



# 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. 29/2011

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 T ARENDSE)  
THE HEAD: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)  
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

**STANDARD CHART OF ACCOUNTS (SCoA): NATIONAL TREASURY CLASSIFICATION CIRCULAR 10 OF 2011**

**Purpose**

1. The purpose of this Circular is to inform Accounting Officers (AOs) and Chief Financial Officers (CFOs) of the latest SCoA Classification Circular 10 of 2011 as issued by National Treasury.

**Required**

2. Attached, please find a hard copy of the SCoA Classification Circular 10 of 2011 dated 2 June 2011 which is available on National Treasury's website at [www.treasury.gov.za](http://www.treasury.gov.za). A soft copy of the circular was forwarded to the AO's and CFO's office via email on 24 June 2011.
3. The SCoA classification guidance and requirements, as provided in Classification Circular 10 must be applied w.e.f 1 April 2011.

**General**

4. Please refer any SCoA queries and requests to the Provincial Treasury: Accounting Services, who will address your issues with the SCoA Committee at National Treasury.
5. Please revert to the writer if you have any queries in this regard.

  
**SENIOR MANAGER**  
**PROVINCIAL GOVERNMENT: ACCOUNTING SERVICES**

**DATE: 24 June 2011**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **CLASSIFICATION CIRCULAR 10**

### **ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA)**

#### **PURPOSE**

1. The purpose of this circular is to inform all government financial practitioners of the amendments, and the reasons for amendments, made to the Standard Chart of Accounts (SCOA) versions 11.12.01 to 11.12.02

#### **DISCUSSION**

2. Changes to the chart will be discussed according to each of the segments.
3. Departments are requested to ensure that all necessary internal policies have been updated where proposed changes were recommended in the segments of the chart.

#### **FUND SEGMENT**

4. No changes have been made to this segment of the chart.

#### **OBJETIVE SEGMENT**

5. No changes have been made to this segment of the chart.

#### **RESPONSIBILITY SEGMENT**

6. No changes have been made to this segment of the chart.

**Classification Circular 10 (Issued 2 June 2011)**

**ITEM SEGMENT**

**PAYMENTS**

**GOODS AND SERVICES**

**Advertising**

**Advert: Promotional items**

7. The item below has been amended to exclude gifts purchased for other purposes other than promoting the mandate of the department. A new item has been created under operating payments to cater for such gifts mentioned above, refer to paragraph 10 & 11 below.

**An illustration of the changed item for Advert: Promotional items**

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL	
					PAYMENTS	1	N
					PAYMENTS	2	N
					GOODS AND SERVICES	365	N
					ADVERTISING	393	N
					ADVERT:PROMOTIONAL ITEMS	514	Y

**Training and development**

8. Training and staff development as captured on the previous versions of the chart was exclusively for expenditure on training and development for employees and departments were not allowed to allocate expenditure related to training and development for non-employees to the same item.
9. The item has been renamed to training and development and departments are allowed to use this item to classify training for both employees and non-employees as created on the posting level.

**An illustration of the changes to the item training and development**

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL	
					PAYMENTS	1	N
					PAYMENTS	2	N
					GOODS AND SERVICES	365	N
					TRAINING & DEVELOPMENT	388	N
					TRAIN & DEV:EMPLOYEES	1735	Y
					TRAIN & DEV:MATERIAL&MANUALS	1736	Y
					TRAIN & DEV:NON-EMPLOYEES	2946	Y

## Classification Circular 10 (Issued 2 June 2011)

### Operating payments

#### Operating payments: Gifts

10. A new item operating payments: Gifts has been added. Expenditure to be posted in the item includes, amongst others, gifts (including flowers) bought for employees and non-employees in hospital, going on pension and for bereavements, in the form of courtesy by the employer. It excludes gifts in the form of cash paid directly to the individual/household, as those are classified as transfers to households.
11. This does not infer that National Treasury encourages such expenditure. Incurrence of such expenditure must be in line with the departmental policies, PFMA and Treasury Regulations.

#### An illustration of the created item for operating payments: Gifts

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
	PAYMENTS				1	N
		PAYMENTS			2	N
			GOODS AND SERVICES		365	N
				OPERATING PAYMENTS	389	N
				O/P:GIFTS	312	Y

### TRANSFER PAYMENTS

12. Transfer payments items have been updated with the latest changes for categories **subscription fees foreign government and international organisation** and **nonprofit institutions** and details thereof can be found in the latest published version of the chart.

### PAYMENTS FOR CAPITAL ASSETS

#### Biological assets

#### Minerals and non-regenerative resources

13. Corrections have been made for the asset classes in the category of payments for capital assets. The asset class minerals and non-regenerative resources were incorrectly placed below the asset class biological assets instead of land and subsoil assets.

**Classification Circular 10 (Issued 2 June 2011)**

**An illustration of items removed for minerals and non-regenerative resources**

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					1	N
					310	N
					315	N
					318	N
					1566	Y
					1567	Y

**Land and subsoil assets**

**Minerals and non-regenerative resources**

14. A new item has been added under the asset class, land and subsoil assets to correct the classification of minerals and non-regenerative resources.

**An illustration of items removed for minerals and non-regenerative resources**

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					1	N
					310	N
					316	N
					3215	N
					3216	Y
					3217	Y

**RECEIPTS**

**SALES OF GOODS AND SERVICES NON CAPITAL ASSETS**

**Administrative fees**

**Environmental authorisation fees**

15. A new item was created for environmental impact assessment authorisation application fees. The creation was based on sections 24(5) (c), 24M and 44 of the National Environmental Management Act, 1998.
16. The item is limited for use by the Department of Economic Affairs, Environment and Tourism.

**Classification Circular 10 (Issued 2 June 2011)**

**An illustration of the created item for environmental authorisation fees**

1	2	3	4	5	6	SEGMENT DETAIL NO	P/NP LEVEL
						3	N
						167	N
						261	N
						264	N
						288	N
						3212	Y

**Motor vehicle registration standard**

17. The item motor vehicle registration has been amended to have the same shorted name as the others in the same category.

**An illustration of the changes made to the item for motor vehicle registration standard**

1	2	3	4	5	6	7	SEGMENT DETAIL NO	P/NP LEVEL
							3	N
							167	N
							261	N
							264	N
							295	N
							3195	Y

**Laboratory services: Vet testing**

18. A new item has been added for the services rendered in testing of animal tissue in a laboratory. Animal testing / animal experimentation and animal research refer to the 'dissecting' of an animal and historically referred only to experiments that involved the dissection of animals.

**An illustration of the changes made to the item for laboratory services: vet services**

1	2	3	4	5	6	7	SEGMENT DETAIL NO	P/NP LEVEL
							3	N
							167	N
							261	N
							264	N
							282	N
							3218	Y

**Classification Circular 10 (Issued 2 June 2011)**

**TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES**

**Revenue: Financial assets**

**Revenue: Other receipts**

**Revenue: Financial assets: Receipts of payments made**

19. Revenue: Financial assets: Receipt of payments made has been removed from the receipts item list. The committee has done an analysis of the item and found that this item was incorrectly and inappropriately used and contributed to incorrect and inconsistent classification. Upon further investigation it was found that receipt of payments made is nothing other than what is explained in paragraph 20 and 21 below and that allocations in this regard in future are made to the items as explained in paragraph 20 and 21 below.
  
20. Revenue received relating to refunds for payments made in the financial year should be credited to voted funds within the main division of the vote and against same expenditure item used for payment.
  
21. Revenue received after the financial year has closed and relating to previous year's expenditure should be allocated to the item, Revenue: Financial assets: Receipts of previous year's expenditure.

**An illustration of the item deleted for revenue: Financial assets: Receipt of payments made**

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					3	N
					171	N
					172	N
					175	N
					824	Y

**ASSETS SEGMENT**

**Tangible capital assets**

**Biological assets**

**Minerals and non-regenerative resources**

22. Corrections have been made for the category tangible assets. The asset class minerals and non-regenerative resources were incorrectly placed below the asset class biological assets instead of land and subsoil assets.



**Classification Circular 10 (Issued 2 June 2011)**

**An illustration of items removed for minerals and non-regenerative resources**

1	2	3	4	SEGMENT DETAIL NO	P/NP LEVEL
				1	N
				9	N
				12	N
				71	N
				72	N

**Land and subsoil assets**

23. A new item has been added under the asset category, land and subsoil assets to correct the classification of minerals and non-regenerative resources.

**An illustration of item added for minerals and non-regenerative resources**

1	2	3	4	SEGMENT DETAIL NO	P/NP LEVEL
				1	N
				11	N
				544	N
				545	N
				546	N

**PROJECT SEGMENT**

24. No changes have been made to this segment of the chart.

**REGIONAL SEGMENT**

25. No changes have been made to this segment of the chart.

Please contact the SCOA project team via the **SCOA call centre**, by sending a concise mail to [scoa@treasury.gov.za](mailto:scoa@treasury.gov.za) if further clarity or discussion is required regarding the changes highlighted above.

For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 02 June 2011