

MERGE THE BASIC ACCOUNTING SYSTEM AND LOGISTICAL INFORMATION SYSTEM OVERSIGHT UNITS OPERATING IN THE NORTHERN CAPE PROVINCIAL TREASURY

Compiled by Shirene Maclean using data from 2015/16 - 2018/19

BACKGROUND

- This **PER** report focuses on the efficiency of merging the **Basic Accounting System (BAS)** and **Logistical Information System (LOGIS)** units.
- The systems are designed by National Treasury and implemented by Provincial Treasuries.
- **BAS** is the core government accounting system and is the main source of information for the preparation of management reports and the annual financial systems.
- **LOGIS** is a procurement system used in the supply chain process for the procurement of goods and services.

INSTITUTIONAL CONTEXT

SINCE THE **LOGIS** IMPLEMENTATION OF ACTIVITIES ON THE BAS SYSTEM HAVE DECREASED ↓

THIS IS BECAUSE THE PROCESSING OF ENTITIES, COMMITMENTS AND PAYMENTS USED TO MAKE UP ABOUT

50% OF BAS ACTIVITIES

- The implementation of the Central Supplier Database (CSD) has also decreased workload for officials in the unit.
- The systems use is regulated by the
 - Public Finance Management Act, 1999 (act 1 of 1999);
 - National Treasury regulations,
 - National Treasury guidelines and prescripts.
- The units are driven by section 38 of the Act, to ensure that departments or constitutional institutions has and maintains an effective, efficient and transparent system of financial management.

RECOMMENDATIONS

- The current **BAS** unit consists of 1 Deputy Director and 3 Assistant Directors. The **LOGIS** unit consists of 1 Deputy Director, 3 Assistant Directors and 4 Financial Administration Officers. The current structure for the two units makes provision for 12 officials.
- If the units are merged, the staff establishment will make provision for 6 or 7 officials; 1 DD, 5 or 6 AD's and 1 FAO, or 8 officials; 2 DD's, 4 AD's and 2 FAO's, thereby reducing expenditure.

PERFORMANCE

The average Personnel Expenditure for the BAS and LOGIS units for 2018/2019 is over

R5.6 MILLION



MERGING THE UNITS WILL SAVE THE NORTHERN CAPE PROVINCIAL TREASURY (NCPT) BETWEEN

R1.8 MILLION & R2.3 MILLION

THE MERGER WILL BENEFIT NOT ONLY THE NCPT BY SAVING COSTS ON PERSONNEL EXPENDITURE, BUT ALSO THE OFFICIALS BY BROADENING THEIR

KNOWLEDGE AND SKILLS AND **IMPROVE** THE QUALITY OF SERVICE DELIVERY TO CLIENT DEPARTMENTS AS WELL AS THE **PUBLIC**



A MERGER WILL ELIMINATE THE DUPLICATION OF CALLS BETWEEN

BAS AND LOGIS AND THE SHIFT OF RESPONSIBILITY – THERE HAS BEEN NUMEROUS **ARGUMENTS** OVER THE RESPONSIBILITY OF THE UNITS WITH REGARD TO CERTAIN REQUESTS/PROBLEMS