



Reference: T10/1/6 (2013/14)

TREASURY CIRCULAR NO. 32/2013

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

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MR A JOEMAT)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (DR GA LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR R RUGHUBAR)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR J FOURIE)
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 (MR K HAMMAN) (ACTING)
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 (MR A HALL)
THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR S CONRADIE)
THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR T GILLOMEE)

} For information

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR A PRESTSON)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
 THE CHIEF FINANCIAL OFFICER: CAPE TOWN ROUTES UNLIMITED (DMO) (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 M ABRAHAMS)
 THE SENIOR MANAGER: GOVERNMENT MOTOR TRANSPORT (MR J KOEGELEBERG)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
 THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR Z HOOSAIN)
 THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
 THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR F SABBAT) (ACTING)
 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 (MS T EVANS)
 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 C HORTON)
 THE SENIOR MANAGER: INFRASTRUCTURE (MR M WÜST)
 THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS N OLIPHANT)
 THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR F SABBAT)
 THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN) (ACTING)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN)
 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)

SUBMISSION OF QUARTERLY REPORTS ON OUTSTANDING DEBTORS

PURPOSE

Circular 32 of 2013 updates Circular 24 of 2011, Circular 22 of 2002 and 2007 and requires Departments to furnish the Provincial Treasury with debt reports on a quarterly basis regarding their outstanding debtor accounts. The Departments are further required to provide information regarding the measures taken to reduce debt that has been outstanding for a long period of time.

The Budget Committee requested Provincial Treasury to report on outstanding debt as part of the quarterly report for the Province.

These debt reports will also inform part of the Provincial Debt Policy deliberations as well as part of the revenue discussions with departments during MTEC engagements with Provincial Treasury.

SPECIFIC DEBT ITEMS REQUIRED

The debt items which need to be reported must include claims recoverable, staff debt, and other debt.

- **Claims recoverable** that arise from payments made on behalf of other persons/parties which are then recoverable from that party. This includes claims recoverable from departmental staff and claims between departments.
- **Staff debt** that consists of, for example, advances/salary/employees debt, subsistence/transport debt, telephone debt, pension debt, tax debt, housing subsidies debt, subsidised car debt, boarding fees/rentals debt, staff bursary debt, fraud debt, etc.
- **Other debt** that consists of, for example, supplier debt, laboratory services debt, veterinary laboratory and services debt, disallowances, state guarantees, breach of contract/bursary debt, debtors, 'losses, damages and GG accidents' debt, Motor Vehicle Licence Fees debt, Medical/Hospital Patient Fees debt, miscellaneous debt, etc.

PROPER RECORDING OF DEBT

In terms of Treasury Regulation 11.2.1(a) all departments need to maintain proper records and accounts of all debtors, including amounts received in part payments. To comply with this, the following must be adhered to:

- The designated official must open an official debt file for each debtor once a debt is identified.
- A copy of all correspondence (debt statements, letters of demand, summons, etc.) pertaining to the debt should be placed on the particular file.
- Only authorised officials should have access to the debt files.
- Debt files must be checked monthly and all outstanding debt must be followed up.
- Regular inspections should be performed by Internal Control on the debt files on a regular basis.

To ensure that revenue is complete the Chief Financial Officer or delegated official must ensure that an audit trail exists from the request for services rendered to the receipt of payment. Reconciliation between BAS and the underlying revenue administration systems should be performed on a monthly basis, where applicable.

All departmental debts must be taken onto the Basic Accounting System (BAS) via the debt functionality, or onto any other system used by a department on controlling debt accounts, by the officials responsible for debt administration, as soon as they have been identified by the various divisions of the department as a whole.

Departments should continue reporting debt of staff that has left the employ of Government. This debt should continue to be reported as debt until it has been repaid or written-off by the respective Department.

ACTIONS REQUIRED

Departments are requested to report on the following:

- Submit a detailed breakdown of balances of debtor accounts, including those not reflected on BAS, as well as an age analysis that indicates whether the debts have been in existence for less than one year, for a period between one and three years or for more than three years in line with Annual Financial Statements (AFS) reporting.
- Departments such as Health (hospital fees debt), Human Settlements (loans rentals and sales), Transport (GMT and motor vehicle licence fees debt) and Agriculture (services rendered) who have debt held on other systems outside of BAS should ensure they submit more than one debt report.
- Details of remedial steps taken to address long outstanding debtor accounts and debt cases of a material nature.

WAY FORWARD

The quarterly report on outstanding debtor accounts should be submitted, fifteen days after June, September, December, and March month end.

Quarterly reports on outstanding debtors reporting dates are as follows:

Quarters 2013/14	Dates
1 st Q: June 2013	Monday, 16 September 2013
2 nd Q: Sept 2013	Tuesday, 15 October 2013
3 rd Q: Dec 2013	Wednesday, 15 January 2014
4 th Q: March 2014	Tuesday, 15 April 2014

The due date for the submission of the 1st quarter Debt Report has been deferred to 16 September 2013, and not the customary 15 days after the closure of the first quarter, to accommodate those Provincial Departments experiencing problems due to the conversion of balances from BAS Version 3 to Version 4. We understand that this only affects the reporting of Staff Debt, but not other categories of debt.

The attached revised format (Annexures A, B and C) should be used in submitting to Provincial Treasury (Fiscal Policy Directorate). Staff Debt and Other Debt should be recorded in Annexures A and B, while Claims Recoverable should be recorded in Annexure C.

All quarterly debt reports must be signed by the Department's Chief Financial Officer or the delegated official.

Thank you for your co-operation.



MS C HORTON
SENIOR MANAGER: FISCAL POLICY
DATE: 14 August 2013

STAFF DEBT

DEPARTMENT OF

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/11 - 00/00/11 *(Please indicate quarter)*

Types of debt	Opening balance	No. of cases	Payments received during quarter	New accounts (debts) raised	Amounts written-off during quarter	Interest accrued on debt during the quarter	Balance at end of quarter	No. of cases	Age analysis			Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary)
									<Than 1 year	1 to 3 years	Cases >3 years	
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
TOTAL	R0.00	0	R0.00	R0.00	R0.00	R0.00	R0.00	0	R0.00	R0.00	R0.00	

OTHER DEBT

DEPARTMENT OF
 QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/11 - 00/00/11 *(Please indicate quarter)*

Types of debt	Opening balance	No. of cases	Payments received during quarter	New accounts (debts) raised	Amounts written-off during quarter	Interest accrued on debt during the quarter	Balance at end of quarter	No. of cases	Age analysis			Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary)
									<Than 1 year	1 to 3 years	Cases >3 years	
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
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							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
TOTAL	R0.00	0	R0.00	R0.00	R0.00	R0.00	R0.00	0	R0.00	R0.00	R0.00	

CLAIMS RECOVERABLE

DEPARTMENT OF

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/11 - 00/00/11 *(Please indicate quarter)*

Claims recoverable description	Opening balance	No. of cases	Payments received during quarter	New accounts (debts) raised	Amounts written-off during quarter	Interest accrued on debt during the quarter	Balance at end of quarter	No. of cases	Age analysis			Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary)
									<Than 1 year	1 to 3 years	Cases >3 years	
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
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							R0.00					
							R0.00					
							R0.00					
							R0.00					
							R0.00					
TOTAL	R0.00	0	R0.00	R0.00	R0.00	R0.00	R0.00	0	R0.00	R0.00	R0.00	