

PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBU WEPHONDO



Verwysing
Reference
Isalathiso 7/2/1

Navrae
Enquiries
Imibuzo SP Manuel

TREASURY CIRCULAR NO. 36/2008

THE PREMIER

THE MINISTER OF AGRICULTURE
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 HOUSING
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

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MS V PETERSEN)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR P WILLIAMS)
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 (MR RB SWARTZ)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS S FOLLENTINE) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS) (ACTING)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR B ROBERTS)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS) (ACTING)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT)
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: LOCAL GOVERNMENT AND HOUSING (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)
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 (MR S BOWES) (ACTING)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR A BASTIAANSE) (ACTING)
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
THE HEAD: PUBLIC FINANCE (MR H MALILA)
THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)
THE SENIOR MANAGER: ACCOUNTING: PROVINCIAL GOVERNMENT (MR A REDDY)
THE SENIOR MANAGER: ACCOUNTING: LOCAL GOVERNMENT (MS N OLIPHANT) (ACTING)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK) (ACTING)
THE SENIOR MANAGER: INTERNAL AUDIT: G & A CLUSTER (MS B CAIRNCROSS)
THE SENIOR MANAGER: INTERNAL AUDIT: SOCIAL CLUSTER (MR V ZINGITWA)
THE SENIOR MANAGER: INTERNAL AUDIT: ECONOMIC CLUSTER (VACANT)
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS W MAPIRA) (ACTING)
THE SENIOR MANAGER: BUDGET MANAGEMENT (MR PP PIENAAR) (ACTING)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR G PAULSE)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MS N VAN WYK) (ACTING)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS A PICK) (PRO TEM)
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
THE HEAD: OFFICE OF THE MINISTRY (MS J DAVIDS)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

GUIDELINES FOR THE MONTHLY DEPARTMENTAL BAS/LOGIS RECONCILIATION ON MINOR ASSETS

PURPOSE

1. To provide Accounting Officers and Chief Financial Officers with a framework for compiling, monitoring and reporting on the status of the monthly reconciliation of transactions between BAS and LOGIS.

BACKGROUND

2. Chapter 5 of the PFMA (Act 1 of 1999) prescribes the responsibilities of Accounting Officers in respect of financial reporting. Section 40(4)(c) requires, *inter alia*, that departments must, within 15 days of each month, submit to the Provincial Treasury and the executive authority responsible for that department:
 - The IYM information for that month, including the reporting on the management of financial transactions with particular reference to the reconciliation between BAS and LOGIS.
3. The audit findings for the 2006/07 and 2007/08 reflected a lack of control over the accounting of expenditure and revenue transactions on BAS and LOGIS by certain departments. To ensure accurate recording of assets less than R5000 and disclosure of minor assets in the asset register that corresponds to the actual asset count, monthly control over assets transactions are imperative. To improve the accounting of revenue from the disposal of assets, monthly reconciliations are required.
4. Departments will be required to commence reporting on minor assets as from the 2008/09 annual financial statements.

GUIDELINES FOR COMPILING AND SUBMITTING THE MONTHLY BAS/LOGIS RECONCILIATION

5. All assets should be procured via LOGIS in order to present accurate accounting information to support effective and efficient asset management.
6. On a monthly basis, minor assets as procured on LOGIS must be reconciled against assets less than R5000 paid for on BAS. The purpose of the reconciliation is to ensure that expenditure on BAS equals purchases made on LOGIS at year-end.
7. Steps to be followed on reconciliation
 - Step 1:** The LOGIS DWA1 report – **Payment Asset Detail Information** must be downloaded from Vulindlela into an Excel spreadsheet.

Step 2: A BAS Detail Report – **ASSETS<R5000** should be requested on item level 11.

Step 3: Compare the above-mentioned two reports and identify differences.

Step 4: It is recommended that this reconciliation be performed throughout the month and differences identified should be corrected.

Step 5: The LOGIS DWA5 report – **Assets Disposals** must agree with the BAS Item (revenue): **SALES: ASSETS<R5000** for cash received (proceeds) on disposal of minor assets.

Step 6: The reconciliation certificate must be based on the BAS month-end closure, for the reporting month e.g. September 2008 (BAS month-end; 07/10/2008 and LOGIS: 30/09/2008).

Step 7: The BAS/LOGIS reconciliation certificate must be completed, signed and forwarded to PT: Accounting Services as part of the month-end IYM Compliance reporting in terms of Provincial Treasury Circular 18/2006 (see Annexure A).

ENQUIRIES

8. Any further enquiries in this regard may be directed to Shaun Manuel at ext. 6600 or Henri du Toit at ext. 3023.



Signed by:

TC ARENDSE

PROVINCIAL ACCOUNTANT – GENERAL

DATE: 5 | 11 | 2008

BAS/LOGIS RECONCILIATION (Minor Assets)

DEPARTMENT: _____ Month: _____

The Head of Treasury,

Expenditure and Revenue on LOGIS and BAS have been reconciled for the month:
_____ as follows:Compiled by: _____
Date: _____Approved by: _____
Date: _____

| Reconciliation between LOGIS and BAS for the month of : | | | |
|--|--------|--|--------|
| LOGIS | Amount | BAS | Amount |
| 1. Total purchases per month on LOGIS | | 1. Total purchases per month on BAS | |
| Plus: | | Plus: | |
| 2. Payments made on BAS and not on LOGIS | | 2. Amounts on LOGIS, not on BAS | |
| 3. BAS journals (rectifications on responsibility objective & item) | | | |
| Minus: | | Minus: | |
| 4. LOGIS adjustments (cost centres, reporting levels & asset category) | | 3. BAS adjustments iro incorrect allocations (ROI) | |
| | | 4. LOGIS adjustments (cost centres, reporting levels & asset category) | |
| TOTAL | 0 | TOTAL | 0 |

Accumulative difference between LOGIS and BAS (As from 01 April - to date)

| | | | |
|--|--|------------------------------|--|
| 5. Minor Assets as per LOGIS | | 5. Assets < R5000 as per BAS | |
| Annexure A1: Accumulative difference (attached detail report of reconciling transactions) | | | |

Cash Receipts Reconciliation: Disposal of Minor Assets (As from 01 April - to date)

| | | | |
|-------------------------------|--|--|--|
| 6. Cash Receipts as per LOGIS | | 6. Sales: Assets < R5000 (Revenue SCoA Item on BAS) | |
|-------------------------------|--|--|--|

CERTIFICATE

I certify that the accumulative differences and recorded transactions on BAS and LOGIS have been recorded as reflected in Annexure A1

Chief Financial Officer/Delegated Official: _____

Date: _____

