



PROVINCIAL TREASURY

Provincial Government of the Western Cape

PROVINCIAL GOVERNMENT ACCOUNTING SERVICES

Shaun.Manuell@pgwc.gov.za
tel: +27 21 483 6600 fax: +27 21 483 6430
4 Dorp Street, Cape Town, 8001
www.capegateway.gov.za

REFERENCE: PT 7/1/1
ENQUIRIES: Manuel SP

TREASURY CIRCULAR NO. 59 of 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

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 GILDENHUYS)

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: 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 (MR F DE WET)

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 (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

MONTH-END CLOSURE PROCEDURES FOR 2011/12, 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).
- 1.1 This Circular replaces Circular 48/2009 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**).
- 3.2 Performance indicators

- 3.2.1 **Annexure B** contains the minimum financial management performance indicators to be complied with that would assist in the completion of **Annexure A**.
- 3.2.2 If a department 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.
- 3.2.3 Failure to comply with this Circular could be construed as financial misconduct in terms of the Treasury Regulations.
- 3.3 Monthly Book closure
- 3.3.1 The month-end closure dates for the 2011/12 financial year are reflected in Annexure C. Departments are to align their departmental processes to ensure 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 contained in Annexure C.
- 3.3.2 Departments should reflect in Annexure C, column 3, the actual date of month-end closure and if forced-close, to please indicate the reasons for such forced-closure.
- 3.3.3 CFOs or delegated officials are to ensure that due dates relating to the reporting requirements in **Annexure C** are complied with.
- 3.3.4 The above actions (3.3.1-3.3.3) are to be certified per **Annexure B (performance indicator: 2.1)**.
- 3.4 Monthly exceptions/adjustments/interfaces/reconciliations
- 3.4.1 CFOs or delegated officials must ensure that bank reconciliations are performed on a daily basis to detect unauthorised entries [TR 15.10.1.2 (j)].
- 3.4.2 The CFO or a delegated official must review and sign all reconciliations for the reporting month. By signing reconciliations the CFO or the delegated official confirms concurrence and approval thereof.
- 3.4.3 It is a requirement that the CFO or the delegated official should indicate that all interfaces with BAS have taken place and are reconciled. To this end **Annexure D** must be completed and submitted with your monthly IYM input.
- 3.4.4 The above actions (3.4.1-3.4.3) are to be certified per **Annexure B (performance indicators: 3.1 - 3.4)**.

3.5 Managing of Payables and Receivables

3.5.1 Performance indicator number 4.1-4.3 (**Annexure B**) requires that the CFO or the delegated official should indicate that inter-departmental balances and debts have been recorded, reconciled and paid within a prescribed or agreed time/period.

3.5.2 To enhance the reporting and to avoid year-end disputes between Western Cape provincial departments, as well as to facilitate the consolidation of annual financial statements at provincial level on inter-departmental claims, **Annexure E** (inter-departmental receivables) and **Annexure F** (inter-departmental payables) should be completed and submitted with your monthly IYM. The final report for March is compulsory (refer to PT Circular 40 of 2008).

3.6 Amounts in disallowance/control and suspense accounts:

3.6.1 Compliance to Paragraph 17.1 of Chapter 17 of Treasury Regulation must also be certified in terms of the following:

3.6.1.1 That all the transactions of an institution are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.

3.6.1.2 That in all exceptional cases, where it is necessary to account for revenue and expenditure transactions in a disallowance/control/suspense accounts because the classification has not been resolved, that the CFO has ensured that the requirements of **Annexure B** regarding items in control/disallowance/suspense accounts have been complied with.

3.6.1.3 AOs, as part of their monthly 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 that may form a possible charge against the Vote.

3.6.1.4 Submit, on a monthly basis, an analysis of balances in disallowance/control and suspense accounts older than 90 days in the template provided in **Annexure G**.

3.6.1.5 The above actions (3.6.1.1-3.6.1.4) are to be certified per **Annexure B (performance indicators: 5.1 - 5.4)**

3.7 Expenditure management

3.7.1 Report in terms of 38(1)(g) and (h) of the PFMA, on a monthly basis on all Irregular, Fruitless and Wasteful and Unauthorised Expenditure identified as provided in **Annexure H-J**.

3.7.2 Finance lease expenditure have been properly classified and split as required by **performance indicators: 6.3.1 – 6.3.4**).

Required

4. AOs and CFOs to take cognisance of the following:
 - 4.1 That, the content of this Circular is effective from **1 December 2011**.
 - 4.2 That monthly IYM inputs must be submitted to the Provincial Treasury: Accounting Services by no later than the **21st of each month** following on the reporting month.
 - 4.3 CFOs are to utilize the electronic version of the amended IYM certificates, which will be advanced to them via e-mail.
5. Any further enquiries in this regard may be directed to:
 - 5.1 Shaun Manuel (021) 483 6600 Shaun.Manuel@pgwc.gov.za
 - 5.2 Nic van Niekerk (021) 483 4252 Nicolas.VanNiekerk@pgwc.gov.za
 - 5.3 Henri du Toit (021) 483 3023 Henri.DuToit@pgwc.gov.za

Sign by:

TC Arendse

PROVINCIAL ACCOUNTANT – GENERAL

Date: 15 November 2011

ANNEXURE A

From:

Enquiries:

Telephone:

To: The Provincial Accountant-General

Directorate: Provincial Governance: Accounting Services

For Attention:

MONTH-END CLOSURE PROCEDURE FOR 2011/12, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

1. Treasury Circular 48/2009 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).			
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)			

No.	Performance Indicator	Yes	No	Reason/ comment, action plan and time frames
4.	Payables and Receivables: Annexures E&F			
4.1	All inter-departmental balances and debts have been recorded and reconciled for the month.			
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.			
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 are performed to confirm the balance of each account.			
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.			
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.			

SIGNATURE:

DATE:

**CHIEF FINANCIAL OFFICER
or delegated official**

MONTH-END CLOSURE DATES FOR 2011/12, 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 2011 – Reporting to Vulindlela	2011/04/06 (no month/year close transaction)	
MARCH 2011 – PRELIMINARY	2011/04/28	
APRIL 2011	2011/05/06	
MAY 2011	2011/06/07	
JUNE 2011	2011/07/07	
JULY 2011	2011/08/05	
AUGUST 2011	2011/09/07	
SEPTEMBER 2011	2011/10/07	
OCTOBER 2011	2011/11/07	
NOVEMBER 2011	2011/12/07	
DECEMBER 2011	2011/01/06	
JANUARY 2012	2012/02/07	
FEBRUARY 2012	2012/03/07	
MARCH 2012 - Reporting to Vulindlela	2012/04/06 (no month/year close transaction)	
MARCH 2012– PRELIMINARY	2012/04/30	

- 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).***

SIGNATURE:

DATE:

CHIEF FINANCIAL OFFICER
 or delegated official

ANNEXURE D

DEPARTMENT	BAS INTERFACES						
	Persal	Housing Debtors (applicable to Human Settlements 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/suspense accounts to meet the reporting requirements in terms of Section 17, subsection 17.1 of the Treasury Regulation for the reporting month:

		Month	Month	Month
		Closing balance	Closing balance	Closing balance
A	Accounts that must be zero: month and year end	R	R	R
	Bank exception Account Conversion Control Account Debt Receipt Control Account Debt Suspense 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	Only report the balances of those accounts that include transactions older than 90 days; provide split between less than and more than 90 days	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 has been reported to you as prescribed in the PFMA and the necessary steps have been taken to record and recover the expenditure.

SIGNATURE:

CHIEF FINANCIAL OFFICER

DATE:

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 has 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 UNAUTHORISED 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	Responsible person (committed the UE)	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 has 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