

Route Form

TO: Director General
Mr M Dlabantu

CFO
2014-04-25

DEPARTMENT OF PUBLIC WORKS
OFFICE OF THE DIRECTOR - GENERAL
PRETORIA

2014-05-05

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PRETORIA 0001

SUBJECT: APPROVAL FOR THE PROPERTY MANAGEMENT TRADING ENTITY
(PMTE) POLICY ON REPORTING FRAMEWORK

RANK	INITIALS AND SURNAME	SIGNATURE	DATE REFERRED	DATE RETURNED
Head of Finance: PMTE	Ms. Y Kwinana		25/4/2014	
Chief Financial Officer	Mr. C Mokgoro		03-05-14	
Director General	Mr. M Dlabantu		05/05/2014	



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

MEMORANDUM

TO	Mr M Dlabantu	REF	
FROM	Ms Y Kwinana	OFFICE	Annex B6-12
TELEPHONE		FAX	

REQUEST FOR APPROVAL FOR THE PROPERTY MANAGEMENT TRADING ENTITY (PMTE) POLICY ON REPORTING FRAMEWORK

1. PURPOSE

The purpose of this Memorandum is to request the Director-General to approve the attached Property Management Trading Entity (PMTE) Policy on Reporting Framework.

2. BACKGROUND

The aforementioned Policy on Reporting Framework was recommended for approval at the EXCO meeting held on the 24 April 2014.

The Policy on Reporting Framework will assist to formalise reporting framework in line with the Public Finance Management Act and Treasury Regulations Chapter 19 and is applicable to all employees involved with the administration and management of the Property Management Trading Entity (PMTE).

3. CONCLUSION

It is recommended that the Director-General approves and signs the attached Policy on Reporting Framework.

Ms Y Kwinana

Head of Finance: PMTE

Date: 25/4/2014

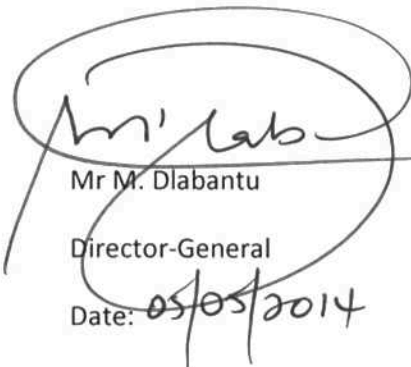
Supported/ Not Supported


Mr C. Møkgoro

Chief Financial Officer

Date: 03-05-2014

Approved/~~Not Approved~~


Mr M. Dlabantu
Director-General
Date: 05/05/2014



public works

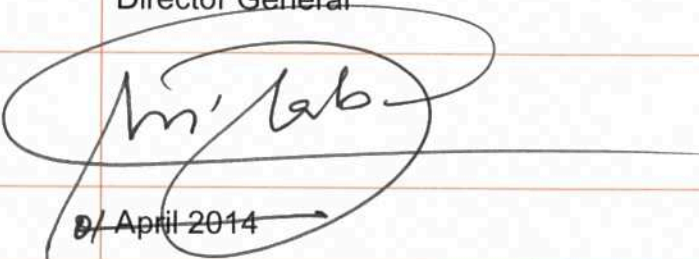
Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY

POLICY ON REPORTING FRAMEWORK

Prepared by:	Ms Yakhe Kwinana
Designation:	Head of the Property Management Trading Entity
Signature:	
Date:	April 2014

Prepared by:	Mr Cox Mokgoro
Designation:	Chief Financial Officer
Signature:	
Date:	April 2014

Approved by:	Mr Mziwonke Dlabantu
Designation:	Director General
Signature:	
Date:	01 April 2014

Effective date:	01 April 2013 ^{AD} → 01/04/2014
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Policy on Reporting Framework

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Policy on Reporting Framework

1. Purpose and objectives

The purpose of this policy is to formalise the:-

Reporting framework in line with the Public Finance Management Act and Treasury Regulations.

2. Scope

- 2.1. This policy is applicable to all employees involved with the administration and management of the Property Management Trading Entity (PMTE).

3. Definitions

- 3.1. The terms included hereunder shall, unless the context indicates otherwise, have the meanings ascribed hereto:
- **Accounting Officer** is the Accounting Officer as defined in section 1 of the PFMA. The Accounting Officer of the PMTE is the Director-General of the Department of Public Works.
 - **Accounting period** refers to a 12 month period of trading starting from 1 April of each year and ending on 31 March of the following year.
 - **Accrual basis** means a basis of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statement of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.
 - **Generally Recognised Accounting Practice** Accounting practice complying in material aspects with standards issued by the Accounting Standards Board.

4. Legislative framework

- 4.1. This policy document was developed in response to the legislative requirements of the PFMA read with Treasury Regulations, which states that the Accounting Officer of a department operating a trading entity must formulate a policy and reporting framework for the head of the trading entity.

Policy on Reporting Framework

5. Policy

5.1. Background

The PMTE is a trading entity that operates within the administration of the National Department of Public Works. The primary responsibility of the PMTE is to deliver accommodation services to client departments and maintain the immovable assets of National Government on behalf of National Department of Public Works.

5.2 Head of the PMTE

5.2.1 The Head of the PMTE will be accountable to the Accounting Officer. The Director-General of the Department is the Accounting Officer as appointed in terms of Section 36 (3) of the Public Finance Management Act (PFMA). PMTE is the trading entity within the DPW.

5.3 Scope of Services

5.3.1 The functions included in the PMTE are:

- Asset Investment Management (AIM), comprising of Portfolio Performance and Monitoring, Portfolio Analysis and Asset Register Management
- Property Management
- Facilities Management

5.3.2 The business units and branches remaining in DPW will make up the core functions of the Department. Other support services will remain in the Department as shared services for both the PMTE and Department.

5.4 Reporting framework

5.4.1 The PMTE applies Standards of GRAP as well as directives issued by the ASB in preparing its financial statements for periods commencing on or after 1 April 2013.

5.5 Performance agreement

5.5.1 The Accounting Officer must ensure that a performance agreement with the Head of PMTE is signed to specify the performance indicators and targets in line with the strategic and operational plans of the PMTE as well as the annual performance plan.

5.5.2 The Accounting Authority must establish procedures for quarterly reporting on performance data to the Minister of the Department of Public Works in order to facilitate effective performance monitoring, evaluation and corrective action.

Policy on Reporting Framework

5.6 Reporting deadlines

The following reporting deadlines need to be complied with annually:

Number	Reporting deadline	Date
1	Signing off the 5 year Strategic Plan and Annual Performance Plan and tabling it to Parliament (7 days before the Minister's budget speech).	Beginning of March
2	Budget allocation to the PMTE Branches and Business Units.	Beginning of March
3	Signing off of Business Plans by Branch/Unit Heads.	Mid- March
4	Capture allocations into BAS.	End of March
5	Planning for Capital Projects two years in advance.	April
6	Planning for Planned Maintenance one year in advance.	April
7	Implement the strategic plan.	April
8	EXCO and Minister meet to determine key policy priorities for the next MTEF.	Beginning of April
9	Finalization of Senior Management Service Performance Agreements.	Mid- April
10	Extended EXCO to convene and discuss details of policy priorities and core performance indicators.	Beginning of May
11	Review of the Asset Management Plans.	Mid-May
12	Submit Annual Financial Statements within two months (end of May) after the end of the financial year to the Auditor General and the National Treasury.	End of May
13	Submit within five months (end of August) of the end of the financial year to the National Treasury an Annual Report, Audited Financial Statements and the Auditor-General's report.	End of August

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14	Planning and Budget Committee.	End of June
15	Minister's Policy Statement: Forward planning for the next MTEF.	July
16	MTEF Budget submission to the National Treasury.	Mid-July
17	Adjustment estimates submission to the National Treasury.	Mid-August
18	PMTE Annual Performance Plan 1 st submission to National Treasury and DPME.	End of August
19	MTEC discussions at National Treasury.	Mid-September
20	PMTE Annual Performance Plan 2 nd submission to National Treasury and DPME.	End of November
21	Submit first Draft of Estimates of National Expenditure to National Treasury.	Beginning of December

6. Implementation

- 6.1. This policy shall be implemented through formal training of key users and on-going support by the process owner.
- 6.2. The Chief Financial Officer is responsible for ensuring that users understand the policy and comply with its requirements.

7. Review of policy

- 7.1. The Accounting Officer, with the support of the Chief Directorate: Financial Planning and Reporting of the PMTE, shall review the Policy on Reporting Framework at least once annually to ensure that it enables the achievement of the PMTE's strategic priorities as well as complies with legislation and regulations.
- 7.2. Any request to amend this policy shall be approved by the Chief Financial Officer and the Accounting Officer before it becomes policy.

Policy on Reporting Framework

8. Acronyms

ASB	Accounting Standards Board
BAS	Basic Accounting System
CFO	Chief Financial Officer
DPME	Department of Performance Monitoring and Evaluation
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MTEF	Medium Term Expenditure Framework
MTEC	Medium Term Expenditure Committee
PFMA	Public Finance Management Act, Act No. 1 of 1999, as amended
PMTE	Property Management Trading Entity
TR	Treasury Regulations issued by National Treasury, 2005