the accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal control measures should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported."
2. In the previous years to date, the department has been paying institutions it has elected to procure goods and services on its behalf without first verifying if those institutions have followed proper procurement processes.
3. Non compliance to SCM processes by these institutions increases irregular expenditure of the department.
4. With the implementation of this circular it is now a requirement that prior to paying these institutions, these documents must first be sent to SCM who will in turn check that the following documents have been attached:
 - a. Copies of documents relating to the procurement processes followed to appoint service providers who provide the service. **(SCM Processes)**.
5. **It is the responsibility of officials who utilizes these institutions to inform them of the requirements of this circular and failure to do so will result in such officials facing disciplinary action by the department.**
6. The implementation of this circular is effective immediately.

Enquiries related to this circular should be directed to Ms Mbeki on 012-336-7485.


Ms MS Manukuza
CHIEF FINANCIAL OFFICER (Acting)

DATE: 21/8/2016