

INTERNAL MEMORANDUM

To:	Acting Head: Infrastructure South Africa Dr Kgosientsho Ramokgopa	Ref :	5/1/1-2020/2021
From:	Chief Director: Financial Management Aaron Mazibuko	Office:	Finance B7-03 Annex Building
Tel.:	(012) 406 1412		
Enquiry:	Assistant Director: Management Accounting Segodi Selomo		Management Accounting B4-04 Annex Building
Tel.:	(012) 406 1338		

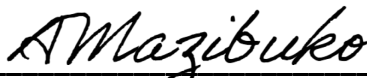
SUBJECT	LETTER OF ALLOCATION FOR ADMIN EXPENDITURE : FOR 2020/21 FINANCIAL YEAR – HEAD: INFRASTRUCTURE SOUTH AFRICA.
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The table below represents a budget allocation of **R23.062** million for 2020/21 financial year.

ECONOMIC CLASSIFICATIONS	AMOUNT
	2020/21
	R'000
Current payments	23,062
Compensation of employees	11,943
Goods and services	11,119
Transfers and Subsidies	0
Household	0
Payment for capital assets	0
Machinery and equipment	0
Total	23,062

1. The above table represent the allocation per economic classification as approved by the Budget Management Committee in September 2020.
2. Compensation of employees' budget has been prepared in line with the 2020 Adjusted Estimates of National Expenditure. The approved baseline budget limits the number of personnel that can be appointed.

3. The budget allocation for procuring ICT related services and office furniture and equipment is centralized under the will be availed through the Chief Directorate: Information and Communication Technology (ICT) and Directorate: Movable Assets (under Supply Chain Management), and items relating to ICT and movable assets must be procure through the two units.
4. In line with Sections 43 and 76(3) of the PFMA and Treasury Regulations (Chapter 6), budget for compensation of employees and transfers and subsidies may not be increased without approval of the relevant Treasury. Compensation of employees' allocation cannot be utilised to defray overspending on other economic classifications, and therefore any saving and projected underspending should be declared to Management Accounting Directorate.
5. In compliance to Section 38(1) (f) and 76(4) (b) of the PFMA and departmental financial delegations, all employees are expected to take full responsibility and accountability of the budget allocation approved for their respective units/branches. Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations or conditions attached to the delegation or authorisation. The conditions include ensuring that sufficient funds are available for all economic classifications committed or spent on. The responsibility to manage this budget will be solely yours and not the CFO's.
6. It must be noted that the current baseline does not cater for the gifts and donations as the allocation for gifts and donations is classified under transfers and subsidies.
7. This allocation letter, together with any amendments to the budget subsequent to this letter is official notification of the budget allocated to your branch in line with the approved budget allocation by the Budget Management Committee.
8. As confirmation of receipt and understanding of this allocation letter, each budget owner is required to sign the attached reply slip and send back on the indicated address.



Chief Director Financial Management

Date: 13 October 2020

I, hereby confirm that I have read and understood the content of the 2020 AENE budget allocation letter and its implication on the performance of the Department of Public Works and Infrastructure.

SIGNED:

DATE:

(return scanned copy to aaron.mazibuko@dpw.gov.za)