



Reference: T7/2/1

TREASURY CIRCULAR 19/2015

THE PREMIER

- THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

For information

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

- THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS BH FAKIRA)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (DR H FAST)

- THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

- THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (DR M MATSAPOLA)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR N FLAATTEN)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE (MS A HALL)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR BOARD (MR T GILLOMEE)

- THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS FULAPHI KHOZA) (ACTING)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)
 THE SENIOR MANAGER: GOVERNMENT MOTOR TRANSPORT (MR J KOEGELENBERG)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN) (ACTING)
 THE HEAD: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR H MALILA) (PRO TEM)
 THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
 THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
 THE SENIOR MANAGER: FISCAL POLICY (MS S DAVIDS) (ACTING)
 THE SENIOR MANAGER: INFRASTRUCTURE (MR P CHANDAKA)
 THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MR T MADONDILE) (ACTING)
 THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS L McCARTNEY)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN) (PRO TEM)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

ANNUAL FINANCIAL STATEMENTS (AFS) FOR 2014/15: INPUTS TO BE SUBMITTED BY PROVINCIAL ENTITIES

Purpose

1. To inform Accounting Authorities (AA) and Chief Financial Officers (CFO) of the Western Cape Public and Trading Entities of the submission dates of the annual financial statements (*both unaudited and audited*) for the year ended 31 March 2015.
2. To repeal Treasury Circular 11 of 2014 dated 02 April 2014 in its entirety.

Background

3. The Annual Consolidated Financial Statements must be prepared in accordance with Public Financial Management Act, Act 1 of 1999 as amended and with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB), and any further instructions and guidance issued by the National Treasury, Office of the Accountant-General on Annual Financial Statements of the Public and Trading Entities must be read with this PT Circular.

2015 AFS Template

4. Unlike the previous financial year, the 2015 Annual Financial Statements (AFS) template that entities need to complete will be emailed to each entity separately and it will be pre-populated with public entity's name. **No AFS template will be placed on the National Treasury website for downloading.**
5. All entities listed in the attached **Annexure B** "Public Institutions listed in PFMA Schedule 1, 2, 3A, 3B, 3C and 3D" as well as all unlisted entities accountable to Parliament and Provincial Legislatures are required to complete the GRAP AFS template.

Completion of the Annual Financial Statements (AFS) Template (2014/2015)

GENERAL

6. Entities must **only** use the version of the GRAP AFS template, which the Provincial Treasury forwarded to the respective entity via e-mail.
7. Read through the template instructions before completing the template and complete the template cover page where possible.
8. The GRAP AFS template should be aligned line-by-line per item with the AFS that will be published in your Annual Report for 2014/2015 financial year.
9. Take note of the template checklist and ensure that all items are correctly cleared before submitting the entity's template to PT: PG Accounting and Compliance.
10. Entities should ensure that the AFS template is accurately aligned to the AFS to be published in the annual report.

INTER-ENTITY TRANSACTIONS AND BALANCES

11. In terms of the framework for consolidation of financial statements, all inter-entity transactions and balances within the group need to be eliminated on consolidation.
12. Inter-entity transactions refer to dealings between Western Cape provincial entities. ***As an example, GG vehicles related transactions would include revenue and expenditure transactions between GMT and other entities and balances would refer to the related receivables and payables at year end (trade receivables/payments and finance leases).***
13. Entities are therefore required to identify and separately disclose any inter-entity transactions and balances with those entities listed in the inter-entity worksheet included in the AFS template named **INTER-ENTITY**. The inter-entity worksheet must be completed for both the current and prior year (2013/14 and 2014/15).
14. Entities must ensure that they do not have any differences between entities to allow for accurate elimination and may share this information with other entities to achieve this outcome.
15. The inter-entity transactions and balances of GMT and other entities must agree.

CONVERSION JOURNALS

16. In terms of the framework that is being used by the Provincial (and National) Treasury when preparing the consolidated AFS, uniform accounting policies must be followed for transactions and other events in similar circumstances.
17. The National Treasury has therefore adopted Group Accounting Policies which are GRAP compliant. Refer to **Annexure A** for these adopted policies.

Entities using GRAP

18. Where the GRAP accounting policy applied by an entity differs from the Group Accounting Policies (*as per Annexure A*) the entity must identify and record the required journal entry (current and prior year) that would be needed to conform to the Group Accounting Policies.
19. The journal entries should not be passed when completing the AFS template but only recorded in the **CONVERSION worksheet** in the AFS template. Provincial Treasury will pass the journal entries upon final consolidation.

Entities using IFRS or SA GAAP

20. All Schedule 2 and 3B Government Business Enterprises (GBE's) and other entities applying Standards of SA GAAP or IFRS in preparing their financial statements must identify and record the required journal entries (current and prior year) that would be needed to conform to Group Accounting Policies.
21. These journal entries should not be passed when completing the AFS template but only recorded in the **CONVERSION worksheet** in the AFS template. Provincial Treasury will pass the journal entries upon final consolidation.
22. **Journal entries captured on the CONVERSION worksheet must be tested by the entities' external auditors as part of their audit of the AFS template.**

EXTERNAL AUDITOR'S SIGN OFF

23. The external auditor's sign off template to be completed for all entities (GRAP, IFRS and SA GAAP) is documented in **Annexure C**. Statutory audit reports should also accompany this template. These requirements should be communicated to the auditors of the entity up front.
24. The AGSA consolidation team will communicate their instructions to entity auditors in terms of the requirements of International Standards on Auditing, i.e. ISA 600.

UNCORRECTED MISTATEMENTS

25. In the event that there are any unadjusted audit misstatements, these must be listed in the **UNCORRECTED MISSTATEMENT** worksheet in the AFS template. Hence, please provide Provincial Treasury with all the unadjusted errors that the auditors have identified, irrespective of the nature. These unadjusted errors should **NOT** be adjusted in the AFS template to be submitted.

Timelines and submissions

26. The table below indicates dates and documents that must be submitted by the management of the entity to **Provincial Treasury: Provincial Government Accounting and Compliance:**

No.	Document name	Required format		Due Date
		Hard Copy	Soft Copy (CD)	
AFS SUBMISSION BASED ON PRE-AUDITED FINANCIAL INFORMATION				
1	AFS together with GRAP AFS template submitted for review.	n/a	AFS (<i>MS Word</i>) MS Excel (<i>GRAP template</i>)	15 May 2015
2	AFS	Five(5) printouts of AFS	AFS (<i>MS Word</i>)	29 May 2015
3	GRAP AFS Template	Printout of the following: Cover Sheet (<i>signed</i>) Statement of Financial Position Statement of Financial Performance Statement of Cash Flow Statement of Changes in Net Assets	MS Excel (<i>GRAP template</i>)	29 May 2015
4	Inter-entity worksheet	Printout signed by management	MS Excel (<i>part of template</i>)	29 May 2015
5	Conversion journal worksheet	Printout signed by management	MS Excel (<i>part of template</i>)	29 May 2015
6	Annexure 7- Remuneration of executive and non-executive management	Printout signed by management	MS Excel (<i>part of template</i>)	29 May 2015
7	Confirmation certificate	Confirmation certificate signed by management	Signed copy	29 May 2015
AFS SUBMISSION BASED ON AUDITED FINANCIAL INFORMATION				
8	Final AFS	Five(5) printouts of AFS	AFS (<i>MS Word</i>)	31 July 2015
9	Final GRAP AFS Template	Printout of the following: Cover Sheet (<i>signed</i>) Statement of Financial Position Statement of Financial Performance Statement of Cash Flow	MS Excel (<i>GRAP template</i>)	31 July 2015

		Statement of Changes in Net Assets		
10	Final Inter-entity worksheet	Printout signed by management	MS Excel (part of template)	31 July 2015
11	Final Conversion journal worksheet	Printout signed by management	MS Excel (part of template)	31 July 2015
12	Final Annexure 7- Remuneration of executive and non-executive management	Printout signed by management	MS Excel (part of template)	31 July 2015
13	Annexure C: External auditor's sign off	Annexure C signed by auditors (original)	Signed copy	31 July 2015
14	Confirmation certificate	Confirmation certificate signed by management	Signed copy	31 July 2015
15	Auditors audit report on AFS	Auditor's audit report and signed Annual Financial Statements (AFS)	Signed copy	31 July 2015

27. The aforementioned information must be forwarded to the representatives below:

Entity	Representative	Email address
WC Nature Conservation Board	Boniswa Lurwayi	Boniswa.Lurwayi@westerncape.gov.za
WC Liquor Authority	Neil Schippers	Neil.Schippers@westerncape.gov.za
WC Investment and Trade Promotion Agency (Wesgro)	Shaun Manuel	Shaun.Manuel@westerncape.gov.za
Government Motor Transport (GMT)	Yolanda Solomons	Yolanda.Solomons@westerncape.gov.za
WC Gambling and Racing Board		
Casidra Pty Ltd	Loyiso Faniso	Loyiso.Faniso@westerncape.gov.za
Housing Development Fund	Aslam Abrahams	Aslam.Abrahams@westerncape.gov.za
WC Language Committee	Luthando	Luthando.Botshobana@westerncape.gov.za
WC Cultural Commission	Botshobana	
WC Heritage		


A. Reddy

SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING AND COMPLIANCE

DATE: 11/05/2015

2015 ANNEXURE C – External auditor’s sign-off of AFS template for consolidation

[Entity name]

31 March 2015

To: Management of [entity name]

Cc: [National or Provincial] Treasury: consolidation team

Cc: AGSA: consolidation team

In response to the 2014-15 consolidated group instructions on final consolidation process, dated [date], we have audited the [National or Provincial] Treasury AFS template of [entity name] as at 31 March 2015 and for the year then ended, for the purpose of preparing the [National or Provincial] Treasury’s consolidated financial statements. This template comprises the following worksheets: audited [GRAP/IFRS/SA GAAP] annual financial statements and notes; inter-entity transactions and balances; summary of uncorrected misstatements; and GRAP conversion journals. The procedures performed are required by ISA 600.

Our audit findings are listed below:

1. The audit of the annual financial statements of [entity name], prepared in accordance with [GRAP or IFRS or SA GAAP], was completed on [date].
2. The AFS template was prepared by the management of [entity name] in accordance with the National Treasury’s consolidated group instructions. [Insert information if deviations from instructions were identified.]
3. The worksheet on the annual financial statements and notes [agrees with the audited annual financial statements of the [entity name].] OR [does not agree with the audited annual financial statements of the [entity name] in the following instances:]
4. The worksheet on GRAP conversion journals for both the current and prior period in the AFS template is complete and accurate, in all material respects,¹ for the [National or Provincial] Treasury to use in the final consolidation processes. [Insert information if corrections are required.]
5. The worksheet on inter-entity transactions and balances for both the current and prior period in the AFS template is complete and accurate, in all material respects,¹ for the [National or Provincial] Treasury to use in the final consolidation processes. [Insert information if corrections are required.]
6. The worksheet on the summary of uncorrected misstatements (unadjusted audit differences) in the AFS template is complete and accurate, in all material respects,¹ and agrees to the final audit file. [Insert information if corrections are required.] OR The [entity name] does not have any unadjusted audit differences for the 31 March 2015 final audit.

This sign-off is solely for your information and use in connection with the audit of the [National or Provincial] Treasury’s consolidated financial statements, and should not be distributed to any other parties or used for any other purpose.

If you have any questions on the contents of the sign-off, please contact [details of an alternative contact if appropriate] or me.

[Date]

[Signature of partner or AGSA report signatory]

[Name of partner or AGSA report signatory]

[Name of Office/City]