



**PROVINCIAL TREASURY**  
**CONFIDENTIAL**

Ref: 11/3/P  
Enq: Semanya PA

## **PROVINCIAL TREASURY CIRCULAR 01 OF 2022/23**

**TO : HEAD OF DEPARTMENTS / ACCOUNTING OFFICERS  
CHIEF EXECUTIVE OFFICERS  
ACCOUNTING AUTHORITIES**

**Cc : CHIEF FINANCIAL OFFICERS**

**SUBJECT : TERMS OF REFERENCE FOR FINANCIAL MISCONDUCT  
BOARDS**

---

### **1. PURPOSE**

The purpose of this circular is to provide standard Terms of References for Financial Misconduct Boards.

### **2. BACKGROUND**

The Provincial Treasury has developed the Terms of References for establishment of Institutional Financial Misconduct Boards (FMBs) to give effect to the provisions of Section 38 (1)(h) and 51(e) of the Public Financial Management Act 1999, as amended by Act 29 of 1999 (Act no.1 of 1999), and paragraphs 4 and 33 of the Treasury Regulations.

Section 38(1)(h) and 51(e) of the PFMA stipulates that, An Accounting Officer or Accounting Authority for a department, trading entity or constitutional institution must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who:

- i) Contravenes or fail to comply with provisions of this Act;

**CONFIDENTIAL**

- ii) Commits an act which undermines the financial management and internal control system of department, trading entity or constitutional institution; or
- iii) Makes or permits unauthorised expenditure, irregular expenditure or fruitless or wasteful expenditure.

Each institution should establish a Financial Misconduct Board and it is the responsibility of the Financial Misconduct Board to advise or recommend to the Accounting Officer or Accounting Authority appropriate steps to be taken on financial misconduct incidents that have been reported.

The Terms of References provides for a guideline which provincial institutions should follow in establishing their FMBs and should be adopted for implementation. The Provincial Treasury has developed these Terms of References to create uniformity within the provincial administration and to ensure that Accounting Officers and Accounting Authorities take appropriate steps for all financial misconduct incidents that are reported.

#### **4. DEVIATIONS FROM THIS CIRCULAR**

Request for deviations may be considered by Provincial Treasury in terms of section 79 of the PFMA.

#### **5. APPLICABILITY**

This circular is applicable to all departments and public entities within the Limpopo Provincial Administration.

#### **6. AUTHORITY FOR THIS TREASURY CIRCULAR**

6.1. The circular is issued in terms of section 18 of the PFMA.

6.2. Non-compliance with this circular will lead to the departments having a paragraph of non-compliance raised by the relevant oversight structures.

## **7. EFFECTIVE DATE**

This Provincial Treasury Circular takes effect from **01 May 2022**.

## **8. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY CIRCULAR**

Accounting Officers and Chief Executive Officers are requested to bring the contents of this circular to the attention of relevant officials with their departments and public entities.

## **9. CONTACT INFORMATION**

Enquiries about this Provincial Treasury Circular must be directed to:

Provincial Accountant General's Office for the attention of:

Ms. PA Semenya

Tel: (015) 291 8728

Office No 205, 2<sup>nd</sup> Floor Finance House

Email: [SemenyaPA@treasury.limpopo.gov.za](mailto:SemenyaPA@treasury.limpopo.gov.za)

  
\_\_\_\_\_  
**Prati GC CA (SA)**  
**Head of Department**  
**Date:** 20 April 2022  
\_\_\_\_\_