



PROVINCIAL TREASURY

Provincial Government of the Western Cape

PROVINCIAL GOVERNMENT: ACCOUNTING SERVICES

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REFERENCE: T 7/2/1

ENQUIRIES: Mr. Luthando Botshobana

TREASURY CIRCULAR NO.38/2011

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 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

ALL OTHER MEMBERS OF 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 (MS K LUBELWANA)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUY)
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 GILDENHUY)
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) (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 ARENDE)
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 (MS N EBRAHIM) (ACTING)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)
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)

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

} For information

Master Copy


NATIONAL TREASURY - INVENTORY QUESTIONNAIRE

PURPOSE

1. On behalf of National Treasury, Office of the Accountant-General (OAG), the Provincial Treasury would like to request Chief Financial Officers' of departments, to complete the attached questionnaire in order to enable the National Treasury (OAG and SCoA) to provide the necessary guidance on the accounting treatment of inventory.

ACTION REQUIRED

2. CFOs are requested to please complete section D and E of the attached National Treasury questionnaire and supply the required documentation where necessary.
3. Completed questionnaires and any additional information must be submitted via email to Mr. Luthando Botshobana (email: lbotshob@pgwc.gov.za) before or on Friday, 19 August 2011 for forwarding to National Treasury.
4. Thank you for your co-operation.



SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING

DATE: 10/08/2011



QUESTIONNAIRE

Inventory

A. OBJECTIVE

OAG and SCoA are geared to provide guidance on Inventory that will result in consistent classification and accounting treatment of Inventory.

B. APPLICABILITY

This questionnaire shall only be completed by National and Provincial Departments. Please complete **sections D and E**.

C. SUBMISSION OF QUESTIONNAIRE

Please submit the completed questionnaire by **23 August 2011** to the following OAG and SCoA official who will also attend to queries that you may have pertaining to the questionnaire:

Name of Contact Person	Vusi Memela
Telephone	(012) 315 5030
e-mail address	vusi.memela@treasury.gov.za

D. DETAILS OF THE DEPARTMENT

<i>Name of the Department</i>	
<i>National/Provincial (If Provincial, State name of the Province)</i>	
<i>Name of Person who completed Questionnaire</i>	
<i>Designation</i>	

E. QUESTIONS (1 to 13)

1.	Does the Department use LOGIS for Inventory Management? Please answer "YES" or "NO".
2.1	If the answer to 1 above is "NO", what system/s (manual or computerised) does the Department use for Inventory Management?
2.2	If the answer to 1 above is "NO", is the inventory valued using weighted average or FIFO?

E.	QUESTIONS (1 to 13)
3.	<i>Does the Department have Inventory Management policy/ies, procedures or other related regulatory document/s? Please answer "YES" or "NO". If the response is "YES", please attach the policy/ies, procedures or other related regulatory document/s when forwarding the completed Questionnaire.</i>
4.	<i>What type/s of Inventory does the Department have? Please provide a brief description of each Inventory type. Pay special attention to the unique (sector or entity-specific) types of Inventory.</i>
5.	<i>How many stores does the Department have?</i>
6.	<i>How would you describe the interaction between the System Controller/s, Stores Staff and Accounting/Finance Staff to ensure optimal Inventory Management?</i>
7.	<i>How many times a year does the Department conducts Inventory Counts?</i>
8.	<i>Are inventory records regularly reconciled to the general ledger?</i>
9.	<i>Briefly describe the process from when Inventory is received from a supplier or from another store to when it is recorded in Annexure 6 to the Annual Financial Statements.</i>
11.	<i>Is printing paper acquired for the department recorded as Inventory? If the answer is "NO", how is it recorded?</i>
12.	<i>How does the Department record (a) "work in progress"? (b) disposals (damaged stock, etc) (c) adjustments?</i>

E.	QUESTIONS (1 to 13)
13.	<i>Any comments/recommendations/challenges/uncertainties? Additional documents/information may accompany the completed questionnaire.</i>

Thank you for completing the questionnaire.