



Reference: T7/2/1

TREASURY CIRCULAR NO. 17/ 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 (ADV B GERBER)
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 (MR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)
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)

For information

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 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 TC ARENDSE)
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 R DANIELS) (ACTING)
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)

MONTHLY MONITORING OF INVOICES SETTLED WITHIN 30 DAYS FROM DATE OF RECEIPT TO COMPLY WITH TREASURY REGULATION 8.2.3

PURPOSE

1. To replace Treasury Circular 68 of 2011 in its entirety and request Accounting Officers and Chief Financial Officers of departments to provide information in terms of National Treasury Instruction Note Number 34 of 2011 including an age analysis of invoices paid after 30 days from receipt and invoices older than 30 days that have not been paid.

BACKGROUND

2. Section 38 (1)(f) states that:
"The Accounting Officer for a department, trading entity or constitutional institution must settle all contractual obligations and pay all money owing, including intergovernmental claims, within prescribed or agreed period."
3. In terms of National Treasury Regulations 8.2.3:
"Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in case of civil claims, from the date of settlement or court judgement."
4. The prescribed period referred to in section 38 (1)(f) of the PFMA is 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement."

5. In Provincial Treasury Circular 15 of 2008, departments were requested to capture the 'source document receipt date' on BAS and LOGIS to improve the control over late payments.
6. The Director-General of the Presidency has addressed a letter dated 07 February 2013 to the Director-General of the Province wherein he indicated that the aggregate situation of late payments has not improved and the AO's are failing to address commitments made to the President. He raised the following questions in his letter:
 - Reasons for failure to settle invoices within 30 days?
 - Are AO's and CFOs engaging on NT Instruction Note 34?
 - Do CFOs have systems in place to track invoices (electronic or manual)?
 - Are these systems able to track progress, date of receipt, date of payment and the time taken to process each invoice?

CONTROL MEASURES TO ENSURE COMPLIANCE WITH TR 8.2.3

7. As requested by the Director-General of the Province, the Provincial Treasury responded to the Director-General of the Presidency on the following remedial steps to be instituted immediately:
 - Provincial Treasury will interrogate the reasons supplied by departments for reasonability of late payments and issue a letter to the Accounting Officer on the acceptability of the reasons, by the 15th of each month.
 - The Provincial Treasury will be providing an age analysis of all departments' late payments to the Provincial Top Management meetings for discussion and disciplinary action, if necessary.
 - The age analysis will be used by the Director-General for reporting to the Presidential Co-ordinators Committee (PCC).
8. The responsibility remains with the Accounting officer to institute preventative control measures that addresses the problem upfront based on:
 - document control registers;
 - standardised procedures that are well documented and communicated;
 - regular management oversight, and
 - reporting on remedial and disciplinary steps.

9. Manual or electronic systems must be implemented by departments to track the receipt of all invoices, progress made with such payments of invoices and when it was settled. Systems implemented must be able to determine how long it took to settle an invoice.

10. On BAS and LOGIS the following reports are available that should be requested and scrutinised on a monthly bases:
 - The Provincial Treasury (Directorate: Supporting and Interlinked Financial Systems) will provide information on payments on a monthly basis, including payments made after 30 days of receipt of invoice, that can be downloaded from KITSO.
 - On LOGIS, the RR101 - 'Invoice Age Analysis Report' was introduced at the national LOGIS workshop 2 of 2011 during August/September 2011 and conveyed to Syscons and Practitioners at provincial LOGIS workshops. The National Treasury presentation covering the aforementioned reports, including sub reports 1 and 2, is attached as annexure C.
 - A LOGIS report RR105 - 'Purchase to payment report' was also introduced that enables users to track the time it takes for an Order to be invoiced and paid from the time the Order was authorised. Further information on this report can be found in annexure C.

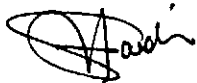
11. To prevent punitive steps from being taken against individuals for payments being made after 30 days of receipt of an invoice without valid reasons, management processes and controls such as registers and checklists should be utilised to manage payments. In cases where invoices are settled after 30 days, reasons must be provided with the payment as part of the supporting information.

REQUIRED

12. Departments are required to note the content and requirements of National Treasury Instruction Note 34 of 2011.

13. Departments are required to report to Provincial Treasury, Provincial Government Accounting reporting information as per Annexure B attached, the value of payments made after 30 days of receipt of invoice, including the age analysis and the reasons for the delayed payments.

14. Departments must report on the aging of payments made after 30 days in terms of the following categories:
- 30 - 60 days
 - Greater than 60 days
15. Accounting Officers must ensure that the accuracy and completeness of information is confirmed by signing the submission of Annexure B.
16. The signed report must be submitted to Provincial Government Accounting by the 10th day following the reporting month. Provincial departments that fully comply with TR 8.2.3 must please submit a nil return.
17. Where a report signed by the Accounting Officer is not received by the Provincial Treasury by the 10th, a letter of non-compliance will be issued to the Accounting Officer and reported to the Director-General and the Premier.



A HARDIEN
PROVINCIAL ACCOUNTANT GENERAL

DATE: 29.04.2013

ANNEXURE B - PROVINCIAL DEPARTMENTS			
INFORMATION RELATED TO INVOICES PAID AFTER 30 DAYS FROM RECEIPT, AND INVOICES OLDER THAN 30 DAYS THAT HAVE NOT BEEN PAID			
FINANCIAL YEAR	MONTH	NAME OF PROVINCE	NAME OF DEPARTMENT
NUMBER OF INVOICES PAID AFTER 30 DAYS	AGE ANALYSIS	VALUE	REASONS FOR LATE PAYMENTS OF INVOICES
	30-60 DAYS		
	> 60 DAYS		
TOTAL NUMBER OF INVOICES:		TOTAL VALUE:	
NUMBER OF INVOICES OLDER THAN 30 DAYS THAT HAVE NOT BEEN PAID	AGE ANALYSIS	VALUE	REASONS FOR LATE PAYMENTS OF INVOICES
	30-60 DAYS		
	> 60 DAYS		
TOTAL NUMBER OF INVOICES:		TOTAL VALUE:	
NAME OF ACCOUNTING OFFICER	CONTACT NUMBER	EMAIL ADDRESS OF ACCOUNTING OFFICER	SIGNATURE OF ACCOUNTING OFFICER *
			DATE

* If the power to confirm the accuracy of the information in this annexure has been delegated to the Chief Financial Officer or to any other functionary, the Accounting Officer is not divested of the responsibility concerning the execution of the delegated power, as provided for in section 44(1)(d) of the Public Finance Management Act (PFMA)

ANNEXURE C

LOGIS USER WORKSHOP 2 OF 2011

LOGIS USER WORKSHOP 2 OF 2011

August / September 2011



National Treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

LOGIS PROCUREMENT MANAGEMENT REPORTS

August / September 2011



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

PROCUREMENT MANAGEMENT REPORTS

- LOGIS Procurement reports can be used for management information and reconciliation:
 - RR020 – Spend Analysis
 - RR093 – Payments using Invoice Price
 - RR094 – Payment Reconciliation Report
 - RR095 – Payments Authorised but with no BAS Payment no
 - RR016 – Summary of Procurement Integration Commitments
 - RR082 – Outstanding Commitments per Order Status
 - RR083 – Outstanding Commitments per Allocation
 - RR102 – Financial Statement Commitments
 - RR103 – Financial Statement Accruals
 - RR101 – Invoice Age Analysis Report
 - RR105 – Purchase to Payment Report
 - RR069 – Supplier Analysis Report

PROCUREMENT MANAGEMENT REPORTS.

CONTINUED

- RR101 – Invoice Age Analysis Report
- The Invoice Age Analysis was previously available in RR103, was moved to a new report RR101, because Accruals (RR103) must calculate age based on the actual receipt date.
- RR101 will calculate and display the age of all open invoices as per the PFMA requirements on the Actual Invoice Receipt Date.
- Parameters:
 - **Store no / ILNO:** Key in the Store number / ILNO for which the Report is requested. ("ALL" is not allowed).
 - **Supplier No:** A valid supplier number or the word "All".
 - **Cost Centre No:** A valid cost centre number or the word "All".
 - **Summary / Detail / Both:** S - only RR101-1 (Summary report) will print, D - only RR101-2 (Detail report) will print, B - both summary and detail report will print.

PROCUREMENT MANAGEMENT REPORTS

CONTINUED

- RR101 – Invoice Age Analysis Report
 - RR101 must display all unpaid invoices (excluding rejected invoices)
 - The age analysis is calculated as:
 - Age in days = Today's date – Actual Invoice Received Date.

Payment Authorized but not accepted by BAS	Invoice Status	Payment Type and Status	Amount calculation
Invoked, but Payment not yet Authorized	Created Partially Paid Fully Paid	Authorized but on Procurement Integration Resubmission Onus	Payment Qty Payment Price
Invoked, but no Payment exists	Created Partially Paid Fully Paid	Payment exists in Created or Paid status	Payment Qty Payment Price
	Created	No Payment exists yet	Invoice Qty Quoted Price

Table 5 – LOGIS criteria for Invoice Age Analysis Report

Verification Rule Name	Verification values	Abstract / Description
INVOICE STATUS	C	Created
	P	Partially Paid
	F	Fully Paid
	Z	Rejected

Table 6 – LOGIS Invoice Statuses

PROCUREMENT MANAGEMENT REPORTS

CONTINUED

RR101-1 - Invoice Age Analysis Report - Summary Report

REPORT NO :	70101-1	REPORTING PERIOD END DATE :	2011/08/31	14:22
ORGANIZATION :	FARLARK	INVOICE AGE ANALYSIS	PAGE NO :	1
STORE NO :	702090000 WORKSHOP STORE	ISSUE INVOICES	UNAPPORTIONED	
STORE LINE NO :		STATEMENTS INVOICES	AGE ANALYSIS	
ORDER CENTER NO :		INVOICE AGE ANALYSIS	SUMMARY	
ORDER CENTER DATE :	08/31/11			
STORE :	702090000 WORKSHOP STORE			
		UNAPPORTIONED	ISSUED BUT NOT RECORDED	AGE FROM ACTUAL INVOICES RECEIVED
CATEGORY :		NET-AT-RISK	PAID	30 DAYS
REVENUE :				DATE
NET-AT-RISK :	0.00	0.00	0.00	0.00
STATEMENTS :	0.00	0.00	0.00	0.00
TOTAL FOR CATEGORY :	0.00	0.00	0.00	0.00
		UNAPPORTIONED	ISSUED BUT NOT RECORDED	AGE FROM ACTUAL INVOICES RECEIVED
		NET-AT-RISK	PAID	30 DAYS
				DATE
STATEMENTS :	0.00	0.00	0.00	0.00
TOTAL FOR CATEGORY :	0.00	0.00	0.00	0.00

PROCUREMENT MANAGEMENT REPORTS

CONTINUED

RR101-2 - Invoice Age Analysis Report - Detail report

STORE	BY A/LAND	7020900000 WORKSHOP STORE	INVOICE NO	ORDER NO	TRF DATE	AMOUNT	AGE	OVERDUE
7020900000	7020900000	7020900000 WORKSHOP STORE	8252006	CR-021354	2011/05/09	4,150.00	63	X
7020900000	7020900000	7020900000 WORKSHOP STORE	8252007	CR-021354	2011/07/29	3,000.00	39	X
7020900000	7020900000	7020900000 WORKSHOP STORE	8252008	CR-021354	2009/07/14	6,010.50	266	X
7020900000	7020900000	7020900000 WORKSHOP STORE	8252009	CR-021354	2009/07/09	6,010.50	271	X
7020900000	7020900000	7020900000 WORKSHOP STORE	8252010	CR-021354	2009/06/23	411,000.00	370	X
7020900000	7020900000	7020900000 WORKSHOP STORE	8252011	CR-021354	2009/12/09	27,750.00	310	X
TOTAL FOR STORE: 7020900000 WORKSHOP STORE						307,590.00		



NATIONAL TREASURY
 FEDERAL BUDGET
 EXECUTIVE SECRETARIAT

PROCUREMENT MANAGEMENT REPORTS.

CONTINUED

- RR105 – Purchase to Payment Report
- This report will enable users to track the time it takes for an Order to be invoiced and paid from the time the Order was authorised.
- Parameters:
 - **STORE/ILNO** Key in the STORE Number / ILNO for which the report is requested. (ALL is not allowed)
 - **DATE FROM (YYYYMMDD)** Key in the start date for which the transaction information should print on the report – date compared with order authorised date.
 - **DATE TO (YYYYMMDD)** Key in the end date for which the transaction information should print on the report – date compared with order authorised date.
 - **(D)OWN / (R)EP / (B)OTH** Only D, R or B will be accepted as valid inputs input. "D" will generate only a Download that will be sent to the MyFTP application. "R" will generate only a Report that can be viewed on Browse Spool Queue (BRPQ). "B" will generate both the Download, which will be sent to the MyFTP application, as well as the Report, which can be viewed on BRPQ.

PROCUREMENT MANAGEMENT REPORTS

CONTINUED

RR105 - Purchase to Payment Report

DATE: 09/27/2010 PAGE: 10

CONTRACT INFORMATION SYSTEM
PURCHASE TO PAYMENT REPORT

STATE: ALABAMA WORKSHOP STORE
7020900000

STATE: ALABAMA WORKSHOP STORE
7020900000
CITY: MOBILE
ADDRESS: 1234567890
PHONE: 1234567890

STATE: ALABAMA WORKSHOP STORE
7020900000

Order No.	Order Status	Invoice No.	Invoice Status	Payment No.	Payment Status	No. of Invoices	Days in Payment	Order Date	Actual Inv. Date	Payment Status Date
01000001	PAID	10110001	PAID	01000001	PAID	10	1	20110705	20110715	20110715
01000002	PAID	10110002	PAID	01000002	PAID	10	2	20110705	20110715	20110715
01000003	PAID	10110003	PAID	01000003	PAID	10	3	20110705	20110715	20110715
01000004	PAID	10110004	PAID	01000004	PAID	10	4	20110705	20110715	20110715
01000005	PAID	10110005	PAID	01000005	PAID	10	5	20110705	20110715	20110715
01000006	PAID	10110006	PAID	01000006	PAID	10	6	20110705	20110715	20110715
01000007	PAID	10110007	PAID	01000007	PAID	10	7	20110705	20110715	20110715
01000008	PAID	10110008	PAID	01000008	PAID	10	8	20110705	20110715	20110715
01000009	PAID	10110009	PAID	01000009	PAID	10	9	20110705	20110715	20110715
01000010	PAID	10110010	PAID	01000010	PAID	10	10	20110705	20110715	20110715

Please note that this report was recently changed to use the Actual Invoice Received Date (in stead of the Invoice Create Date). After the change the report can be used to report against PFMA compliance, i.e. payment within 30 days of Invoice Received Date.

