



Reference: T11/2/3 (2013/14)

TREASURY CIRCULAR NO. 34/2013

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

} For information

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 (MS J SAMSON)

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)

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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 GILIOME)

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)
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 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 M SIGABI) (ACTING)
 THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
 THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
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 THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
 THE SENIOR MANAGER: FISCAL POLICY (MS C HORTON)
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 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)
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 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

IN-YEAR MONITORING (IYM) REPORTING FOR PUBLIC ENTITIES (2013/14)

PURPOSE

1. To inform Accounting Authorities (AA), Chief Executive Officers (CEO) and Chief Financial Officers (CFO) of Schedule 3C and 3D public entities as well as the Accounting Officers (AO) and CFO of departments, of the reporting requirements in order to standardise the reporting process for public entities in the Province for 2013/14 and beyond.

BACKGROUND

2. In terms of chapter 6, section 54(1) of the PFMA, 1999, Accounting Authorities must submit to the relevant treasury such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury may require.

3. In terms of Chapter 26, 26.1.1 of the National Treasury Regulations (NTR) states that the designated Accounting Officer must ensure that within thirty days of the end of each quarter, the public entity submits information on its actual revenue and expenditure up to the end of that quarter as well as a projection of expected expenditure and revenue for the remainder of the current financial year. The information on actual revenue and expenditure shall be determined after taking accruals into account. Also in terms of 26.1.2 of the NTR, the Accounting Authority must quarterly report to the executive authority through the designated Accounting Officer on the extent of compliance on the Public Finance Management Act, 1999 and regulations. Any non-compliance must be reported together with reasons for the non-compliance.
4. Further, NTR 30.2.1 regarding the evaluation of performance of public entities stipulates that the Accounting Authority of a public entity must establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action.

DISCUSSION

5. The Provincial Treasury has combined all the public entity reporting requirements in this circular with the exception of performance reporting that will be submitted separately. The details of reporting dates, formats, etc. are included for ease of reference and to ensure standardisation. The reports to be submitted include the following:
 - Revenue and Expenditure report (Annexure A)
 - Report on outstanding debtor accounts (Annexure B)
 - Financial Accounting Reporting (Annexure E to I)
6. Based on the 'Background' above the compiled reports are to be submitted to the responsible department for the public entity 30 days after the end of a quarter. Immediately after the department receives these reports, it must be submitted to the Provincial Treasury.

REPORTING REQUIREMENTS

Revenue and Expenditure reporting (Annexure A1 and A2)

7. The Provincial Treasury has determined a format for public entities to submit on a quarterly basis, a statement of revenue and expenditure detailing budget versus actual revenue and expenditure as well as the projections for the remaining quarters (Annexure A1). Note that only the shaded areas are to be completed in the reporting model and that the drop down for choosing the quarter to be reported on, will automatically adjust the formulas.

8. Public entities are furthermore required to provide explanations for any deviation and the remedial steps taken to address it as per the items listed (Annexure A2). Note that explanations only need to be provided for deviations above 2 per cent of the budget, which will automatically be highlighted in yellow and request to "motivate please".

Quarterly reports on outstanding debtors (Annexure B1 and B2)

9. Starting with the quarter ending June 2013, public entities are required to:
 - Submit a detailed breakdown of balances of debtor accounts, as well as an age analysis that indicates whether the debts have been in existence for less than 1 year, a period between 1 and 3 years, or for more than 3 years.
 - Details of remedial steps taken to address long outstanding debtor accounts are to be provided. Public entities should report on all debtor accounts and expand on the debt cases of a material nature.
 - Staff debt and other debt should be recorded in annexure B1.
 - Claims recoverable should be recorded in annexure B2.
 - Report the following debt types:
 - **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 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 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, claims recoverable, Motor Vehicle Licence Fees, Medial/Hospital Patient Fees and miscellaneous debt, etc.
10. All quarterly debt reports must be signed by department's Chief Financial Officer.
11. It should be noted that the actual validated data for the fourth quarter must be submitted to the Provincial Treasury on 15 May 2014 together with the pre-audited numbers for the 2013/14 financial year. The pre-audited numbers will be the same numbers that will be submitted to the Auditor General. Furthermore, the Public Entities must submit final audited numbers on 15 September 2014.

Table 1: Revenue, Expenditure and Debt reporting dates (Annexure A to B)

Quarters 2013/14	Public/Trading Entity to Provincial Treasury and Parent Department	Parent Departments to Public/Trading information	Public/Trading Entities final dataset to the Provincial Treasury and parent department
1 st Q - June 2013	Thurs, 8 August 2013	Wed, 14 August 2013	Fri, 16 August 2013
2 nd Q - Sept 2013	Tue, 15 Oct 2013	Thurs, 17 Oct 2013	Fri, 18 Oct 2013
3 rd Q - Dec 2013	Wed, 15 Jan 2014	Fri, 17 Jan 2014	Mon, 20 Jan 2014
4 th Q - Mar 2014	Tue, 15 April 2014	Wed, 17 Apr 2014	Thurs, 18 Apr 2014

Financial accounting reporting (Annexure E to I)

12. To ensure uniformity in respect of such certification, a pro forma covering letter has been included. The covering letter must be completed and signed by the CEO/Accounting Officer of the public entity, and submitted quarterly to the Provincial Treasury.
13. To ensure the completeness and accuracy of information, Accounting Authorities must certify, on a quarterly basis, compliance to the minimum financial performance indicators that follows.

Financial Performance indicators

14. Annexure E contains the minimum financial management performance indicators to be complied with on a quarterly basis.
15. If a CFO is unable to comply with any of the minimum prescribed performance indicators of Annexure E; the CFO must provide reasons as well as remedial steps. Action plans with timeframes to address the non-compliance should be attached.

Amounts in disallowance/control and suspense accounts

16. All transactions of the entity are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.
17. CFOs, as part of their quarterly IYM reporting, certify that the forecast/projections for the remainder of the year adequately make provision for all amounts not yet cleared from disallowance/control/ suspense accounts.

18. Therefore submit on a quarterly basis, on analysis of balances in disallowance/ control and suspense accounts in terms of what it relates to, how old the concerned transactions are and the action to be taken in the clearance thereof (Annexure F).

Managing of Payables

19. Performance indicator numbers 3.1 to 3.8 (Annexure E) requires that the CFO or a delegated official should indicate that inter-entity balances and debts have been recorded, reconciled and paid within a prescribed or agreed time/period. Annexure G should therefore be submitted on a quarterly basis with an age analysis of payables balances.

Unauthorised, Irregular, Wasteful and Fruitless Expenditure

20. The schedule i.e. Annexure H must contain a reconciliation and analysis of unauthorised, irregular, wasteful and fruitless expenditure.

Progress report on Audit findings

21. The schedule i.e. Annexure I of audit findings must be updated in terms of remedial actions taken to address the issues contained in the Audit Management letter and Audit Reports (external and internal).

REPORTING PROCESS

22. The compiled reports are to be submitted in terms of NTR 26.1.1 and 26.1.2 to the responsible department for the public entity 30 days after the end of a quarter. Once the department receives these reports, it must immediately be submitted to the Provincial Treasury.
23. Table 2 contains the dates by when the financial quarterly reports must be submitted to the department and by when the department must forward these reports to the Provincial Treasury:

Table 2: Financial reporting dates

Reporting period	Submit to Department	Submit to Provincial Treasury
1 st Quarter end of June 2013	14 August 2013	16 August 2013
2 nd Quarter end of September 2013	29 October 2013	31 October 2013
3 rd Quarter end of December 2013	30 January 2014	31 January 2014
4 th Quarter end of March 2014	30 April 2014	2 May 2014

ACTION REQUIRED

24. CEOs/AAs, AOs and CFOs of public entities and departments are requested to:
- Take note that the content of this circular is effective for the IYM reporting quarter ending June 2013.
 - Ensure that the quarterly input (Annexure E to I) is signed by the CEO/Accounting Authority and the Chief Financial Officer of the public entity and submitted no later than the 30 days following the reporting period (with exception to the first quarter reporting) to the Accounting Officer of the parent department who will in turn submit to the Provincial Treasury the non-financial information as per Table 1 above and the financial information as per Table 2 above.
 - Departments should forward all responses in terms of Table 1 and 2 under a covering letter that is signed off by the Accounting Officer before forwarding to Nontyatyambo Zozoba at the Provincial Treasury i.e. electronic via e-mail Nontyatyambo.Zozoba@westerncape.gov.za and the signed hard copies to 7 Wale Street, Room 3-37, Cape Town.
 - The narrative report compiled by the department on the performance of the public entity that is based on the quarterly input, must be submitted to the Provincial Treasury as soon as the department has completed it.
 - It is recommended that public entities submit a copy of their system generated monthly financial management information on a quarterly basis.



MS JD GANTANA

HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE

DATE: 2 August 2013