

**MINISTRY**

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**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 304 [NW117E]**

**INTERNAL QUESTION PAPER NO.: 07**

**DATE OF PUBLICATION: 06 MARCH 2020**

**DATE OF REPLY: 19 MARCH 2020**

**304. Mr R A Lees (DA) asked the Minister of Public Works and Infrastructure:**

(1) With reference to the submission she made to the Standing Committee on Public Accounts that her department has an overdraft account with the SA Reserve Bank, (a) what are the relevant details of the account, (b) what is the name of the account holder, (c) on what date was the account opened and (d) who are the mandated signatories to the account;

(2) what were the balances on the account at the end of each (a) financial year since the account was opened and (b) month in the 2018-19 and 2019-20 financial years up to the end of February 2020;

(3) on what legal basis (a) was the account opened and (b) does it continue to operate;

(4) what are the relevant details on what the funds from the account have been used for thus far;

(5) whether any disciplinary action has been taken against the accounting officer for illegally operating the account; if not, (a) why not and (b) why has the account not been closed? **NW458E**

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**REPLY:**

**The Minister of Public Works and Infrastructure:**

(1)(a)South African Reserve Bank (SARB), Paymaster General (PMG) Account, Type of account: Current Account, Account number: 8033-298-6, Branch code: 910145, Pretoria

(b) Property Management Trading Entity (PMTE)

(c)The request to open the bank account was made to National Treasury on the 26 February 2006 and approval was granted to operate the PMG account with the South African Reserve Bank (SARB) on 7 March 2006. The account was operationalised from April 2006.

(d) Chief Financial Officer, Mr Mandla Sithole; the Chief Director: Financial Planning and Budgets, Ms Juanita Prinsloo; and Director: Financial Accounting, Mr Kolobe Thomas Emmanuel Seletela.

(2)(a)

|  |  |
| --- | --- |
| **Date** | **Bank Balance** |
| 3/31/2007 | ( 851,374,703.46 ) |
| 3/31/2008 | ( 1,046,964,266.82 ) |
| 3/31/2009 | ( 1,499,519,234.86 ) |
| 3/31/2010 | ( 1,656,528,184.27 ) |
| 3/31/2011 | ( 1,291,797,347.89 ) |
| 3/31/2012 | ( 1,223,206,905.21 ) |
| 3/31/2013 | ( 1,401,077,845.82 ) |
| 3/31/2014 | ( 337,171,429.04 ) |
| 3/31/2015 | ( 660,557,325.79 ) |
| 3/31/2016 | ( 1,431,308,703.19 ) |
| 3/31/2017 | ( 1,124,206,307.37 ) |

(b)

|  |  |
| --- | --- |
| **Date 2018-19** | **Bank Balance** |
| 3/31/2018 | (2,332,531,844.37) |
| 4/30/2018 | (1,454,496,012.66) |
| 5/31/2018 | (2,016,165,869.79) |
| 6/30/2018 | (2,328,239,436.22) |
| 7/31/2018 | (1,449,676,065.93) |
| 8/31/2018 | (1,994,489,779.03) |
| 9/30/2018 | (2,743,898,683.41) |
| 10/31/2018 | (2,195,767,094.81) |
| 11/30/2018 | (2,926,761,374.58) |
| 12/31/2018 | (3,524,851,312.39) |
| 1/31/2019 | (2,579,849,913.31) |
| 2/28/2019 | (2,831,643,872.82) |
| 3/31/2019 | (2,670,098,629.47) |
| **Date 2019-20** | **Bank Balance** |
| 4/30/2019 | ( 1,290,128,154.71 ) |
| 5/31/2019 | ( 2,216,845,663.05 ) |
| 6/30/2019 | ( 2,108,231,745.36 ) |
| 7/31/2019 | ( 1,364,333,693.65 ) |
| 8/31/2019 | ( 1,706,096,148.11 ) |
| 9/30/2019 | ( 2,153,836,651.75 ) |
| 10/31/2019 | ( 1,337,075,183.16 ) |
| 11/30/2019 | ( 2,200,897,712.27 ) |
| 12/31/2019 | ( 3,820,937,183.91 ) |
| 1/31/2020 | ( 2,380,489,441.26 ) |
| 2/29/2020 | ( 2,816,940,398.38 ) |

(3)(a) The Paymaster General’s bank account was opened in terms of the approval granted by National Treasury on 14 March 2006 as one of the conditions for the establishment of the PMTE. The approval to establish the PMTE was granted by National Treasury in terms of Section 1 of the PFMA read with Treasury Regulations 19.

(b) It continues to operate as approved by National Treasury. The Paymaster General’s bank account is held with the South African Reserve Bank and is only used by PMTE to transact with client departments to make payments for claims that PMTE issue every month.

(4) The operating business model as approved by National Treasury was that PMTE incurs expenditure on daily basis rendering services on behalf of client departments after which it claims the said expenditure from those client departments. Claims to client departments are consolidated and issued every month. The expenditure that PMTE incurs on behalf of client departments includes infrastructure, maintenance and leasing, as part of the mandate of PMTE.

(5) (a)No disciplinary action was taken has been taken against the accounting officer since there is a legal basis to do so. It is incorrect that the accounting officer is “illegally operating the account” since the operating of the account, the business model to incur expenditure on behalf of client departments and claim after was approved by National Treasury. Furthermore, PMTE is required to submit monthly bank reconciliations to National Treasury and has been complying with this request.

(b) The account has not been closed since the account was opened and operated in line with the approvals of National Treasury. It must be noted that only client departments are allowed and permitted to make deposit for claims submitted by PMTE. PMTE also has a commercial bank account that was approved by National Treasury, and this account always has a positive bank balance. This account is used by other parties such as debtors to make a direct deposit to PMTE.