



**dhsps&I**

Department:  
Human Settlements, Public Safety & Liaison  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA

# Cash Flow Procedure Manual

## 2012-13 Financial Year

---

## CASH FLOW MANAGEMENT

---

### 1. Introduction





In terms of Section 40(4) (a) of the Public Financial Management Act (PFMA) and Section 15.10.2 of the Treasury Regulations, the Accounting Officer of the department must on monthly basis submit to Provincial Treasury a breakdown of anticipated expenditure in the prescribed format. **(SEE ANNEXURE A – CASH FLOW REQUEST FLOW)**

### 2. Procedure to request funds from Provincial Treasury

- All directorates/programme managers are requested to submit their monthly cash flow requests (in a prescribed IYM format) to the office of Director: Financial Management **not later than the 18<sup>th</sup> of each month**. And the following aspects should be taken into consideration when compiling the inputs:
  - ✓ Consider the previous actual expenditure trends and analyse it in order to benchmark with the current forecasts before finalizing.
  - ✓ Figures must be accurate, realistic and in line with the annual budget and the procurement plan.
- All inputs from different directorates/programme managers are to be consolidated in the office of the Bank Reconciliation and Cash flow management and submitted to the Chief Financial Officer for approval **not later than the 20<sup>th</sup> of each month**.
- The departments' cash flow request (in a prescribed IYM format) is to be submitted to Provincial treasury after approval **not later than 22<sup>nd</sup> of each month**. The Provincial treasury is expecting the following from the department:
  - ✓ A request form for all "Equitable Shares" and "Conditional Grant"
  - ✓ A journal to debit "Fund Requisition Account" and to credit the "Exchequer Grant Account". [captured and authorized prior to submission to the Provincial Cash Manager]
- On the receipt of the funds in the departmental PMG account, the department is then required to debit the "Bank Adjustment Account" and credit the "Fund Requisition Account" with the amount received.
- The Bank Reconciliation and Cash flow management official must on a daily basis monitor the bank balance and to ensure that all outstanding payments, cheques and credit transfers as well as revenue payovers can be honored.
- Under no circumstances can the departmental bank account have a negative bank balance as interest will be charged.

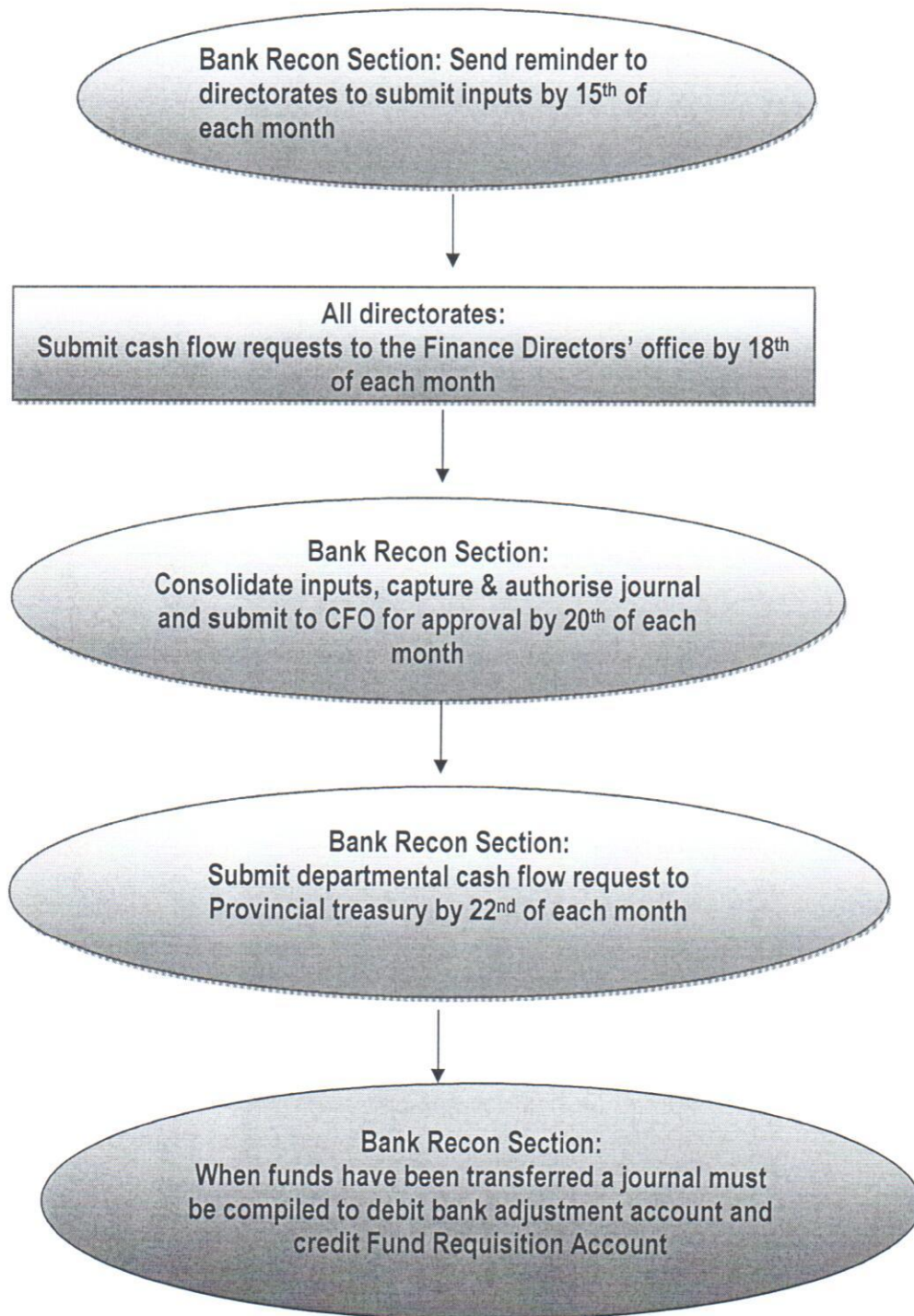
- The Fund Requisition Account must be reconciled on a monthly basis to ensure that correct amounts have been requested. Any excess amounts requested but not received must be subtracted from the next request journal.

### Flow Chart Components Description

Component	Description
	<ul style="list-style-type: none"> <li>• Main process</li> </ul>
	<ul style="list-style-type: none"> <li>• Sub-process</li> </ul>
	<ul style="list-style-type: none"> <li>• Role-players</li> </ul>
	<ul style="list-style-type: none"> <li>• Flow of tasks within the process</li> </ul>



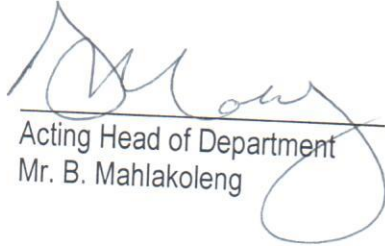
## Cash Flow Management Process





3. Approval

Approved:

  
Acting Head of Department  
Mr. B. Mahlakoleng

04/10/2012  
Date