

REPUBLIC OF SOUTH AFRICA

PUBLIC FINANCE MANAGEMENT AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 76); prior notice of its
introduction published in Government Gazette No 43418 of 12 June 2020)
(The English text is the official text of the Bill)*

(Mr GKU Cachalia, MP)

[B 13—2020]

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GENERAL EXPLANATORY NOTE:

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the Public Finance Management Act, 1999, so as to provide for additional measures in instances where an executive authority fails to table the annual report, financial statements and relevant audit report for a department or public entity that it is responsible for, in the National Assembly or relevant legislature; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 65 of Act 1 of 1999, as amended by section 36 of Act 29 of 1999

1. Section 65 of the Public Finance Management Act, 1999, is hereby amended by the substitution in subsection (2) for paragraph (a) of the following paragraph: 5

“(a) the executive authority must table a written explanation in the legislature setting out the reasons why they were not tabled, and must table such annual report, financial statements and audit report on those statements within 60 days after the tabling of such written explanation; and”.

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Short title

2. This Act is called the Public Finance Management Amendment Act, 2020.

**MEMORANDUM ON THE OBJECTS OF THE PUBLIC FINANCE
AMENDMENT BILL, 2020**

1. INTRODUCTION

- 1.1 The Public Finance Management Act, 1999 (Act No. 1 of 1999) (“the Act”), regulates financial management in the national and provincial governments and ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively. Furthermore, the Act provides for the responsibilities of persons entrusted with financial management in those governments.
- 1.2 Section 65 of the Act provides that the executive authority responsible for a department or public entity must table annual reports, financial statements, and the audit report on those statements in the National Assembly or in a provincial legislature, as the case may be. The annual reports, financial statements and the audit reports on such statements, must be tabled within one month after the accounting officer for the department or the accounting authority for the public entity has received the audit report.
- 1.3 Section 65 of the Act further provides that if the executive authority fails to table these reports and statements in the relevant legislature within six months after the end of the applicable financial year, the executive authority must table a written explanation in the legislature setting out the reasons why they were not tabled. However, the Act does not provide for additional measures in instances where such reports and statements are not tabled, and no express obligation is placed on the executive authority to table such reports and statements within a specified time-period after that written explanation has been tabled.

2. OBJECTS OF THE BILL

- 2.1 The Public Finance Management Amendment Bill (“the Bill”) seeks to provide for the additional measures by setting a time-period within which the annual report or financial statements of a department or a public entity, and the audit report on those statements, must be tabled in the National Assembly or the relevant provincial legislature.

3. CONTENTS OF THE BILL

- 3.1 Clause 1 of the Bill provides that the relevant annual report and financial statements, and the audit report on such statements, as referred to in section 65(1), be tabled within 60 days after a written explanation has been tabled.
- 3.2 Clause 2 of the Bill provides for the short title and commencement of the Act.

4. FINANCIAL IMPLICATIONS FOR THE STATE

None

5. DEPARTMENTS, BODIES OR PERSONS CONSULTED

Minister of Finance as required by section 4 of the Act.

6. PARLIAMENTARY PROCEDURE

- 6.1 The Member proposes that the Bill must be dealt with in accordance with the procedure established by section 76 of the Constitution as it is legislation envisaged in section 76(4)(b) of the Constitution of the Republic of South Africa, 1996.

- 6.2 The Member is of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or customs of traditional communities.