



Department of Public Works, Roads and Transport  
**MPUMALANGA PROVINCIAL GOVERNMENT**

**PETTY CASH POLICY**

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Issue: .....3.0  
Responsible Section: ..... Debtors Section  
Date of Approval: .....

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## ABBREVIATION

<b>CFO</b>	-	Chief Financial Officer
<b>COD</b>	-	Cash on Delivery
<b>E.g.</b>	-	For example
<b>PFMA</b>	-	Public Finance Management Act, 1999 (Act No. 1 of 1999)

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## DEFINITIONS

<b>Accounting Officer</b>	means	a person mentioned in Section 36 of the Public Finance Management Act, 1999 (Act No.1 of 1999) and includes any person acting as the Accounting Officer;
<b>Department</b>	means	Department of Public Works, Roads and Transport;
<b>End User</b>	means	person/official in need of the petty cash; and
<b>Petty Cash</b>	means	an amount of money kept on hand by the Department for small purchase.

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## **1. INTRODUCTION**

The petty cash policy seeks to provide guidelines to all officials requiring cash from the Department for procurement of goods and services not exceeding two-thousand rand (R2000.00).

## **2. OBJECTIVE**

The objective of the policy is to ensure that the petty cash funds of the Department are managed and controlled effectively, efficiently, economically and transparently in accordance with the procurement procedures.

## **3. REGULATORY FRAMEWOK**

- 3.1 Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA); and
- 3.2 Treasury Regulations.

## **4. SCOPE OF APPLICATION**

The policy is applicable to all officials of the Department.

## **5. POLICY STATEMENT**

The Accounting Officer of the Department ensures that internal procedures and internal control measures are in place for payment, approval and processing of cash on hand. These internal controls provides reasonable assurance that all expenditure is necessary, appropriate, promptly paid and is adequately recorded and reported.

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## 5.1 QUALIFYING CRITERIA

- 5.1.1 Petty cash shall be issued for procuring of goods (non-store items) and services, which are of an emergency nature not exceeding two thousand rand (R2 000.00)
- 5.1.2 Funds are appropriated for the acquisition of goods or services according to the approved operational plans of the programme or sub-programme;
- 5.1.3 The authorised submission from relevant responsibility managers, or by following the normal requisition procedures of the Department; and
- 5.1.4 The request for petty cash must be by way of written request from the responsibility manager authorised by the CFO.

## 5.2 GENERAL CONDITIONS

- 5.2.1 The petty cash funds of two thousand rand (R2000.00) or less is requested three (3) days in advance to ensure that there is cash at hand:
  - 5.2.1.1 R 0 – R 200 must have a requisition and invoice/receipts when a quotation is not attached;
  - 5.2.1.2 R 201 - R 500.00 must have a requisition with one quotation;
  - 5.2.1.3 R 501 – R 2000.00 must have requisition with two quotations or explanatory letter (that is, stating the reason/s for not obtaining the second quotation and be signed by the responsibility manager authorizing the expenditure).
- 5.2.2 The responsibility manager ensures that the funds requested are available from the budget to minimize the risk of over expenditure appearing against the budget;
- 5.2.3 The request for petty cash funds (either through a prescribed form or an authorised submission from the responsibility manager) and approved by the CFO is attached to a requisition form;

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5.2.4 Invoices, cash slips and/or cash on delivery (COD) notes are submitted to the Petty Cash officer within forty-eight (48) hours after receipt of the funds;

5.2.5 In unforeseen circumstances, an official can be reimbursed for expenses incurred to the amount of two thousand rand (R2 000.00) or less, provided that all the necessary documentation are attached e.g. motivational letter approved by the Chief Financial Officer (CFO).

5.2.6 Procurement of asset and stock items are excluded from the petty cash purchases unless approved by the Chief Financial Officer (CFO).

### 5.3 MANAGEMENT REPORTING

5.3.1 Petty cash expenditure must be captured as committed funds until the petty cash is replenished. Thereafter, it must be reflected as expenditure against the budget.

## 6. ROLES AND RESPONSIBILITIES

6.1 The Accounting Officer shall be accountable for this policy and shall ensure adherence thereto; and

6.2 The responsibility for the implementation of this policy rests with the Director: Management Accounting and any delegated officials.

6.3 All officials in the Department are responsible to ensure compliance to the policy and properly execute their duties in line with it.

## 7. MONITORING AND EVALUATION

The Debtors Section shall monitor and evaluate the implementation of this policy.



8. **POLICY REVIEW**

The policy shall be reviewed to factor changes in legal frameworks, organizational developments, political and economic trends, and envisaged outputs of the Medium Term Expenditure Framework as well as outcomes of monitoring and evaluation.

9. **DEVIATIONS**

Any deviation from this policy shall be subject to the approval of the Accounting Officer.

10. **IMPLEMENTATION DATE**

This policy shall come into effect from the date of approval by the Accounting Officer.

11. **APPROVED**



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**MR MC MOROLO**  
**HEAD: PUBLIC WORKS, ROADS AND TRANSPORT**  
DATE 22/02/2022