

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 19/2023

THE PREMIER

THE MINISTER OF AGRICULTURE

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 INFRASTRUCTURE

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF MOBILITY

THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY

THE MINISTER OF SOCIAL DEVELOPMENT

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)

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

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)

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 R ALLEN)

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: POLICE OVERSIGHT AND COMMUNITY SAFETY (ADV. Y PILLAY)

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

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

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

THE ACCOUNTING OFFICER: VOTE 8: MOBILITY (MR K REINECKE)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR G GERBER)

THE ACCOUNTING OFFICER: VOTE 10: INFRASTRUCTURE (MS J GOOCH)

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

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR V DUBE)

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: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (MR S KAYE)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: MOBILITY (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)

THE CHIEF FINANCIAL OFFICER: VOTE 10: INFRASTRUCTURE (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)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR C BASSUDAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. D HENDRICKS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR D GREEN)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MR H METTLER) (ACTING)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MR L NOKWAZA)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS G LENTZ)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MS R GANI)
 THE ACCOUNTING AUTHORITY: CASIDRA (PROF. J KIRSTEN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MR R KINGWILL)
 THE ACCOUNTING AUTHORITY: ATLANTIS SPECIAL ECONOMIC ZONE (MS J JOHNSTON)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
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 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: WESTERN CAPE HERITAGE (MR M JANSE VAN RENSBURG)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR D NEFDI) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MR S GEORGE) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR M CULLINAN)
 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 (MR S GCWABE)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
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 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 ADAMS) (ACTING)
 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 (VACANT)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS S ROBINSON)
 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 (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD OF MINISTRY (MR R BRUETON)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: CORPORATE GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN)
 THE DIRECTOR: INFRASTRUCTURE (MS S VAN BREDA) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST)
 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 D CRONJE)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L SALLIES) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS M NICHOLAS)
 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)

QUARTERLY REPORTS ON OUTSTANDING DEBTORS 2023/24

1. PURPOSE

This Circular updates the previous quarterly circular for outstanding debtors and requires departments to furnish the Provincial Treasury with quarterly debt reports regarding their outstanding debtors' accounts. The departments are further required to provide information regarding the measures taken to recover debt as part of the domestic resource mobilization initiative.

2. BACKGROUND

The financial information obtained from the quarterly debt reports will form part of the provincial debt and revenue discussions between Western Cape departments and the Provincial Treasury during the annual MTEC engagements.

3. SPECIFIC DEBT ITEMS REQUIRED

The debt items which need to be reported must include claims recoverable, staff debt, and other debt:

- **Claims recoverable** arise from payments made on behalf of other persons/parties which are then recoverable from that party. This includes claims recoverable from departmental staff and claims between departments.
- **Staff debt** consists of advances/salary/employee's debt, subsistence/transport debt, medical/hospital debt, telephone debt, leave debt, pension debt, tax debt, housing subsidies debt, subsidised car debt, boarding fees/rentals debt, staff bursary debt, and fraud debt.
- **Other debt** consists of supplier debt, laboratory services debt, veterinary laboratory and services debt, disallowances, state guarantees, breach of contract/bursary debt, debtors, 'losses, damages and Government Garage vehicle accidents' debt, miscellaneous debt, advances, Motor Vehicle Licence (MVL) fees debt, Medical/Hospital Patient Fees (HPF) debt, debt related to the leasing of Government buildings, Government Motor Transport (GMT) debt, and Agriculture other' debt.

4. PROPER RECORDING OF DEBT

In terms of National Treasury Regulation 11.2.1(a) all departments need to maintain proper records and accounts of all debtors, including amounts received in part payments. To comply with this, the following must be adhered to:

- The designated official must open an official debt file for each debtor once a debt is identified;
- A copy of all correspondence (debt statements, letters of demand, summons, etc.) pertaining to the debt should be placed on the particular debt file;
- Only authorised officials should have access to the debt files;
- Debt files must be checked monthly and all outstanding debt must be followed up;
and
- Inspections should be performed by Internal Control on the debt files regularly.

To ensure that revenue is complete the Chief Financial Officer or delegated official must ensure that an audit trail exists from the request for services rendered to the receipt of payment. Reconciliations between BAS and the underlying revenue administration systems should be performed every month, where applicable.

All departmental debts must be taken onto the Basic Accounting System (BAS) via the debt functionality, or onto any other system used by a department on controlling debt accounts, by the officials responsible for debt administration, as soon as they have been identified by the various divisions of the department as a whole.

Departments should continue reporting staff debt of staff that has left the employ of Government. This debt should continue to be reported as debt until it has been followed-up, repaid, or written-off by the respective Department.

5. ACTIONS REQUIRED

Departments are requested to report on the following:

- A detailed breakdown of balances of debtor accounts reflected on BAS, as well as an age analysis that indicates whether the debts have been in existence for less than one year, for a period between one and three years, or more than three years in line with Annual Financial Statements (AFS) reporting;
- The Departments of Health and Wellness (hospital patient fees debt), Infrastructure (loans, rentals and sales), Mobility (GMT and motor vehicle licence fees debt) and Agriculture (services rendered) who have debt held on other systems outside of BAS should ensure they submit an additional debt report inclusive of an age analysis;
- The details of remedial steps taken to address long outstanding debtor accounts and debt cases of a material nature;
- Quarterly reports on outstanding debtors may be **reported electronically via e-mail in EXCEL FORMAT** to John.Ford@westerncape.gov.za using the excel templates provided in the annexures; and
- It is important that the information submitted by departments regarding their quarterly outstanding debtors is **verified and signed off** by the respective Chief Financial Officer (CFO). The sign-off document may be **scanned and included in the electronic submission** of the quarterly outstanding debtor reports.

6. WAY FORWARD

Quarterly debt reports should be submitted by the following dates after the June, September, December, and March month ends.

Quarterly reports on outstanding debtors reporting dates are as follows:

| Quarters 2023/24 | Reporting Dates |
|--|-------------------------|
| 1 st Q - end June 2023 | Friday, 04 August 2023 |
| 2 nd Q - end September 2023 | Friday, 27 October 2023 |
| 3 rd Q - end December 2023 | Friday, 26 January 2024 |
| 4 th Q - end March 2024 | Friday, 26 April 2024 |

The attached Annexures A, B and C should be used in submitting debt information to the Provincial Treasury (Fiscal Policy Directorate). Staff Debt and Other Debt should be recorded in Annexures A and B, while Claims Recoverable should be recorded in Annexure C.

Thank you for your co-operation.

MR M BOOYSEN
DIRECTOR: FISCAL POLICY

Staff debt

Annexure A

DEPARTMENT OF _____

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/23 - 00/00/23 (Please indicate quarter)

| Types of Debt | Opening balance | No. of cases | Payments received during quarter | New accounts (debts) raised | Amounts written-off during quarter | Interest accrued on debt during the quarter | Balance at end of quarter | No. of cases | Age analysis | | | Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary) |
|---------------|-----------------|--------------|----------------------------------|-----------------------------|------------------------------------|---|---------------------------|--------------|---------------|--------------|-----------------|---|
| | | | | | | | | | < Than 1 year | 1 to 3 years | Cases > 3 years | |
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| | | | | | | | R0.00 | | | | | |
| TOTALS | R0.00 | 0 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | 0 | 0 | 0 | 0 | |

Other debt

Annexure B

DEPARTMENT OF _____

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/23 - 00/00/23 (Please indicate quarter)

| Types of Debt | Opening balance | No. of cases | Payments received during quarter | New accounts (debts) raised | Amounts written-off during quarter | Interest accrued on debt during the quarter | Balance at end of quarter | No. of cases | Age analysis | | | Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary) |
|---------------|-----------------|--------------|----------------------------------|-----------------------------|------------------------------------|---|---------------------------|--------------|---------------|--------------|-----------------|---|
| | | | | | | | | | < Than 1 year | 1 to 3 years | Cases > 3 years | |
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| | | | | | | | R0.00 | | | | | |
| TOTALS | R0.00 | 0 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | 0 | 0 | 0 | 0 | |

Claims recoverable

DEPARTMENT OF _____

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/23 - 00/00/23 (Please indicate quarter)

| Types of Debt | Opening balance | No. of cases | Payments received during quarter | New accounts (debts) raised | Amounts written-off during quarter | Interest accrued on debt during the quarter | Balance at end of quarter | No. of cases | Age analysis | | | Details of steps taken to address long outstanding (over 1 year) cases (Attach annexure if necessary) |
|---------------|-----------------|--------------|----------------------------------|-----------------------------|------------------------------------|---|---------------------------|--------------|---------------|--------------|-----------------|---|
| | | | | | | | | | < Than 1 year | 1 to 3 years | Cases > 3 years | |
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| TOTALS | R0.00 | 0 | R0.00 | R0.00 | R0.00 | R0.00 | R0.00 | 0 | 0 | 0 | 0 | |