



Western Cape Government

Provincial Treasury

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Provincial Government Accounting
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Reference: RCS/C.6

TREASURY CIRCULAR NO 39/2016

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE
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

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 (MR R HINDLEY)
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 (MR G PAULSE)

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 (MR P ABRAHAMS)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)
THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR D SOUTHGATE) (ACTING)
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 HM DU PREEZ) (ACTING)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)

For information

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR T SWART) (ACTING)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 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 AUTHORITY (MS V LETSWALO)
 THE SENIOR MANAGER: GOVERNMENT MOTOR TRANSPORT (MR J KOEGELENBERG)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE DEPUTY DIRECTOR GENERAL: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR GENERAL: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR B VINK)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK) (ACTING)
 THE DIRECTOR: FISCAL POLICY (MR JS FORD) (ACTING)
 THE DIRECTOR: INFRASTRUCTURE (MR P CHANDAKA)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS L MCCARTNEY)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINDER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE DIRECTOR: 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)

SUBMISSION OF INTERIM FINANCIAL STATEMENTS (IFS) AS AT 30 SEPTEMBER 2016 BY PROVINCIAL ENTITIES

Purpose

1. To inform Western Cape Public and Trading entities to submit their Interim Financial Statements (IFS) as at 30 September 2016 to the Provincial Treasury by 30 October 2016, for assessment by the Directorate Provincial Government Accounting and Compliance.

Background

2. The purpose of the assessment of the IFS is, inter alia, to identify issues of concern to be addressed before the year-end financial statements are to be compiled.

3. The review of IFS will mainly consist of verifying figures reported against supporting documentation supplied in the audit file and raising queries with the person responsible for the financials. Therefore, the main focus areas of the assessment are to check:
 - The implementation of **Directive 5** as amended by the Accounting Standards Board (ASB) for the 2016/17 financial year;
 - That errors arising from the previous audit relating to financial statements have been rectified; and
 - The accuracy of information presented in the financial statements submitted for assessment.

Basis for preparation

4. Financial statements are prepared in terms of the effective Standards of GRAP as contained in ASB Directive 5.
5. Attention should also be drawn to **Directive 5 Appendix C: 1 April 2016**, which lists the standards and pronouncements that are the GRAP Reporting Framework for public entities, constitutional institutions, and Public FET Colleges effective for financial periods commencing on or after **1 April 2016** and should be applied as set out in paragraphs .05 and .06 of Directive 5.
6. In July 2015, the ASB issued amendments to **GRAP 16 (Property Investments)** and **GRAP 17 (Property, Plant and Equipment)**. These amendments are effective from 1 April 2016.
7. Entities should also take note of proposed amendments to GRAP 21 on Impairment of Non-cash-generating Assets and GRAP 26 on Impairment of Cash-generating Assets. The proposed effective date is 1 April 2017.
8. The attached **Annexure A** provides a summary of the Standards of GRAP that were applicable for the previous financial year versus those applicable for 2016/17.

Action Required

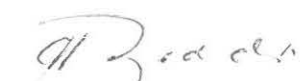
9. Entities must prepare the Interim Financial Statements (IFS) for the period ended 30 September 2016 in accordance with GRAP standards, per Directive 5.
10. In preparing the IFS, entities are advised to utilise in conjunction with the applicable GRAP Standard(s) the latest **NT GRAP Disclosure/Compliance Checklist** (<http://oag.treasury.gov.za/> Office of the Accountant-General > Publications > 06.

GRAP > 03. Tools > 18. GRAP disclosure checklist) **as well as the latest CaseWare AFS template.**

11. Once the IFS have been prepared, it must be submitted together with Audit File Information to PG Accounting and Compliance for review purposes.
12. Entities must also submit a certificate signed by the CFO of the entity to confirm the completeness and accuracy of financial statements submitted.
13. The aforementioned information must be forwarded to the following official within Provincial Government: Accounting and Compliance, in **an electronic/hard copy format** together with the audit file information (**hardcopy/electronic**) by **30 October 2016**.

Entity	Official	Telephone Number	E-mail address
CapeNature	Boniswa Lurwayi	021 483 8835	Boniswa.Lurwayi@westerncape.gov.za
WESGRO	Shaun Manual	021 483 6600	Shaun.Manuel@westerncape.gov.za
SBIDZ			
Housing Development Fund	Aslam Abrahams	021 483 6802	Aslam.Abrahams@westerncape.gov.za
Heritage	Luthando Botshobana	021 483 3884	Luthando.Botshobana@westerncape.gov.za
Cultural Commission			
Language Committee			
GMT	Yolanda Solomons	021 483 6415	Yolanda.Solomons@westerncape.gov.za
Gambling Board			
Liquor Authority	Neil Schippers	021 483 8666	Neil.Schippers@westerncape.gov.za
Casidra	Loyiso Faniso	021 483 5171	Loyiso.Faniso@westerncape.gov.za

14. Any enquiries on the preparation and submission of the Interim Financial Statements (IFS) as well as the Audit File Information must be forwarded to PThelpme@treasury.gov.za and to Nicholas.VanNiekerk@westerncape.gov.za.
15. Your co-operation in this regard will be highly appreciated.



MR A REDDY

DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING AND COMPLIANCE

DATE: 5/10/2016

Summary of standards of GRAP applicable for 2015/16 and 2016/17, as per ASB Directive 5

Reference	Topic	2015/16	2015/17
GRAP 1	Presentation of Financial Statements	Apply	Apply
GRAP 2	Cash Flow Statements	Apply	Apply
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors	Apply	Apply
GRAP 4	The Effects of Changes in Foreign Exchange Rates	Apply	Apply
GRAP 5	Borrowing Costs	Apply	Apply
GRAP 6	Consolidated and Separate Financial Statements	Apply	Apply
GRAP 7	Investments in Associates	Apply	Apply
GRAP 8	Interests in Joint Ventures	Apply	Apply
GRAP 9	Revenue from Exchange Transactions	Apply	Apply
GRAP 10	Financial Reporting in Hyperinflationary Economies	Apply	Apply
GRAP 11	Construction Contracts	Apply	Apply
GRAP 12	Inventories	Apply	Apply
GRAP 13	Leases	Apply	Apply
GRAP 14	Events After the Reporting Date	Apply	Apply
GRAP 16	Investment Property	Apply	Apply
GRAP 17	Property, Plant and Equipment	Apply	Apply
GRAP 18	Segment Reporting	Apply *	Apply *
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets	Apply	Apply
GRAP 20	Related Party Disclosures	Use to disclose info / formulate accounting policy	Use to disclose info / formulate accounting policy
GRAP 21	Impairment of Non-cash-generating Assets	Apply	Apply
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)	Apply	Apply

Reference	Topic	2015/16	2015/17
GRAP 24	Presentation of Budget Information in Financial Statements	Apply	Apply
GRAP 25	Employee Benefits	Apply	Apply
GRAP 26	Impairment of Cash-generating Assets	Apply	Apply
GRAP 27	Agriculture	Apply	Apply
GRAP 31	Intangible Assets	Apply	Apply
GRAP 32	Service Concession Arrangements: Grantor	Consider developing Accounting Policy	Consider developing Accounting Policy
GRAP 100	Discontinued Operations	Apply	Apply
GRAP 103	Heritage Assets	Apply	Apply
GRAP 104	Financial Instruments	Apply	Apply
GRAP 105	Transfers of Functions Between Entities Under Common Control	Apply **	Apply **
GRAP 106	Transfers of Functions Between Entities Not Under Common Control	Apply **	Apply **
GRAP 107	Mergers	Apply **	Apply **
GRAP 108	Statutory Receivables	Consider developing Accounting Policy	Consider developing Accounting Policy
GRAP 109	Accounting by Principals and Agents		Consider developing Accounting Policy
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP	Apply	Apply
Directive 2	Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions	Apply	Apply
Directive 3	Transitional Provisions for the Adoption of Standards of GRAP by High Capacity Municipalities	Apply	Apply

Reference	Topic	2015/16	2015/17
Directive 4	Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities	Apply	Apply
Directive 5	Determining the GRAP Reporting Framework	Apply	Apply
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)	Apply	Apply
Directive 7	The Application of Deemed Cost	Apply	Apply
Directive 8	Transitional Provisions for Parliament and the Provincial Legislatures	Apply	Apply
Directive 9	The Application of the Standards of GRAP by Trading Entities	Apply	Apply
Directive 10	Application of the Standards of GRAP by Public Further and Education Training Colleges	Apply	Apply
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP	Apply	Apply
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities		Can be early adopted (only applies to public entities that are not currently applying Standards of GRAP)
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue	Apply	Apply
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Apply	Apply
IGRAP 3	Determining whether an Arrangement Contains a Lease	Apply	Apply
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Apply	Apply
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies	Apply	Apply

Reference	Topic	2015/16	2015/17
IGRAP 6	Loyalty Programmes	Apply	Apply
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Apply	Apply
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions	Apply	Apply
IGRAP 9	Distributions of Non-cash Assets to Owners	Apply	Apply
IGRAP 10	Assets Received from Customers	Apply	Apply
IGRAP 11	Consolidations – Special Purpose Entities	Apply	Apply
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Venturers	Apply	Apply
IGRAP 13	Operating Leases – Incentives	Apply	Apply
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Apply	Apply
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services	Apply	Apply
IGRAP 16	Intangible Assets – Website Costs	Apply	Apply
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset	Consider developing Accounting Policy	Consider developing Accounting Policy
Guide 1	Guideline on Accounting for Public Private Partnerships	Apply	Apply
IFRS 4	Insurance Contracts	Apply	Apply
IFRS 6	Exploration for and Evaluation of Mineral Resources	Apply	Apply
IAS 12	Income Taxes	Apply	Apply
SIC – 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	Apply	Apply
SIC – 29	Service Concession Arrangements – Disclosures	Apply	Apply
IFRIC 12	Service Concession Arrangements	Apply	Apply

* Trading entities are not required to apply the standard.

** Trading entities should consider developing an accounting policy.