



OFFICE OF THE CHIEF FINANCIAL OFFICER

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**TO : DEPUTY DIRECTORS GENERAL
CHIEF DIRECTORS
DIRECTORS (HEAD OFFICE & DISTRICTS)
DEPUTY DIRECTORS (HEAD OFFICE & DISTRICTS)
CES's (HEAD OFFICE & DISTRICTS)
SCHOOL PRINCIPALS
ALL CORPORATE STAFF**

FROM : CHIEF FINANCIAL OFFICER

DATE : 26 JULY 2022

**PROJECTED LEAVE GRATUITY PAYMENTS TO BE PROCESSED ON BAS
DURING THE FINANCIAL YEAR 2022/ 23**

1. Since the second week in March 2022, Provincial Treasury (PT) instructed the ECDoE to suspend all leave gratuity payments that were due to be processed on BAS owing to financial constraints.
2. As from 1 April 2022, the ECDoE was once again prohibited to process any leave gratuities on BAS. The initial impression, according to explanations from PT was that in-house reconciliations had to be performed at PT before the ECDoE could commence with leave gratuity payments on BAS.
3. This exercise was motivated by the fact the over the years the number of payments to be processed on BAS has dramatically increased while PT expected this number to decrease over time. The expectation is that all leave gratuity payments must at least be processed within 12 months on Persal. Given the transactions history that Persal provides where payment transactions can easily be traced vis-à-vis the risk of processing payments on BAS that can easily be duplicated, it is expected that all cases of employees that exited the system before 26 July 2022 will be processed urgently as PT will henceforth not entertain any further cases are older than 12 months. Therefore, all leave gratuity payments must be expedited since PT is not expecting any additions to the number of leave gratuity payments to be processed on BAS.



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4. At the beginning of June 2022, after significant time had elapsed with all leave gratuity BAS payments at a complete standstill, the matter was followed up once again with PT with the intention to seek clarity as to why the ECDoE could not commence with leave gratuity BAS payments, or if specific actions were required from us before we could pay.
5. It was only about a week later, during the second week of June 2022, that it was clarified that a submission was required which specified a projection of BAS payments for the periods prior to 1 April 2022, as well as a projection for possible death cases to be paid during the current financial year. It was clearly stated that no detail regarding the cases to be paid were required and that only projected amounts were to be reflected in the submission. The Department duly complied and forwarded the required submission to PT, signed by the HOD: Education on 20 June 2022.
6. Progress on the said submission was regularly followed up until we first received a telephonic response that our submission was rejected, followed by a written rejection on 5 July 2022.
7. However, an indication was given that PT would consider submissions for leave gratuity payments to be processed on BAS based on its merits.
8. ECDoE was also instructed to submit a “fresh” submission with an accompanying list of names to be paid that will be used for reconciliation purposes as leave gratuity cases are presented for payment which we duly complied with today, 25 July 2022, under the signature of the HOD: Education.
9. Each District will be provided with a list of the projected leave gratuities for their particular District that were included in the list submitted to PT on 26 July 2022. Please note that the list is referred to as “projected” since all leave gratuity cases with termination dates prior to 1 November 2021 were included as potential BAS payments, with a further projection of possible death cases during the current financial year. This was specifically done to provide for possible further delays in payments.
10. Districts will be required to reconcile their list of outstanding cases, taking into account all unpaid cases with termination dates prior to 1 November 2021, as well as unpaid death cases.



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11. Any discrepancies found must immediately be brought to the attention of the Deputy Director: Salary Control at keith.pearce@ecdoe.gov.za for immediate correction.
12. Please note that the normal procedures will be followed with the processing of leave gratuity payments on BAS, i.e.,
 - i. All leave gratuity cases with active BAS entity forms will be captured and approved on BAS after debt verification has been completed
 - ii. A list of captured cases will be presented to PT for release of payments in a particular BAS run.
 - iii. However, it is important to note that in-house reconciliations will be done to ascertain whether a particular leave gratuity case is reflected in the list submitted to PT where a similar exercise will be performed. Special motivations will be required by PT for cases that are not included in the list submitted today.
 - iv. For any further clarity, the account manager for leave gratuities, Ms Mndi may be contacted at nomvuselelo.mndi@ecdoe.gov.za, or on 040 608 4400. Also note that Mr Zamva who is also directly involved with leave gratuity payments may be contacted at mfundo.zamva@ecdoe.gov.za, or on 040 608 4406. Alternatively, in the absence of the said officials, the Deputy Director: Salary Control may be contacted at the email address quoted above, or on 040 608 4569/ 060 523 8608.
13. The ECDoE is currently awaiting the outcome of the submission to process leave gratuities on BAS that was hand delivered to PT today.



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14. Further communication in this regard will follow in due course.

Yours in Education.



Ms N Ngcingwana
Chief Financial Officer



Date

Cc: Mr Qwase
A/ HOD: EDUCATION
EASTERN CAPE