



Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 08 OF 2022

THE PREMIER

THE MINISTER OF AGRICULTURE

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

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 EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A MARAIS) (ACTING)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR H MALILA)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (ADV. Y PILLAY)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR K CLOETE)

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

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS P MAYISELA)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MS K SHIPPEY)

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

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR G REDMAN)

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 S KAYE)

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 RT MOSOME)

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. D HENDRICKS)

THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (VACANT)

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

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

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (PROF. J KIRSTEN)
 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 (MS W STANDER)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR S SYMINGTON)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR P VOGES)
 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 (MR S GCWABE)
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 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: 2021/22 BOOK CLOSURE AND ANNUAL FINANCIAL STATEMENTS – PUBLIC AND TRADING ENTITIES

PURPOSE

1. To provide **direction and guidance** to Accounting Authorities (AAs) and Chief Financial Officers (CFOs) of public and trading entities with the book-closure and compilation of the annual financial statements process for the year ending **31 March 2022**.
2. This circular replaces Treasury Circular 08 of 2021 dated 31 March 2021, in its entirety.

BACKGROUND

3. To ensure synergy with the annual financial statement process and the annual reporting process it is imperative that public and trading entities read **National Treasury Circular: 2021/22 Financial Year End Procedures, Closure and Submission Date for All Public Finance Management Act (PFMA) Compliant institutions dated 28 February 2022 (Annexure 1)**.
4. The 2021/22 financial year reporting framework is covered by **ASB Directive 5** on GRAP Standards and Interpretations effective and adopted for 2021/22. (**Annexure 2** and **Annexure 2.1**)
5. Any further changes and developments on GRAP standards will be communicated to public and trading entities.

LEGAL FRAMEWORK

6. In terms of sections 55(1)(b), (c) & (d) of the Public Finance Management Act (PFMA) (Act 1 of 1999), the accounting authority for a public entity –
 - (b) “prepare financial statements for each financial year in accordance with general accepted accounting practice, unless the Accounting Standards Board approves the application of general recognised accounting practice for that public entity;
 - (c) must submit those financial statements within two (2) months after the end of the financial year:
 - (i) the auditors of the public entity for auditing; and
 - (ii) if it is a business enterprise or other public entity under the ownership control of the national or provincial government, to the relevant treasury;”
 - (d) must submit within five (5) months after the end of the financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the annual financial statements, to the Auditor-General.
 - (i) an annual report on the activities of the public entity during that financial year;
 - (ii) the financial statements for that financial year after those statements have been audited; and
 - (iii) the Auditor-General's report on those statements”

ANNUAL FINANCIAL STATEMENTS

7. The Annual Financial Statements of Public/Trading Entities must be prepared in terms of the applicable GRAP Reporting Framework for 2021/22 and any guidance provided by National Treasury. This is contained in Directive 5 determining the GRAP Reporting Framework issued by the Accounting Standards Board. Directive 5 outlines the list of standards and other pronouncements that must be applied by public and trading entities in preparing their financial statements. The appendices to Directive 5 outline the specific Standards and pronouncements to be applied by public and trading 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>.

Comparative figures (2020/21)

- Comparative (2020/21) figures must be restated to conform to changes in the presentation of the 2020/21 AFS as prescribed by GRAP, where appropriate. PT requires entities to submit their comparative AFS information as loaded on the 2021/22 AFS template before or on 31 March 2022 (Electronic copy of Excel template). PT will check the comparative AFS information against the published AFS to identify any changes that may require further explanations.

Audit Working File

- It is important that an Audit Information File be made available for audit purposes. The necessary working/supporting documentation and calculations must be available for audit purposes.
- A combined AFS review session with Public and Trading Entities will be conducted on Monday 23 May 2022 to discuss and seek resolutions for the 2020/21 AFS issues. To improve the quality of information in the 2021/22 AFS, PT requires all GRAP institutions to submit their AFS in **an electronic copy (Excel) and Word on or before Thursday, 19 May 2022**. A review will be performed on the submitted documents, and feedback will be provided before the final submission date of 31 May 2022.

Submission to the AGSA and PT (Unaudited)

- On **Tuesday, 31 May 2022** Public and Trading Entities must submit their unaudited AFS to both the Auditor-General and to Provincial Treasury, in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO; (**Annexure 3**)
 - Electronic (Word); and (Excel)
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/> or via email

Submission to PT (Audited)

- On Friday, 29 July 2022**, Public and Trading entities must submit their audited AFS to Provincial Treasury in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO;
 - Electronic (Word stamped by AGSA); and audited excel;
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/> or via email;
 - External confirmation certificate from AGSA to confirm review of AFS Excel template and
 - Covering letter signed by the AO of the parent department confirming receipt of the AFS of the Public Entity

Audit Process

- Public and Trading Entities are encouraged to correct immaterial misstatements in the AFS as these may impact on the consolidated AFS.

Irregular expenditure

14. National Treasury's Updated Frequently Asked Questions (FAQ) - Irregular Expenditure 2021, which provides guidance on adjusting and non-adjusting events for irregular expenditure condoned.

14.1 The following should be noted:

i) **Adjusting events after the reporting date**

Condonation for irregular expenditure that was granted after the reporting date but before the AFS are authorised for issue shall be regarded as an adjusting event, if there were conditions that triggered the process of condonation of irregular expenditure as at year-end.

ii) **Non-adjusting events after the reporting date**

Condonation for irregular expenditure that was granted after the reporting date but before the AFS are authorised for issue shall not be regarded as an adjusting event if the conditions that triggered the process of condonation of irregular expenditure as at year-end were not present.

14.2 For both adjusting and non-adjusting events the conditions include the conclusion of all the necessary processes in addressing the irregular expenditure in the form of:

i) assessment;

ii) determination (where it can be demonstrated that there was no loss and any allegations of fraud, corruption or criminal act and that consequence management has been addressed);
and

iii) investigation (where such has been completed)

14.3 Based on the foregoing, departments are advised to submit all irregular expenditure cases to the Provincial Treasury's Condonation Working Committee **by latest 31 March 2022**.

14.4 Provincial Treasury's Condonation Working Committee will meet on the following dates, for the period ending 31 May 2022:

- 16 March 2022
- 30 March 2022
- 13 April 2022
- 26 April 2022
- 11 May 2022
- 25 May 2022

PT OFFICIALS

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

Department/Entity	Name	Telephone number	E-mail address
Wesgro SBIDZ	Shaun Manuel	(021)483-6600	Shaun.Manuel@westerncape.gov.za
Cultural Commission Language Commission Heritage	Neil Schippers	(021)483-8666	Neil.Schippers@westerncape.gov.za
GMT WCGRB	Yolanda Solomons	(021)483-6415	Yolanda.Solomons@westerncape.gov.za
Casidra Liquor Authority	Zimkitha Joka Siyanda Thomas	(021)483-5171	Loyiso.Faniso@westerncape.gov.za
CapeNature	Vurge van Rayner	(021)483-4583	Vurge.vanRayner@westerncape.gov.za
Annual Consolidated Financial Statements	Vurge van Rayner	(021)483-5171	Loyiso.Faniso@westerncape.gov.za
Atlantis Special Economic Zone	Ameer Faker	(021) 483-5427	Mogamat.Faker@westerncape.gov.za

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

MR A HARDIEN
CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING
DATE: 14 March 2022