

Restriction on Internet payments



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

FREQUENTLY ASKED QUESTIONS (FAQs)

A. QUESTION

What prompted the issuing of this instruction by the Accountant-General?

The National Treasury continuously reviews methods of streamlining payment systems and processes to safeguard the cash and banking environment. There are a number of risks associated with the use of multiple payment systems, which include amongst others the payment of invalid invoices, duplicate payments as well as inaccurate cash flow planning. This has prompted the Accountant-General to introduce additional control measures to ensure that no losses are suffered by the fiscus.

The Instruction ensures that only payments captured and duly authorised on the department's financial systems can be processed for payment.

B. QUESTION

May internet payments be used by Provincial Treasuries:

- a. **To transfer funds from the Provincial Exchequer Account to the provincial PMG accounts; and**
- b. **To transfer funds from the Provincial Exchequer Account to the Investment account?**

No.

Written instructions must be submitted to the bank to process the relevant transfers.

C. QUESTION

May internet payments be used to fund petty cash accounts?

No.

Transactions need to be raised in the accounting system of the relevant department to transfer funds to the petty cash accounts.

D. QUESTION

May internet payments be used to transfer Travel and Subsistence advances?

No.

Transactions need to be raised in the accounting system of the relevant department to transfer Travel and Subsistence advances to the relevant official.

E. QUESTION

May an urgent payment be captured in the financial system as a Bank Credit Transfer (BCT) even if it is less than R 1 million.

Yes.

This Office is prohibiting the use of internet payments not of BCT's.

F. QUESTION

Can exemption be requested by the relevant Provincial Treasury that the Provincial Treasury can make internet payments? If so, to whom must the request be submitted?

The National Treasury strongly believes that the risks involved with processing payments directly on internet banking outweigh any possible benefits, however the PFMA, Section 79 does make provision for the Accountant-General, on good grounds to approve a departure from a treasury regulation or instruction.

Departure requests can be submitted via email on oagqueries@treasury.gov.za.

APPROVED


MICHAEL SASS

ACCOUNTANT-GENERAL

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