

Reference: RCS/C.6

TREASURY CIRCULAR NO. 9/2019

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE

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 (DR G LAWRENCE)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

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 (MR G PAULSE)

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 (MS A SMIT)

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 T GILDENHUIS)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)

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 ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)

THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)

THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)

THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)

THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)

THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)

THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)

THE ACCOUNTING AUTHORITY: CASIDRA (MR A MOOS)

THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)

For information

THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR A SEYMOUR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS M VOS) (ACTING)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (VACANT)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV. E PRETORIUS)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS R JULIE) (ACTING)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

GUIDELINES: 2018/19 BOOK CLOSURE AND ANNUAL FINANCIAL STATEMENTS

PURPOSE

1. To provide Accounting Officers (AOs)/Authorities (AAs) and Chief Financial Officers (CFOs) of Departments and Entities with guidelines pertaining to the book-closure process and the compilation of the annual financial statements for the 2018/19 financial year.
2. This circular replaces Treasury Circular 12 of 2018 dated 17 April 2018, in its entirety.

BACKGROUND

3. In order to ensure synergy with the annual financial statement process and the annual reporting process it is imperative that Departments as well as Trading Entities that are reliant on BAS, read this Circular in conjunction with **BAS notice number 1 of 2019, Guidelines for the Financial Year-end Closure: 2018/19 (Annexure 1)** and the **National Treasury Circular: 2019 Financial Year End Procedures, Closure and Submission Date for All Public Finance Management Act (PFMA) Compliant institutions dated 12 February 2019 (Annexure 2)** also available on NT OAG website.
4. Departments should note that the 2018/19 financial year reporting framework on the annual financial statements is covered by the updated **Modified Cash Standard (MCS)** with Guidance provided in the **Accounting Manual for Departments (AMD)** and **Specimen AFS**.

5. The latest information applicable to the 2018/19 AFS is available on the NT OAG Website: Office of the Accountant-General >Publications> 01. Annual Financial Statements>03. For Prov. And Nat. Departments>GRAP for National and Provincial Departments.
6. Any further changes and developments on the MCS, AMD and Specimen AFS will be communicated to departments.

LEGAL FRAMEWORK

7. In terms of sections 40(1)(b) & (c) and 55(1)(b) & (c) of the Public Finance Management Act (PFMA) (Act 1 of 1999), accounting officers and accounting authorities must prepare and submit within two (2) months after the end of the financial year, Annual Financial Statements (AFS) and Annual Reports to the -

7.1.1 National Treasury (NT)

7.1.2 Auditor-General of South Africa (AGSA); and

7.1.3 Executive Authority

8. The following sections of the Public Finance Management Act 1999 (Act 1 of 1999) (PFMA) and corresponding Treasury Regulations apply to the compilation of Annual Financial Statements (AFS) and should be noted:

- 8.1 Section 38(1)(f) of Public Finance Management Act 1999 (Act 1 of 1999) (PFMA) requires that the accounting officer for a department, trading entity or constitutional institution must settle any contractual obligations and pay all money owing, including intergovernmental claims within the prescribed or agreed period.

In terms of Treasury Regulation 8.2.3; "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice, or in case of civil claims, from the date of settlement or court judgement."

- 8.2 Furthermore, Treasury Regulation 17.1.2(b) prescribes that: "amounts included in clearing accounts or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis".

- Section 40: Accounting Officer's reporting responsibilities;
- Section 55: Public Entities: Annual report and financial statements;
- Treasury Regulation 18.2: Annual Financial Statements; and
- Treasury Regulation 18.4: Additional annual reporting requirements for departments controlling trading entities and public entities.

DEPARTMENTS

BOOK CLOSURE REQUIREMENTS

9. Accounting transactions pertaining to the 2018/19 financial year must be accounted for in the correct financial year. The following requires particular attention:

BAS and LOGIS EBT payments and receipts

- 9.1 For expenditure on BAS to be recorded against the current financial year's budget (2018/2019), the department must ensure the expenditure is authorised by no later than **28 March 2019**. The settlement date of these payments should be defaulted by the system and not changed by the department.
- 9.2 For capturing of expenditure on LOGIS, the settlement date for payments must be **29 March 2019**. Payments with a settlement date after 29 March 2019 will only be posted in the new financial year.
- 9.3 Please note for LOGIS payments - a) the process flag must be cleared - b) the payment must be 'awaiting disbursement' on ENDO.
- 9.4 It is strongly recommended that the last payments in respect of 2018/19 financial year for BAS and LOGIS be captured and approved by **22 March 2019**.

Deferred payments

- 9.5 To improve the accuracy of information in the 2018/19 annual financial statements, deferred payments should be avoided and it is thus imperative to note that section 38(1)(f) of Public Finance Management Act 1999 (Act 1 of 1999) (PFMA) requires that the accounting officer for a department, trading entity or constitutional institution must settle any contractual obligations and pay all money owing, including intergovernmental claims within the prescribed or agreed period.

Deposits

- 9.6 Monies received and receipted on the last working day of the financial year, i.e. **29 March 2019**, must be banked on the same day. BAS manual receipts must be issued in respect of monies received after banking hours on **29 March 2019** and must be dated **1 April 2019**. The words "Received after banking hours" must be endorsed on such receipts for audit purposes. These receipts must be banked on **1 April 2019** and captured on BAS.

Petty cash expenditure

- 9.7 All petty cash expenditure up to **29 March 2019** and especially reimbursements by means of payment advices must be accounted for during March 2019.

Accounting month March (03) Transactions

- 9.8 It is imperative that the correct accounting month is used at all times, when transactions in respect of the 2018/19 financial year are being processed. Departments should also ensure that the necessary control measures are in place to avoid the processing of any 2018/19 payment transactions in accounting month April (04).

Inter-departmental balances

- 9.9 Departments are urged to clear all inter - departmental balances before year - end. When a claim has been settled and the receipt accounted for after 1 April 2019, an explanatory note must be included in the relevant annexure in terms of PT Circular 42 of 2013 dated 20 November 2013.

9.10 The schedule below reflects the final settlement dates for payments:

Payment type	Payment date
BAS and LOGIS EBTs	29 March 2019
PERSAL	Last supplementary run will be by 25 March 2019 for payment 28 March 2019

NB: Departments are strongly advised not to delay capturing of payments until 27 March 2019 as this may cause a system overload.

9.11 The date set by National Treasury for final book-closure for the 2018/19 financial year on BAS is **30 April 2019**.

NB: Departments that fail to close before 16:00 on 30 April 2019 will be force-closed and will not be able to log into BAS the next working day.

FINANCIAL YEAR-END PROCEDURES

10. The checklist provided in paragraph 5 of BAS Notice 1 of 2019 (**Annexure 1**) serves as guidelines to assist departments to successfully close the 2018/19 financial year within the set target dates.

Asset and liability accounts

11. Every attempt must be made to follow-up and clear outstanding amounts currently in the asset and liability accounts. **Annexure 1 appended to BAS Notice 1 of 2019** contains the accounts that must/preferably have a zero balance at financial year-end.

Year-end procedures

12. The following procedures should be strictly adhered to on the day departments close their financial year:

12.1 Request two trial balances (**totals on Fund 2, Item 3, Item 6 and Item 11**) as at **31 March 2019** (one immediate and one deferred) after capturing and authorising the month closure, but before the year-end batch run.

12.2 Please remember to request all departmental-specific reports (i.e. trial balances) before capturing the month closure on BAS (Reports must be requested "immediate" to reflect the accounts before closure).

PERSAL RELATED REPORTS

13. **NB: All departments have the functionality on PERSAL to draw all PERSAL reports to compile the AFS as at 31 March.**

Report Name	Purpose	Report No.	Note
State Guarantee Liability	To compile: Contingent Liabilities: Housing Loan Guarantees	7.11.12 as at 31 March	Standard PERSAL Report
Leave in monetary value	Employee benefits: Leave entitlement	7.11.13 as at 31 March	All Leave forms of the modernized departments must be submitted to Corporate Service Centre (CSC) by the 29th March 2019 to update all leave records on PERSAL (Capped leave included).
XX7013 for leave captured early and late.	Leave forms captured early and late.	XX7013 that should be used in conjunction with the PERSAL Report 7.11.13.	Developed by PT Systems and will be made available to departments by 7 May 2019 .
Service Bonus Liability	Employee benefits: 13 th cheque	7.11.14 as at 31 March	Standard PERSAL Report
Key Management Personnel	Key Management Personnel: Salaries	XX1015 as at 31 March	With the exception of Departments of Health and Education, CSC to make available information to rest of the departments to be signed off by the AO.

- 13.1 CSC will forward a list of all Key Management Personnel of departments via PT that must be confirmed by the Accounting Officers of the respective department. Information on PERSAL Report xx1015 will be updated and made available to departments.
- 13.2 The CSC will confirm by **15 April 2019** that all leave forms received by **29 March 2019** has been captured.
- 13.3 Information on Compensation of Employees: Internships will be provided to departments by CSC.
- 13.4 Departments to utilise **Report SR 0031** printed during the month of April for all payments related to March that was paid in April as well as the XX1015 which will be provided by PT Systems by **7 May 2019**. Departments should note that information not captured as at **30 April** will not be reflected on this report.
- 13.5 The Departments of Health and Education must request the prescribed reports on contingent liabilities and employee benefit provisions from PERSAL on **31 March 2019**.

PROCEDURES FOR POST FINANCIAL YEAR-END CLOSURE

14. The following procedures should be executed after the departments have closed the financial year:
 - 14.1 Departments should verify that the financial year-end closure-batch did process the trial balance report. This report should be kept safely as it would be cleared from the report log on BAS after a period of one week, and is required for the compilation of your AFS.
 - 14.2 Additional reports required for compiling the AFS include, *inter alia* debtor's reports, detail reports on expenditure and revenue, etc. as at **31 March 2019** that should be requested as soon as the closure of the financial year is authorised.
 - 14.3 If the net results of the financial year-end are not as follows, contact the Provincial Treasury BAS User Support:
 - All EXPENDITURE (Payment) accounts must have a zero (0) balance;
 - All REVENUE (Receipt) accounts must have a zero (0) balance;
 - The General Account of Fund/Vote account must have a zero (0) balance; and
 - The General Account of Revenue account must have a zero (0) balance.

FINAL AUDIT CLOSURE

15. Once the Auditor-General of South Africa's (AGSA) report has been received and all adjustment journals (if applicable) have been captured, the Period Opening and Closing functionality in BAS must be used to finally close (audit closure) the financial year.
 - 15.1 Important to note that each Department is requested to submit to the Provincial Treasury: Provincial Government Accounting and Compliance a confirmation letter certifying that the accounting month for March (03) has been finally closed on BAS.

ANNUAL FINANCIAL STATEMENTS (AFS)

LOGIS Reports

16. The LOGIS Financial Year-end 2018/19 Preparation Plan, Action Plan and Checklist is available on the LOGIS Website: <https://logis.pwv.gov.za/logisweb/Procedures> > **Business Support > Functional > Year End (see Annexure 3)**.
17. It is recommended that Departments compile manual reconciliations on opening and closing balances for major assets, minor assets and inventory based on the available LOGIS reports (**see Annexure 4**).

Please take note of the reporting requirements of Annexure 6 of the AFS template 2018/19 with regard to the weighted average price variance. This variance adjustment must be added to the adjustments total (value).

Comparative figures (2017/18)

18. If necessary, comparative (2017/18) figures must be restated to conform to changes in the presentation of the 2018/19 AFS as prescribed in the MCS and AMD. The Provincial Treasury Directorate: Provincial Government Accounting and Compliance requests departments and entities to submit their comparative AFS information as loaded on the 2018/19 AFS template **before or on 29 March 2019 (Electronic copy of Excel template)**. The Provincial Treasury Directorate: Provincial Government Accounting and Compliance will check the comparative AFS information of departments against the published AFS to identify changes or discrepancies to the AFS comparatives submitted.

Audit Working File

19. As conveyed in **Treasury Circular No. xx/2019, dated March 2019**, it is important that an Audit Information File be made available for audit purposes. The necessary working/supporting documentation, BAS, LOGIS, PERSAL and other reports and calculations must be available for audit purposes.

Submission of AFS

20. Information presented in the AFS must be reviewed by the CFO against the relevant supporting documentation and comply with the Modified Cash Standard and in line with the accounting policies included in the 2018/19 AFS Word Specimen. In order to prevent material misstatements, the supporting information used must be reviewed by the CFO to ensure full and proper disclosure of information.
21. The Modified Cash Standard, Accounting Manual for Departments, prescribed formats in MS Word, Excel templates and any macros issued for the preparation of the 2018/19 AFS for departments is made available on the National Treasury website: [https://oag.treasury.gov.za/Publications/Annual Financial Statements/National and Provincial Departments](https://oag.treasury.gov.za/Publications/Annual%20Financial%20Statements/National%20and%20Provincial%20Departments).
22. Please note that the formats (lay-out, sequence, headings, etc.) of the statements as presented in the MS Word Specimen cannot be altered. If a note on the Excel template has nil balance, it will not appear when printed. For assistance in this regard refer to the Guide on the Completion of the AFS template on the NT OAG website.

Irregular expenditure

23. Departments and Trading/Public Entities are required to apply the MCS and the Chapter on Unauthorised, Irregular, Fruitless and Wasteful Expenditure AMD read with the Updated Guideline on Irregular Expenditure (December 2018) for the Principles as well as the Procedures of recording the irregular expenditure.

Preview of AFS

24. In order to improve the quality of information in the 2018/19 AFS, the Provincial Treasury Directorate: Provincial Government Accounting and Compliance requests departments to submit an **electronic copy** of their AFS **before or on Friday, 17 May 2019, in Excel format**. A combined AFS review session with departments will be conducted to discuss and resolve the AFS issues for 2018/19. The Provincial Treasury Directorate: Provincial Government Accounting and Compliance will conduct a preview and provide feedback before the final submission date of 31 May 2019.

Submission to the AGSA and PT (Unaudited)

25. **On Friday, 31 May 2019**, departments must submit their unaudited AFS to the Auditor-General and to the Provincial Treasury in both Excel and Word formats. Departments are required to submit to Provincial Treasury:
- Confirmation certificate signed by the AO;
 - 3 hard copies (Word); and
 - Electronic copy of Excel & Word on CD.

Submission to PT (Audited)

26. **On Wednesday, 31 July 2019**, departments must submit their audited AFS to the Provincial Treasury in both Excel and Word formats. Departments are required to submit to Provincial Treasury:
- Confirmation certificate signed by the AO;
 - 3 hard copies (Word stamped by AGSA);
 - Electronic copy of Excel & Word on CD; and
 - External confirmation certificate from AGSA to confirm review of AFS Excel template.

Exemption

27. Any request for exemption from the MCS must please be directed to the PT Provincial Accountant General, for the attention of Mr du Toit.

Audit Process

28. Departments and Trading/Public Entities are urged to correct immaterial misstatements in the AFS as these may impact on the consolidated AFS of departments and entities.

Departments requesting assistance on accounting and/or audit issues must address them to PT.helpme@westerncape.gov.za.

TRADING/PUBLIC ENTITIES

ANNUAL FINANCIAL STATEMENTS

29. The Annual Financial Statements of Trading/Public Entities must be prepared in terms of the applicable GRAP Reporting Framework for 2018/19. This is contained in Directive 5 determining the GRAP Reporting Framework issued by the Accounting Standards Board, as well as reporting requirements and guidance as issued by the National Treasury. Directive 5 outlines the list of standards and other pronouncements that must be applied by entities in preparing their financial statements. The appendices to Directive 5 outline the specific Standards and pronouncements to be applied by Entities for a particular reporting period. It, *inter alia* includes the Standards of GRAP which were revised as well as the IGRAPs that must be complied with. These documents are available on the ASB website: <http://www.asb.co.za>.

30. A combined AFS review session with trading/public entities will be conducted during the first week of May 2019 to discuss and resolve the AFS issues for 2017/18. In order to improve the quality of information in the 2018/19 AFS, the Provincial Treasury Directorate: Provincial Government Accounting and Compliance requests Entities to submit their AFS in **an electronic copy (Excel) and Word before or on Friday, 17 May 2019**. The Provincial Treasury, Directorate: Provincial Government Accounting and Compliance will conduct a preview and provide feedback before the final submission date of 31 May 2019.

Submission to the AGSA and PT (Unaudited)

31. **On Friday, 31 May 2019**, entities must submit their unaudited AFS to the Auditor-General and to the Provincial Treasury in both Excel and Word formats. Entities are required to submit to Provincial Treasury:
- Confirmation certificate signed by the AO;
 - 3 hard copies; and
 - Electronic copy of Excel & Word on CD.

Submission to PT (Audited)

32. **On Wednesday, 31 July 2019**, entities must submit their audited AFS to the Provincial Treasury in both Excel and Word formats. Entities are required to submit to Provincial Treasury:
- Confirmation certificate signed by the AO;
 - 3 hard copies (Word stamped by AGSA);
 - Electronic copy of Excel & Word on CD; and
 - External confirmation certificate from AGSA to confirm review of AFS Excel template.

IMPORTANT DATES

33. The following table presents a summary of important dates that departments and entities must adhere to:

Action	Date	Paragraph reference	Reporting authority
Last payment date for BAS and LOGIS payments.	25 March 2019	9.2	Departments
Settlement date for current payments.	25 March 2019	9.1	Departments
BAS and LOGIS EBTs.	25 March 2019	9.8	Departments
PERSAL last run.	Departments of Health and Education 25 March 2019 . Rest of Departments 25 March 2019	9.8	Departments
Final book-closure date on BAS.	30 April 2019 before 16:00	9.9	Departments
Request two trial balances.	31 March 2019	12.1	Departments
Request PERSAL reports.	As at 31 March 2019	13	Departments

Action	Date	Paragraph reference	Reporting authority
Health and Education request reports on contingent liabilities and employee benefits on PERSAL.	31 March 2019	13.5	Departments
Submit confirmation letter certifying accounting month March (03) closed on BAS.	After audit has been finalised.	15.1	PT: PG Accounting and Compliance
Submit comparative AFS information (Departments and entities).	29 March 2019	18	PT: PG Accounting and Compliance
Submit full set of provisional AFS (Departments and entities) for review.	17 May 2019	24	PT: PG Accounting and Compliance
Submit full set of unaudited AFS (Departments and entities).	31 May 2019	25/31	PT: PG Accounting and Compliance
Submit full set of final AFS (Departments and entities).	31 July 2019	26/32	Auditor-General

PT OFFICIALS

34. The following officials may be contacted for assistance during this process:

Department/Entity	Name	Telephone number	E-mail address
Education Economic Development and Tourism Wesgro	Shaun Manuel	483-6600	Shaun.Manuel@westerncape.gov.za
Health Provincial Revenue Fund	Neil Schippers	483-8666	Neil.schippers@westerncape.gov.za
TPW GMT Provincial Treasury WCGRB	Yolanda Solomons	483-6415	Yolanda.solomons@westerncape.gov.za

Department/Entity	Name	Telephone number	E-mail address
Provincial Parliament Social Development Cultural Affairs and Sport Cultural Commission Language Commission Heritage	Claire La Vita	483-5427	Claire.LaVita2@westerncape.gov.za
Premier Environmental Affairs and Development Planning CapeNature	Boniswa Lurwayi	483-8835	Boniswa.Lurwayi@westerncape.gov.za
Agriculture Casidra Community Safety Liquor Authority	Loyiso Faniso	483-5171	Loyiso.Faniso@westerncape.gov.za
Human Settlements Local Government WC HDF	Aslam Abrahams	483-6802	Aslam.abrahams@westerncape.gov.za

35. Departments should ensure that public entities and trading entities under their control comply with the prescripts regarding Annual Reports and Annual Financial Statements.

Your co-operation in this regard would be highly appreciated.


P. A. HARDIEN
PROVINCIAL ACCOUNTANT-GENERAL
DATE: 8/03/2019