



PROVINCIAL TREASURY

Provincial Government of the Western Cape

CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

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REFERENCE: T7/2/1

ENQUIRIES: N van Niekerk

TREASURY CIRCULAR NO. 27/2011

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 HOUSING
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

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
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 (MS P VINJEVOLD)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KC HOUSEHAM)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MS K LUBELWANA)
THE ACCOUNTING OFFICER: VOTE 8: HOUSING (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR R ELLIS)
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: HOUSING (MR F DE WET) (ACTING)
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 (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MR F DE WET) (ACTING)

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 TC ARENDSE)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR TC ARENDSE) (PRO TEM)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MR A REDDY) (PRO TEM)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)
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 FINANCE MINISTRY (MS A SMIT)
THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

} For information

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

Purpose

1. The purpose of this Circular is to request Accounting Officers (AOs) and Chief Financial Officers (CFOs) to compile and submit Interim Financial Statements (IFS) as at:
 - 30 June 2011
 - 30 September 2011
 - 31 December 2011
 - 31 March 2012

Background

2. In terms of Practice Note 31 dated 31 March 2011, paragraph 8.3, (See Annexure A) issued by the National Treasury: Office of the Accountant-General, departments are required to compile and submit IFS within 30 days after the periods ending 30 June 2011, 30 September 2011, 31 December 2011 and 31 March 2012.

Basis for Preparation

3. The IFS for 2011/12 in respect of the three periods commencing on 1 April 2011 and ending **30 June 2011, 31 December 2011 and 31 March 2012** respectively, must be prepared based on the latest National Treasury (NT) 2011/12 IFS template and guidance on the completion of IFS template 2011/12 (See Annexure B).
4. The following information is not required for periods ending – **30 June 2011, 31 December 2011 and 31 March 2012:**
 - Appropriation Statement
 - Notes to the Appropriation Statement
 - Disclosure Notes
 - Annexures
5. The IFS for 2011/12 in respect of the period commencing on 1 April 2011 and ending **30 September 2011** must be prepared based on the latest NT 2011/12 IFS template and guidance on the completion of IFS template 2011/12 (See Annexure B).
6. The following information is not required for period ending – **30 September 2011:**
 - Appropriation Statement
 - Notes to the Appropriation Statement
7. The latest template and guidance for compiling the IFS can be downloaded from the NT OAG website by following the link: [www.treasury.gov.za/oag/publications/interim financial statements](http://www.treasury.gov.za/oag/publications/interim%20financial%20statements).

8. BAS Reports

The Trial Balance must be drawn from BAS as at 30 June 2011, 30 September 2011, 31 December 2011 and 31 March 2012 respectively after month closure has been effected.

9. LOGIS Reports

Further guidance on the drawing of LOGIS Reports as at 30 September 2011 will be provided at a later stage.

10. PERSAL Reports

PERSAL reports relating to Employee Benefits and Key Management Personnel as at 30 September 2011 must be requested from the Corporate Services Centre (CSC), excluding the Departments of Education and Health.

Reporting Requirements

11. Departments must compile IFS as at 30 June 2011, 30 September 2011, 31 December 2011 and 31 March 2012 respectively and submit it to the Provincial Treasury: Provincial Government Accounting Services by the due dates as indicated in table 1 under cover of the AO's letter as attached (See Annexure C). A hard copy of the Excel format must be submitted.
12. Departments must ensure that for the period ending **30 September 2011** complete documentation is maintained on the Audit file to support IFS.

Way Forward

13. The following time frames will apply for the managing of the IFS process for the period ending 31 March 2012:

Table 1: IFS process and steps

No.	Action/step	Responsibility	30 June 2011 Due date	30 September 2011 Due date	31 December 2011 Due date	31 March 2012 Due date
1.	Submit IFS to PT: Provincial Government Accounting	Departments	31 July 2011	31 October 2011	31 January 2012	30 April 2012
2.	Review the IFS and supporting information submitted for accuracy and completeness and clear with CFO, where required.	Provincial Government Accounting Services	14 August 2011	N/A	14 February 2012	14 May 2012

No.	Action/step	Responsibility	30 June 2011 Due date	30 September 2011 Due date	31 December 2011 Due date	31 March 2012 Due date
3.	Refer any unresolved issues to the CFO for further attention.	Provincial Government Accounting Services	21 August 2011	N/A	21 February 2012	21 May 2012
4.	Conduct an assessment based on the audit file information and provide feedback.	Provincial Government Accounting Services	N/A	21 November 2011	N/A	N/A
5.	Compile and issue assessment report with recommendations.	Provincial Government Accounting Services	N/A	15 December 2011	N/A	N/A
6.	Follow up on action plans to address recommendations.	Departments and Provincial Government Accounting Services	N/A	31 January 2012	N/A	N/A

14. The following officials may be contacted for any enquires and assistance during this process:

Table 2: Provincial Government Accounting Services

Department	Name	Telephone number	e-mail address
Environmental Affairs & Development Planning	Kwandisa Dinga	483-6802	Kwandisa.Dinga@pgwc.gov.za
Education Economic Development and Tourism	Shaun Manuel	483-6600	Shaun.Manuel@pgwc.gov.za
Health	Neil Schippers	483-8666	Neil.Schippers@pgwc.gov.za
Premier Human Settlements Local Government	Latimer Jeffery	483-8621	Latimer.Jeffery@pgwc.gov.za

Department	Name	Telephone number	e-mail address
Transport and Public Works Provincial Treasury	Yolanda Solomons	483-6415	Yolanda.Solomons@pgwc.gov.za
Provincial Parliament Cultural Affairs and Sport	Luthando Botshobana	483-3884	Luthando.Botshobana@pgwc.gov.za
Social Development Agriculture Community Safety	Andrea Wolfaardt	483-6289	Andrea.Wolfaardt@pgwc.gov.za



PROVINCIAL ACCOUNTANT-GENERAL

DATE:

17/06/2011.

<Insert Departmental Letterhead>

CONFIRMATION OF THE ACCURACY AND COMPLETENESS OF THE INTERIM FINANCIAL STATEMENTS SUBMITTED

TO:* DATE:

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDING

I hereby acknowledge that the Interim Financial Statements (IFS) of †, have been submitted to the Provincial Treasury as prescribed in National Treasury Practice Note 31 of 2011/12.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the interim financial statements and confirm, to the best of my knowledge and belief, the following:

- The IFR have been prepared in accordance with modified cash basis of accounting and relevant guidelines specified/issued by the National Treasury;
- The IFR is complete and accurate;
- All amounts appearing on the IFR have been cast and cross-cast and been accurately cross referenced;
- The IFR is free from material misstatements, including omissions; and
- Accounting estimates are reasonable in the circumstances.

Yours faithfully

ACCOUNTING OFFICER

* The letter should be addressed to Provincial Treasury as required by Provincial Treasury circular 3/2011.
† Insert the name of the department.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Enquiries: L Labuschagne

Ref: SS10/A/7/6/1 Tel: 315-5781

Fax: 323-8247

E-mail: Lizette.Labuschagne@treasury.gov.za

All Accounting Officers – National Departments
All CFO's – National Departments
All Heads of Corporate Services – National Departments
Heads of Provincial Treasuries
All Provincial Accountants Generals

OFFICE OF ACCOUNTANT-GENERAL PRACTICE NOTE 31

MONTH-END CLOSURE PROCEDURES FOR 2011/12, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT AND INTERIM FINANCIAL STATEMENTS

This practice note replaces Practise Note 1 of 2010/11 dated 3 February 2011.

MONTH END CLOSURE PROCEDURES

1. Chapter 5 of the Public Finance Management Act 1 of 1999 (PFMA) prescribes the responsibilities of Accounting Officers. Section 40 (4) (c) requires that departments must, within 15 days of the end of each month, submit to the relevant treasury and the executive authority responsible for that department:
 - Actual revenue and expenditure for the preceding month;
 - Anticipated revenue and expenditure for the current month;
 - A projection of expected expenditure and revenue collection for the remainder of the current financial year; and
 - When 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.
2. Section 40 (1) (a) requires Accounting Officers to maintain full and proper records of the financial affairs of the department in accordance with any prescribed norms and standards. To ensure the completeness and accuracy of the information supplied in terms of section 40 (4) (c), all Accounting Officers must certify on a monthly basis, before the closure of the accounting month that they have complied with the minimum financial performance indicators in **Annexure B**.
3. In addition, compliance to Paragraph 17.1 of Part 7 of Treasury Regulation, regarding the use and clearing of suspense accounts, must also be certified:

- 3.1 That all transactions of an institution are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation;
- 3.2 That in all exceptional cases, where it is necessary to account for revenue and expenditure transactions in a control account because the classification has not been resolved, that the Accounting Officer, or his/her designate, ensured that the requirements of **Annexure B** regarding items in control/suspense accounts have been complied with.
4. The Chief Financial Officer must review and approve (by signing) all reconciliations for the reporting month to ensure that unauthorized transactions are detected, and dishonored cheques and long outstanding amounts are followed up and cleared. By signing the reconciliations, the Chief Financial Officer confirms concurrence and approval thereof.
5. To ensure uniformity, the National Treasury designed a pro forma certificate (**See Annexure A**).
6. The minimum financial management performance indicators that would assist in the completion of the certificate is contained in **Annexure B**. The certificate must be completed and signed by the Chief Financial Officer and Accounting Officer on a monthly basis. Each certificate must be submitted to the relevant treasury. Kindly note for National Departments the certificate should be delivered at 240 Vermeulen street 17th floor for attention of the respective cluster Director:

Name of Cluster	Respective Director	Contact Details
Central Government Administration	Unathi Ndobeni	012 315 5752
Financial and Administrative Services	Keitumetsi Malebye	012 315 5989
Justice, Crime Prevention and Security	Naveen Singh	012 315 5794
Social Services	Thomas Matjeni	012 315 5792
Economic Services and Infrastructure Development	Irene Mathatho	012 315 5079

7. The month-end closure dates for the 2011/12 financial year are reflected in **Annexure C**. **National and Provincial departments** must align these dates to their departmental processes in order to ensure that the month-end closure can occur timeously on or before these dates. National Treasury will force close any general ledgers that are still open by the closing dates in **Annexure C**.
8. All National and Provincial departments must ensure that bank reconciliations are performed on a daily basis.

8.1. NATIONAL DEPARTMENTS

Annexure D lists the final dates of the Paymaster General Account (PMG) closure and availability of Bank statements. This information must be used in conjunction with the month-end closure dates. All unknown/ erroneous items arising from banking interfaces for National Departments must be reported

immediately to the Office of the Accountant-General via e-mail to pmg.safetynet@treasury.gov.za or by fax to 012 323 8247.

8.2. PROVINCIAL DEPARTMENTS

All Provincial Departments are to follow the reporting requirements as determined by the Provincial Treasury and reports must be submitted no later than the dates in **Annexure C**.

The amendments to the Bill of Exchange Act, regarding non transferable cheques require all National/Provincial departments to take care of their warrant voucher/cheques, to scrutinise statements to detect unauthorised debits and to ensure timeous preparation and review of bank reconciliations. This implies that all enquiries must be sent to the bank immediately on a daily basis. Please note that as a result of the amendments, banks can no longer be held liable for forged or altered cheques, where the forgery or alterations were facilitated as a result of negligence by the department.

If an Accounting Officer is unable to comply with any of the minimum prescribed financial performance indicators in **Annexure B**, s/he must promptly **report** the non compliance and reasons thereof to the relevant treasury and provide action plans with timeframes to address the non-compliance.

8.3. INTERIM FINANCIAL STATEMENTS (IFS)

- 8.3.1. Practice Note 5 of 2009 is hereby repealed. Reporting requirements in terms of the IFS will be issued annually.
- 8.3.2. Accountability and governance within the public sector needs to be strengthened.
- 8.3.3. Therefore IFS was introduced in the 2009/10 financial year. Both National and Provincial Departments were required to complete the IFS for the period ended 30 September 2009. The IFS template had to be submitted to the relevant treasury on or before 31 October 2009.
- 8.3.4. For the 2011/12 financial year, departments will be required to complete the IFS for the periods ending:
 - 8.3.4.1. 30 June 2011
 - 8.3.4.2. 30 September 2011
 - 8.3.4.3. 31 December 2011
 - 8.3.4.4. 31 March 2012
- 8.3.5. The completed IFS template must be submitted to the relevant treasury within 30 days after the period ended.

8.3.6. The Accounting Officer will be required to complete and sign the letter confirming accuracy and completeness. This letter is attached as **Annexure E**.

8.3.7. National departments are required to submit their IFS to the respective Office of the Accountant-General representative allocated to them while provincial departments should submit their IFS to their respective Provincial Accountant-General. (See point 6 above for more details).

8.3.8. Guidance on completion of the IFS will be issued with the template on an annual basis.

8.3.9. The IFS template for 2010/11 will be issued by no later than 31 May 2011.

APPLICABILITY

9. This Practice Note applies to all national and provincial departments. Failure to comply with this Practice Note shall be regarded as financial misconduct in terms of the Treasury Regulations.

DISSEMINATION OF INFORMATION CONTAINED IN THIS PRACTISE NOTE

10. Head Officials of Provincial Treasuries are requested to bring the contents of this Practice Note to the attention of accounting officers of their provincial departments.

AUDITING OF PRACTICE NOTE

11. A copy of this Practice Note will be forwarded to the Auditor-General to ensure its contents are included in their audit scope.

EFFECTIVE DATE

12. This Practice Note takes effect from 1 April 2011.

AUTHORITY FOR THIS PRACTICE NOTE

13. This Practice Note is issued in terms of Section 76(4)(g) of the PFMA.



FREEMAN NOMVALO
ACCOUNTANT-GENERAL
DATE: 30 March 2011