



Ref: 12/4/3/1  
Enq: Semanya PA  
Date: 07 June 2016

**TREASURY INSTRUCTION NOTE NO.7 OF 2016**

THE PREMIER

- THE MEC FOR EDUCATION
- THE MEC FOR AGRICULTURE
- THE MEC FOR PROVINCIAL TREASURY
- THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
- THE MEC FOR HEALTH
- THE MEC FOR PUBLIC WORKS, ROADS AND INFRASTRUCTURE
- THE MEC FOR TRANSPORT, SAFETY, SECURITY AND LIAISON
- THE MEC FOR COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
- THE MEC FOR SOCIAL DEVELOPMENT
- THE MEC FOR SPORT, ARTS AND CULTURE

} For information

THE SPEAKER: PROVINCIAL LEGISLATURE  
THE DEPUTY SPEAKER: PROVINCIAL LEGISLATURE  
ALL OTHER MEMBERS OF PROVINCIAL LEGISLATURE

- THE ACCOUNTING OFFICER: VOTE 01: DIRECTOR GENERAL
- THE ACCOUNTING OFFICER: VOTE 02: SECRETARY FOR PROVINCIAL LEGISLATURE
- THE ACCOUNTING OFFICER: VOTE 03: EDUCATION
- THE ACCOUNTING OFFICER: VOTE 04: AGRICULTURE AND RURAL DEVELOPMENT
- THE HEAD OF DEPARTMENT: VOTE 05: PROVINCIAL TREASURY
- THE ACCOUNTING OFFICER: VOTE 06: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
- THE ACCOUNTING OFFICER: VOTE 07: HEALTH
- THE ACCOUNTING OFFICER: VOTE 08: TRANSPORT
- THE ACCOUNTING OFFICER: VOTE 09: PUBLIC WORKS ROADS AND INFRASTRUCTURE
- THE ACCOUNTING OFFICER: VOTE 10: SAFETY, SECURITY AND LIAISON
- THE ACCOUNTING OFFICER: VOTE 11: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
- THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT
- THE ACCOUNTING OFFICER: VOTE 13: SPORT, ARTS AND CULTURE
- THE ACCOUNTING OFFICER/CHIEF EXECUTIVE OFFICER: ROAD AGENCY LIMPOPO
- THE ACCOUNTING OFFICER/CHIEF EXECUTIVE OFFICER: LIMPOPO GAMBLING BOARD
- THE ACCOUNTING OFFICER/CHIEF EXECUTIVE OFFICER: LIMPOPO TOURISM AGENCY
- THE ACCOUNTING OFFICER/CHIEF EXECUTIVE OFFICER: GATEWAY AIRPORT AUTHORITY LIMITED
- THE ACCOUNTING OFFICER/MANAGING DIRECTOR: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

- THE CHIEF FINANCIAL OFFICER: VOTE 01: OFFICE OF THE PREMIER OFFICER
- THE CHIEF FINANCIAL OFFICER: VOTE 02: LIMPOPO LEGISLATURE
- THE CHIEF FINANCIAL OFFICER: VOTE 03: EDUCATION
- THE CHIEF FINANCIAL OFFICER: VOTE 04: AGRICULTURE AND RURAL DEVELOPMENT
- THE CHIEF FINANCIAL OFFICER: VOTE 05: PROVINCIAL TREASURY
- THE CHIEF FINANCIAL OFFICER: VOTE 06: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
- THE CHIEF FINANCIAL OFFICER: VOTE 07: HEALTH
- THE CHIEF FINANCIAL OFFICER: VOTE 08: TRANSPORT
- THE CHIEF FINANCIAL OFFICER: VOTE 09: PUBLIC WORKS, ROADS AND INFRASTRUCTURE
- THE CHIEF FINANCIAL OFFICER: VOTE 10: SAFETY, SECURITY AND LIAISON
- THE CHIEF FINANCIAL OFFICER: VOTE 11: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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- THE CHIEF FINANCIAL OFFICER: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

THE PROVINCIAL AUDITOR

## **CONTROLLING PERSONNEL APPOINTMENTS AND DE-ACTIVATION OF THE APPOINTMENT FUNCTIONALITY ON PERSAL**

### **1. PURPOSE**

The purpose of this Instruction Note is:

- 1.1. To regulate the appointment of personnel with a view to promote a sustainable and credible budget for compensation of employees and to enhance the credibility of management information on PERSAL in the provincial government; and
- 1.2. To inform provincial departments that final approval for appointments will be granted by the either the Executive Council of the MEC for Finance.

### **2. BACKGROUND**

- 2.1. Section 39(1)(a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) states that *“the accounting officer for a department is responsible for ensuring that expenditure of that department is in accordance with the vote of the department and the main divisions within the vote”*. Section 39(2)(a) of PFMA further states that *“an accounting officer must take effective and appropriate steps to prevent overspending of the vote of the department or a main division within the vote”*.
- 2.2. In accordance with Treasury Regulation par 8.3.2 issued in terms of section 76(4)(b) of the PFMA, *“the accounting officer of an institution must ensure that costs related to compensation of employees, as well as promotion and salary increases, can be met within the budgetary allocation of an institution”*.
- 2.3. The escalating trend in compensation of employees in the constrained fiscal environment in the province is of serious concern and indicates an urgent need to improve the management of human resources activities and the impact thereof on expenditure for compensation of employees. The Provincial Treasury has developed a Provincial Personnel Management Framework to address and mitigate the identified risks related to personnel management and the escalating cost of compensation of employees.

- 2.4. In terms of section 18(1)(b) of the PFMA, the Provincial Treasury *“must exercise control over the implementation of the provincial budget”*, which includes the budget for compensation of employees. In order to continue strengthening its oversight role with regard to the budget and expenditure for compensation of employees, and in accordance with section 18(2)(i) of the PFMA, which prescribes that the Provincial Treasury *“may do anything further that is necessary to fulfill its responsibilities effectively”*, the Provincial Treasury hereby impose an Instruction in terms of which the de-activation of the appointment functionality on PERSAL will be maintained until further notice.
- 2.5. In terms of the Public Service Regulations, section F: Creation and Filling of Posts, *“(a) an Executing Authority shall confirm that the post is required to meet the department’s objectives”*, and *“(d) the Executive Authority shall ensure that sufficient budgeted funds, including for the remaining period of the medium-term framework, are available for filling the post.”*
- 2.6. This Instruction Note prohibits the capturing of appointments approved by an Executive Authority of a provincial department or an official duly authorised thereto, on PERSAL, without the prior approval by the Provincial Treasury.
- 2.7. In order to avoid any fruitless expenditure, this Instruction Note further prohibits any provincial department from commencing with the personnel recruitment process (Advert) prior to receiving recruitment authority from the Provincial Personnel Management Committee and final approval by the Executive Council (Annual Approval) or the MEC for Finance (Ad-hoc Approval).
- 2.8. The content of this Instruction Note is applicable to all appointments to be captured on PERSAL, whether of a temporary, periodic or permanent nature and irrespective of the source of funding for such appointments, i.e. conditional grant funding or voted funds.

### 3. MEASURES TO ENSURE COMPLIANCE

3.1. The below mentioned paragraphs outline the procedures that must be followed in the event that a provincial department intends to apply for:

3.1.1. **Annual approval** - for the recruitment of all funded vacant posts that the institution is planning to fill during the financial year; and

3.1.2. **Ad-hoc approval** - for the recruitment of additional posts during the financial year.

### 4. APPLICATIONS FOR ANNUAL APPROVAL

4.1. At the beginning of the financial year, provincial departments **must** submit an official submission to the HOD: Provincial Treasury requesting approval for the recruitment of all funded vacant posts that the department plans to fill during the ensuing financial year.

4.1.1. The submission must be signed by the Accounting Officer **and** recommended by the department's Executive Authority;

4.2. The provincial department must also submit a copy of the latest approved organisational structure signed by the Executive Authority and indicate if the department is in a process of reviewing the approved structure, if yes, the department should also provide the following:

- A copy of the proposed organisational structure;
- A summary indicating the envisage changes as well as financial implication; and
- The current status and planned final approval date of the revised structure.

4.3. The submission for annual approval must include the following:

- Purpose;
- Background;
- Motivation;
- Financial implications
  - For filled posts - a detail analysis per salary level of the COE budget which provides the source of funding, costing of all filled posts, impact of the annual salary increase, performance awards , and OSD costs (As per **Annexure A** – attached).

- For funded vacant posts - a detail analysis per salary level, source of funding, costing for the year, nature of appointment and date from which the various posts are anticipated to be filled (As per **Annexure B** – attached).
- In cases where expenditure for periodic and/or abnormal appointments will not be funded from the COE budget, e.g. EPWP appointments, a detail analysis of the budget for the relevant expenditure items from which such appointments will be funded must be provided as proof of availability of funding for the appointments (As per **Annexure C** – attached).
- Projected financial implications of appointments and/or periodic appointments over the MTEF period as well as an assessment of the affordability of the carry through cost of the appointments over the MTEF period; and
- This analysis must be certified as complete and accurate by the CFO and attached to the submission.
  - Personnel implications;
  - Legal implications;
  - Service delivery and mandate implications;
  - Authority for approval;
  - Recommendations; and
  - Approval (Accounting Officer and MEC **must sign-off**).

4.4. The following supporting information/documentation must be annexed to the submission:

- Completed and signed off Annexure A or B , or in the case of periodic and abnormal appointments a completed and signed off Annexure C;
- Approved business plans where conditional grant funding is identified as the source of funding;
- PERSAL report (#3.3.20 (5)) indicating that the post is on the PERSAL structure and that it is a funded vacant post;
- A detailed Remedial Action Plan on how the current “Out of adjustment” and/or “Additional to the establishment” cases will be addressed;

- In the event that the submission is recommended by an official other than the Accounting Officer, to whom such authority has been duly delegated, a copy of the relevant delegation of authority must also be attached to the submission; and
  - A copy of the department's approved Human Resources Plan.
- 4.5. Once the HOD: Provincial Treasury has approved the submission for the recruitment of the relevant vacant posts, the submission will be referred to the Executive Council for final approval.
- 4.6. Provincial Treasury will advise the provincial department, in writing, on the decision taken by the Executive Council. (Approved, Not approved, or Approved with conditions).
- 4.7. Where approval has been granted for recruitment and an incumbent is recommended, the Department's HOD must request approval for the activation of the appointment functionality on PERSAL in order to capture such appointments. **Annexure D**, hereto attached, must be completed and submitted to the Deputy Director General: Sustainable Resources Management for consideration in this regard.

## **5. APPLICATIONS FOR AD-HOC APPROVAL**

- 5.1. In the event that a provincial department intends to make appointments, other than what was originally approved in the annual approval (due to resignations, promotions, reprioritisation of a funded vacancy, etc.), the same procedure as indicated in paragraph 4 above apply with the exception that:
- a) The organisational structure only needs to be re-submitted if there was any changes.
  - b) If the structure was in the process of being revised, in the annual application, the Department will be required to provide an update on the status of the revised structure; and
  - c) The CFO will need to indicate the impact on the COE analysis already submitted, if any.

- 5.2. For periodic and/or abnormal appointments where expenditure will not be funded from the COE budget but rather from another expenditure item, the CFO must indicate the impact of the appointments on the detail analysis of the relevant expenditure item already submitted. This analysis must be certified as complete and accurate by the CFO and attached to the submission as per **Annexure C** – attached.
- 5.3. In the event that an ad-hoc request is submitted prior to the annual request, all requirements as stated in paragraph 4 above apply and must be met.
6. In the event that the department did not comply with the requirements mentioned in paragraph 4 and / or 5, the submission will be returned to the department for corrections.

## **7. LEGISLATIVE REQUIREMENTS**

- 7.1. The following legislative requirements are applicable to this Instruction Note:
  - (a) Sections 38 and 39 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended;
  - (b) Chapter 8 of the Treasury Regulations of 2005 as amended; and
  - (c) Section F of the Public Service Regulations.

## **8. ACTIONS TO BE EXECUTED**

- 8.1. Provincial departments are requested to submit all documents relating to the application for:
  - (a) **Annual approval** - the recruitment of all funded approved vacant posts that the department plans to fill during the ensuing financial year; and
  - (b) **Ad-hoc approval** - for the recruitment of additional posts during the financial year:

Contact details	Information required	Hard copy
Mr Phukuntsi MJ  Deputy Director General: Sustainable Resource Management  Telephone: (015) 298 7120 Office no: Ismini Building, Hans van Rensburg, Polokwane, 0699	Annexure A / Annexure B / Annexure C  Submission compliant with the requirements set out in paragraphs 4.	Hard copy

- 8.2. Provincial departments are requested to submit all documents relating to the activation of the appointment functionality on PERSAL, for the purposes of capturing appointments on the PERSAL system, to the below mentioned official within Provincial Treasury:

Contact details	Information required	Hard copy
Ms MR Teffo  Director: Systems Administration  Tel: 015 291 8725 Cell: 082 806 4007  Office no 203, Finance House, Paul Kruger Street, Polokwane, 0699.	Annexure D	Hard copy

## 9. APPLICABILITY OF THIS INSTRUCTION

This instruction note is applicable to all provincial departments.



#### **10. AUDITING OF THIS INSTRUCTION NOTE**

A copy of this Instruction Note will be forwarded to the provincial office of the Auditor-General of South Africa to ensure that its contents are included in their audit scope.

#### **11. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION NOTE**

Accounting Officers are requested to bring the contents of this instruction note to the attention of all relevant officials and institute measures to ensure compliance to the Instruction Note.

#### **12. AUTHORITY OF THIS INSTRUCTION NOTE**

This instruction note is issued in terms of section 18(2)(a) read together with sections 18(1)(b) and 18(2)(i) of the PFMA.

#### **13. EFFECTIVE DATE FOR THIS INSTRUCTION NOTE**

This Instruction Note takes effect from 01 June 2016.

#### **CONTACT INFORMATION**

Ms Semenya PA  
Chief Director: Fiscal Policy  
Provincial Treasury  
Tel: 015 298 7085  
Cell: 071 372 1051

Regards,



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**Pratt GC CA (SA)**  
**Head of the Department**  
**Provincial Treasury**

**Compensation of Employees Costing of filled posts**

SECTION	INITIALS AND SURNAME	PERSAL NO.	RANK	LEVEL	NOTCH	BONUS	MEDICAL	COMPENS/ CIRCUM OTHER	PENSION ALLOWANCE	CAPITAL REMUNERATION	NON-PENSIONABLE	BARGAIN COUNCIL	TOTAL
PROGRAMME 1: ADMINISTRATION													
PROGRAMME 2:													
PROGRAMME 3:													

I, \_\_\_\_\_ in my capacity of Head of Corporate services hereby certify that the information provided above is complete, accurate and aligned to posts filled as per approved organisational structure.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Chief Financial Officer hereby certify that all above mentioned are filled posts and funded for the \_\_\_\_\_ financial year.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Head of Department hereby certify that all above mentioned posts are filled and appointed on PERSAL.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Annexure B**

**Application to advertise the vacant funded positions**

No.	Name of Department	Post Name	Salary Level	Notch	Total Cost/Package	Nature of Appointment	Date from which it is anticipated the post will be filled	Cost for the Financial Year	Source of Funding
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									

I, \_\_\_\_\_ in my capacity of Head of Corporate services hereby certify that the information provided above is complete, accurate and aligned to the approved organisational structure.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Chief Financial Officer hereby certify that all above mentioned filled posts are funded for the \_\_\_\_\_ financial year from the period as indicated above.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Head of Department hereby certify that all above mentioned posts are approved to be advertised.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Annexure C**

**Periodic and Abnormal Appointments**

No.	Name of Department	Full Names and Surname	Nature of Appointments	Date of Appointment	Source of Funding
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

I, \_\_\_\_\_ in my capacity of Head of Corporate services hereby certify that the information provided above is complete, accurate and aligned to approve organisational structure.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Chief Financial Officer hereby certify that all above mentioned filled posts are funded for the \_\_\_\_\_ financial year from the period as indicated above.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Head of Department hereby certify that all above mentioned personnel are approved to be appointed as periodic and abnormal appointments.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Annexure D

**Application for the activation of the appointment functionality on PERSAL**

No.	Name of Department	Post Name	Component No.	Post Class No.	Salary Level	Notch	Total Cost/Package	Nature of Appointment	Date of Appointment	Source of Funding
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

I, \_\_\_\_\_ in my capacity of Head of Corporate services hereby certify that the information provided above is complete, accurate and aligned to the approved organisation structure.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Chief Financial Officer hereby certify that all above mentioned posts are filled posts are funded for the \_\_\_\_\_ financial year from the period indicated above.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I, \_\_\_\_\_ in my capacity of Head of Department hereby certify that all above mentioned posts are approved to be appointed on PERSAL.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_