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TREASURY CIRCULAR NO. 24 of 2012

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

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 (MR M RICHARDSON)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR M TSHANGANA)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
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)

} For information

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 GILDENHUIS)
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)
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 (MS B SEWLALL - SINGH)

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 (VACANT)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
THE HEAD: LOCAL GOVERNMENT FINANCE (MR TC ARENDSE)
THE HEAD: FINANCIAL GOVERNANCE (MR A HARDIEN)
THE HEAD: ASSET MANAGEMENT (MR I SMITH)
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-KORSTEN)
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 SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)

THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

MONTH-END CLOSURE PROCEDURES FOR 2012/13, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 40 OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999

Purpose

1. The purpose of this circular is to inform Accounting Officers (AOs) and Chief Financial Officers (CFOs) of departments of their monthly reporting requirements in terms of Sections 40 and 41 of the Public Finance Management Act (Act 1 of 1999) as revised in terms of National Treasury Instruction Note 1 of 2012/13.
- 1.1 This Circular replaces Circular 59/2011 and all supplementary circulars issued.

Legislative Background

2. Chapter 5 of the Public Finance Management Act (Act 1 of 1999) prescribes the responsibilities of Accounting Officers in respect of financial reporting. In terms of section 41 an accounting officer must submit to the Provincial Treasury such information, returns, documents, explanations and motivations as may be prescribed.
- 2.1 To ensure the completeness and accuracy of the information supplied to the Provincial Treasury in terms of section 40 (4) (c), all Accounting Officers must certify on a monthly basis that they have complied with the financial performance indicators below, and submit it to the Provincial Treasury within **21 days** of each month following on the reporting month.

Monthly Reporting Requirements

3. Compliance Certification
- 3.1 Section 40(1)(a) requires AOs to keep 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), AOs must certify on a monthly basis, before the closure of the accounting month, compliance to the minimum financial performance indicators.
- 3.1.1 To ensure uniformity in respect of such certification, a pro forma covering letter has been included for use by all departments. The covering letter must be completed and signed by the AO and submitted monthly to the Provincial Treasury (**see Annexure A**).

ANNEXURE C

MONTH-END CLOSURE DATES FOR THE 2012/13 FINANCIAL YEAR, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

1. ACCOUNTING MONTH	2. CLOSURE DATES	3. ACTUAL CLOSURE DATES
MARCH 2012 - Reporting to Vulindlela	2012/04/05 (no month/year close transaction)	
MARCH 2012 - PRELIMINARY	2012/04/30	
APRIL 2012	2012/05/07	
MAY 2012	2012/06/07	
JUNE 2012	2012/07/06	
JULY 2012	2012/08/07	
AUGUST 2012	2012/09/06	
SEPTEMBER 2012	2012/10/08	
OCTOBER 2012	2012/11/07	
NOVEMBER 2012	2012/12/07	
DECEMBER 2012	2013/01/08	
JANUARY 2013	2013/02/07	
FEBRUARY 2013	2013/03/08	
MARCH 2013 - Reporting to Vulindlela	2013/04/05 (no month/year close transaction)	
MARCH 2013 - PRELIMINARY	2013/05/03	

- i) The dates reflect close of business for that day.
- ii) The dates are the latest possible closure date; however departments are encouraged to enhance their internal procedures to close earlier.
- iii) *Departments to indicate the actual date of closure for that particular month in column three (3).*

CHIEF FINANCIAL OFFICER

or Delegated Official

DATE:

ANNEXURE D

DEPARTMENT	BAS INTERFACES						
	Persal	Housing Debtors (applicable to Housing & Local Govt only)	MEDSAS (applicable to Health only)	SISPRO (applicable to Health only)	E-WORKS (applicable to Transport & Pub Works only)	PMG	Telkom
Provincial Administration: Western Cape	(date)					(date)	
Provincial Parliament	(date)					(date)	
Provincial Treasury	(date)					(date)	
Community Safety	(date)					(date)	
Education	(date)					(date)	
Health	(date)		(date)	(date)		(date)	
Social Development	(date)					(date)	
Human Settlements	(date)	(date)				(date)	
Environmental Affairs and Development Planning	(date)					(date)	
Transport and Public Works	(date)				(date)	(date)	
Agriculture	(date)					(date)	(date)
Economic Development and Tourism	(date)					(date)	
Cultural Affairs and Sport	(date)					(date)	
Local Government	(date)						

Information of interfaces that did not take place or which have not been reconciled:

Interface description:

Previous reporting months-

Reconciliation:

Reason/s:

Financial implications -

Expenditure / Revenue not allocated : R

Remedial steps taken -

Note : The above information to be submitted separately for every interface that did not take place.

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

Month:

Receivables		
Inter-Departmental (Provincial)	Balance R'000	Follow up on claims older than 90 days.
Inter-Governmental (National)	Balance R'000	Follow up on claims older than 90 days.

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

Month:

Payables		
Inter-Departmental (Provincial)	Balance R'000	Follow up on outstanding claims older the 30 days after date of receipt of claim
Inter-Governmental (National)	Balance R'000	Follow up on outstanding claims older the 30 days after date of receipt of claim

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

ANNEXURE G

Report on balances in disallowance/control/suspend accounts to meet the reporting requirements in terms of Section 17, subsection 17.1 of the Treasury Regulation for the reporting month:

	Month		Month	
	Closing balance	Closing balance	Closing balance	Closing balance
A <u>Accounts that must be zero: month and year end</u>	R	R	R	R
Bank exception Account				
Conversion Control Account				
Debt Receipt Control Account				
Debt Suspend Account				
Debt Transfer Account				
Erroneous Persal Cheque cancel				
Fund Requisition Account				
Inter Responsibility Account				
PMG Schedules				
Receipt Pending Control Acct				
Sal: Persal Interface Account				
Telephone exception Account				
Transport Exception Account				
Unallocated Cancel Receipts				
B <u>Only report the balances of those accounts that include transactions older than 90 days. Provide split between less than and more than 90 days</u>	R	R	R	R
Account name:				
Transactions less than 90 days				
Transactions older than 90 days				
Total = Trail Balance				

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
or delegated official

MONTHLY REPORT ON IRREGULAR EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department:

Month:

Date of discovery	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the IR)	Status (refer to key)			General comments
							UI	DP	TR	

- Key:** UI - Irregular expenditure Under Investigation
 DP - Disciplinary process initiated against responsible person
 TR - Transferred to receivables for recovery

I hereby certify that all irregular expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE: _____
DATE: _____

CHIEF FINANCIAL OFFICER
 or delegated official

MONTHLY REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department: _____

Month: _____

Date of discovery	Date reported to Accounting Officer (AO)	Payment date	Payment number	Amount	Incident description	Responsible person (committed the F&W)	Status (refer to key)			General comments
							UI	DP	TR	

- Key:** UI - Fruitless and wasteful expenditure Under Investigation
 DP - Disciplinary process initiated against responsible person
 TR - Transferred to receivables for recovery

I hereby certify that all fruitless & wasteful expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure. Attached also find a copy of the fruitless & wasteful expenditure register.

SIGNATURE: _____

DATE: _____
CHIEF FINANCIAL OFFICER
 or delegated official

MONTHLY REPORT ON UNAUTHORISED WASTEFUL EXPENDITURE IN ACCORDANCE WITH THE PFMA, 1999, SECTION 38(1)(g) and (h)

Department: _____

Month: _____

Date of discovery	Date reported to Accounting Officer	Payment date	Payment number	Amount	Incident description	Status (refer to key)				General comments
						UI	DP	AA	A	

- Key:** UI - Unauthorised expenditure Under Investigation
 DP - Disciplinary process initiated against responsible person
 AA - Awaiting approval (by Parliament/Legislature)
 A - Approved (by Parliament/Legislature)

I hereby certify that all unauthorised expenditure for the mentioned period have been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE: _____

DATE: _____
CHIEF FINANCIAL OFFICER
 or delegated official

ANNEXURE A

From:

Enquiries:

Telephone:

To: The Provincial Accountant-General

Directorate: Provincial Governance: Accounting Services

For Attention:

MONTH-END CLOSURE PROCEDURE FOR 2012/13, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

1. Treasury Circular 59/2011 and all supplementary circulars have been repealed.
2. Attached herewith please find the certificates of compliance (Annexure B-J) to the Financial Management Performance Indicators for the month :

ACCOUNTING OFFICER

Initials and Surname

Date:

MINIMUM FINANCIAL MANAGEMENT PERFORMANCE INDICATORS TO BE COMPLIED WITH

NO	PERFORMANCE INDICATOR	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
1.	Financial transactions			
1.1	All transactions are supported by authentic and verifiable source documents.			
1.2	All deposits and receipts have been recorded in the General Ledger of the department and reconciled.			
1.3	All departmental revenue has been paid timeously to the Provincial Revenue Fund			
1.4	All Electronic funds transfer (EFT)/Bank credits have been recorded in the General Ledger of the department and the EFT control account reconciled.			
1.5	All reporting requirements of DORA have been adhered to.			
1.6	The Budget or the adjusted budget has been captured on the financial systems as per Standard Chart of Accounts (SCOA), per Programme and Sub-programme. The Budget on the financial system has been reconciled to the estimates documents.			
1.7	All journals have been recorded and duly authorised on the financial system of the department.			
2.	Closure dates: Annexure C			
2.1	Departmental processes are aligned ensuring timeless month-end closure.			
3.	Exceptions/Adjustment/Interface/Reconciliation: Annexure D			
3.1	The Bank adjustment/exception account has been reconciled.			
3.2	All Bank Reconciliations have been performed and reconciling items cleared (proof documentation attached).			
3.3	All interfaces in relation to BAS, for the month have taken place and reconciled (Annexure D).			

NO	PERFORMANCE INDICATOR	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
3.4	All Logis integration transactions in relation to BAS have taken place and failed transactions resubmitted.			
3.5	Reconciliations including the reporting month were compiled, reconciled and signed off by Chief Financial Officer (proof documentation attached). BAS vs PERSAL BAS vs PMG (Bank reconciliation) BAS vs LOGIS (major assets - additions & revenue) BAS vs LOGIS (minor assets - additions)			
4.	Payables and Receivables: Annexures E&F			
4.1	All inter-departmental balances and debts have been recorded, reconciled and paid within the prescribed or agreed period.			
4.2	All claims received have been acknowledged within 15 working days after receipt of claim (Annexure F).			
4.3	Claims were settled within 30 days of receipt of claim.			
4.4	Information submitted to the Provincial Treasury in terms of Provincial Treasury Circular 84/2011 read with National Treasury Instruction Note Number 34: Effecting payments within thirty (30) days from date of receipt of an invoice as required in terms of Treasury Regulation 8.2.3.			
5.	Disallowance/Control and Suspense Accounts (Annexure G)			
5.1	The sources of the transactions are readily identifiable (supported by authentic and verifiable source documentation), enabling Departments to follow-up and clear these balances within a reasonable period of time.			
5.2	Monthly reconciliation of all control and suspense accounts is performed to confirmed and unconfirmed balance in the confirmation letters (issued and reviewed) and available supporting documentation.			

NO.	PERFORMANCE INDICATOR	YES	NO	REASON/COMMENT, ACTION PLAN AND TIME FRAMES
5.3	Amounts included in control or suspense accounts are cleared and correctly allocated to the relevant cost centres/debt account on a monthly basis.			
5.4	All staff debts have been recorded and reconciled.			
5.5	Reports are provided to the Accounting Officer about uncleared items, and followed up on a monthly basis by the Chief Financial Officer.			
6.	Expenditure management: Annexures H-J			
6.1	All Irregular, Fruitless & Wasteful and Unauthorised Expenditure identified have been recorded and reported to Provincial Treasury.			
6.2	All Irregular, Fruitless & Wasteful and Unauthorised Expenditure identified have been updated in their respective registers.			
6.3	Management of leases			
6.3.1	A lease agreement register has been implemented and updated up to the current month.			
6.3.2	All leases have been classified as either finance or operating leases.			
6.3.3	Finance leases were classified as capital expenditure.			
6.3.4	Interest paid for finance leases were split from the capital portion and classified under current expenditure.			

CHIEF FINANCIAL OFFICER
or Delegated Official

DATE: