

PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBO WEPHONDO



Verwysing
Reference
Isalathiso PT 11/2/2

Navrae
Enquiries
Imibuzo E. Lekay

TREASURY CIRCULAR, 42/2006

THE PREMIER
THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS, SPORT AND RECREATION
THE MINISTER OF EDUCATION
THE MINISTER OF ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT
THE MINISTER OF FINANCE AND TOURISM
THE MINISTER OF HEALTH
THE MINISTER OF LOCAL GOVERNMENT AND HOUSING
THE MINISTER OF SOCIAL SERVICES AND POVERTY ALLEVIATION
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 (DR GA LAWRENCE)
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 (MR M DELIWE)
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 K LUBELWANA) (ACTING)
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T TOLMAY)
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 (DR H FAST) (ACTING)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT) (ACTING)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M MACIKAMA) (ACTING)
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 PAE BREDEKAMP)
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 A ASSIM)

THE ACCOUNTING AUTHORITY: PROVINCIAL DEVELOPMENT COUNCIL (MR T EHRENREICH)
THE ACCOUNTING AUTHORITY: WESTERN CAPE YOUTH COMMISSION (MR V DOMINGO)
THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING BOARD (PROF L DE VRIES)
THE ACCOUNTING AUTHORITY: WESTERN CAPE TRADE AND INVESTMENT AGENCY (WESGRO) (MR Y PAHAD)
THE ACCOUNTING AUTHORITY: DESTINATION MARKETING ORGANISATION (MR J MWASE)
THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR BOARD (DR H FAST)
THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MR S PAYAT)
THE ACCOUNTING AUTHORITY: WESTERN CAPE COMMISSIONER FOR THE ENVIRONMENT (MR T TOLMAY)
THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MR H VENTER)
THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MR H VENTER)
THE ACCOUNTING AUTHORITY: HERITAGE WESTERN CAPE (MS H DU PREEZ)
THE ACCOUNTING AUTHORITY: CASIDRA (DR L KATHAN)

THE CHIEF FINANCIAL OFFICER: PROVINCIAL DEVELOPMENT COUNCIL (MR A SAYERS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE YOUTH COMMISSION (MS FEZEKA NGXAJI)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING BOARD (MR P ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE TRADE AND INVESTMENT AGENCY (MR A PRESTON)
THE CHIEF FINANCIAL OFFICER: DESTINATION MARKETING ORGANISATION (MS M MEDEIROS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR BOARD (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MS S FLORIS)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE COMMISSIONER FOR THE ENVIRONMENT (MR A GAFFOOR)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MR A ASSIM)
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MR A ASSIM)
THE CHIEF FINANCIAL OFFICER: HERITAGE WESTERN CAPE (MR A ASSIM)
THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)

PRIVAATSAK X9165 PRIVATE BAG X9165
KAAPSTAD 8000 CAPE TOWN 8000
Telefoon (021) 483-4596 Telephone (021) 483-4596
Faks (021) 483-7205 Fax (021) 483-7205

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
 THE HEAD: SUSTAINABLE RESOURCE MANAGEMENT (MS SMA ROBINSON)
 THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
 THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)
 THE HEAD: PUBLIC FINANCE (MR H MALILA)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
 THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS C MILES) (ACTING)
 THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)
 THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)
 THE SENIOR MANAGER: ENTERPRISE RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR L NENE)
 THE CHIEF AUDIT EXECUTIVE (MS R JAFTHA)
 THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS B BOQWANA)
 THE SENIOR MANAGER: FISCAL POLICY (MR D CORNELISSEN) (ACTING)
 THE SENIOR MANAGER: BUDGET MANAGEMENT (MS AJ HICKEY)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MR DG BASSON)
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)
 THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
 THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT
 THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
 THE HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

QUARTERLY IN YEAR MONITORING (IYM) REPORTING, AND ANNUAL RETURN OF GENERAL AND CORPORATE INFORMATION FOR PUBLIC ENTITIES

PURPOSE

1. To inform Accounting Authorities (AA), Chief Executive Officers (CEO), Accounting Officer (AO), and Chief Financial Officers (CFO) of Schedule 3C and 3D public entities of their quarterly reporting requirements in order to standardize the quarterly reporting process for public entities in the province, as well the submission of an annual return of general and corporate information for public entities.

BACKGROUND

2. Accounting authorities, in terms of chapter 6, section 54 (1) of the PFMA, 1999 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. Therefore the request to submit by no later than the end of **each month** following the reporting period to the Provincial Treasury:
 - The information for the quarter with respect to the IYM reports for the entity,
 - Projections of expected expenditure and revenue collection for the remainder of the current financial year, and where necessary, an explanation of any material variances, and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget including all existing reports submitted to the department in this regard, and
 - Quarterly progress on audit findings in the internal and external audit reports.

4. To ensure the completeness and accuracy of information, accounting authorities must certify, on a quarterly basis, compliance to the minimum financial performance indicators.
5. To ensure uniformity in respect of such certification, a proforma covering letter has been included. The covering letter must be completed and signed by the CEO / Accounting Officer of the Entity, and submitted quarterly to the Provincial Treasury (see Annexure A).
6. Furthermore, the annual return 'Provincial Entity General and Corporate Information' (**Annexure F**) must be submitted annually by the 15th October, after the initial submission that is due **before 30 April 2007**.
7. Any significant changes to the information provided above must be reported immediately to the Provincial Treasury.

QUARTERLY REPORTING REQUIREMENTS

Performance indicators (Annexure B)

8. **Annexure B** contains the minimum financial management performance indicators to be complied with that would assist in the completion of **Annexure A**.
9. If a CFO is unable to comply with any of the minimum prescribed performance indicators of **Annexure B**; the CFO must provide reasons as well as remedial steps. Action plans with timeframes to address the non-compliance should be attached.

Quarterly exceptions/adjustments/interfaces/reconciliation (Annexure B.2)

10. CFO's must ensure that the reconciliation of the bank is performed on a daily basis to detect unauthorised entries.
11. The CFO or a delegated official must review and sign all the reconciliation reports for the reporting period. By signing the reconciliation, the CFO or a delegated official confirms concurrence and approval thereof.

Managing of Payables and Receivables (Annexure B.3)

12. Performance indicator numbers 3.1 to 3.8 (Annexure B) 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.

Asset management (Annexure B.4)

13. Asset registers: The CFO or a delegated official must ensure that the entity's asset register is updated and that it will enable the public entity to report on its assets at financial year-end in terms of the National Treasury annual financial statements template.

Amounts in disallowance/control and suspense accounts (Annexure B.5)

14. All transactions of the entity are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.
15. CFO's, as part of their quarterly IYM reporting, certify that the forecast/projections for the remainder of the year adequately makes provision for all amounts not yet cleared from disallowance/control/ suspense accounts.
16. Submit on a quarterly basis, an 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.

Projections (Annexure C & D)

17. Submit on a quarterly basis, an analysis of the Budgeted in relation to Actual revenue and expenditure including all existing reports submitted to the department in this regard (see **Annexure C**). Furthermore include an explanation of any material variance and the remedial steps taken to address the matter.
18. Submit on a quarterly basis an analysis of the Financial Position of the entity (see **Annexure D**).

Quarterly Progress report on Audit findings (Annexure E)

19. The attached schedule (see **Annexure E**) 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).

Annual Return: Provincial Entity General and Corporate Information (Annexure F)

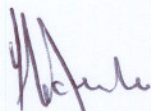
20. The information collated via this annual return will be used to test compliance, ensure improvement in financial management, maintain the provincial treasury database of public entity information and enhance the support given to this sector in the province.
21. The attached schedule (**see Annexure F**) of general and corporate information for provincial entities must be submitted before 30 April 2007. Thereafter an annual return as at the end of September XX of a particular year is due before or on 15 October XX.
22. **Annexure F** is divided into 3 parts:
- **Part 1: General Information** includes 6 sub-sections: -
 1. Contact Details
 2. Industry Information
 3. Executive Authority
 4. Executive/Senior Management
 5. Accounting Authority (AA) - **Annexure G.A & G.B** (proforma spreadsheets): AA and AA Sub-committee member details to be completed, and
 6. Audit

Submit the above (including the relevant copies), as requested. Provincial Treasury should **immediately** be informed of any changes to the data included in Part 1.
 - **Part 2: Corporate Information** consists of 2 sub-sections: -
 1. Strategic Focus, and
 2. Reporting

Submit the above (including the relevant copies), as requested. Monthly and quarterly reports requested should be submitted to Provincial Treasury.
 - **Part 3: Miscellaneous**, this section requests basic information on bank account details and the financial accounting systems of the entity.

REQUIRED

23. CEO / Accounting Officer and CFO to take cognizance of the following:
24. That the content of this circular is effective from the IYM reporting quarter: **June 2007**.
25. That the quarterly IYM input (Annexure A to E) must be signed by the CEO / Accounting Officer and the Chief Financial Officer of the Entity, submitted via the Accounting Officer of parent department, to the Provincial Treasury: Normative Financial Management (NFM) by no later than the **end of each month** following the reporting period. CFOs to utilize the electronic version of the IYM certificates (**Annexure A to E**).
26. That the annual return (Annexure F) must be signed by the CEO / Accounting Officer of the Entity, submitted via the Accounting Officer of the parent department to the Provincial Treasury: NFM. The initial submission (including Annexure and relevant copies of documents) is due before **30 April 2007**. Thereafter the annual return submissions will be due within 15 days after the end of September XX, including all the relevant electronic copies as requested. That the electronic versions of the documents/reports requested in part H of Annexure F be submitted as specified.
27. That all responses to the Provincial Treasury with regard to the above to be forwarded to the Senior Manager: NFM, att: Mr F Jacobs, Room 1-08, First Floor (Tower Block), 4 Dorp Street, Cape Town.
28. Note that the above information requirement represents an absolute minimum. You will be informed of further IYM developments in due course.



TC Arendse

Provincial Accountant General

Date: 20/04/2007