

Reference number: RCS/C.6

Private Bag X9165  
CAPE TOWN  
8000

## TREASURY CIRCULAR NO. 22/2021

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 FRITZ)

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 (MR P VAN ZYL)

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 A GAFFOOR) (ACTING)

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)

For information

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 (MR M SPICER)  
 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)  
 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 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)  
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 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 (DR R HAVEMANN) (PRO TEM)  
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 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)  
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 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)  
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 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) (MS K NEETHLING) (ACTING)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR S KENYON) (PRO TEM)  
 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 (DR R HAVEMANN) (PRO TEM)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)  
 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)

## 2021/22 EARMARKED ALLOCATIONS REPORTING REQUIREMENTS

### OBJECTIVE

1. To outline the reporting requirements and the associated reporting timelines for departments on the 2021/22 earmarked allocations.

### BACKGROUND

2. Section 3(b) of the Western Cape Appropriation Act (Act No. 5 of 2021), earmarked allocations may be used only for the purpose stipulated in the Schedule and in accordance with the directives issued

in terms of section 4(2) of the Act. Section 4(3) of the Act further stipulates that the Provincial Treasury may issue a directive outlining the reporting requirements to be complied with by provincial departments on a function funded or partially funded by each allocation, except where such comprehensive reporting is already required in terms of other legislation; and may further set out measures in respect of an allocation to ensure transparency, accountability and expenditure control.

3. The 2021/22 earmarked allocations will continue to require quarterly reporting to the Provincial Treasury and is supplementary to reporting already covered in the normal In-Year Monitoring (IYM), Quarterly Performance Reports (QPR), and Infrastructure Reporting Model (IRM).
4. Budgetary decisions on earmarked allocations will be informed by the performance of earmarked allocations. To allow for the improved coordination and alignment between policy, planning, budgeting and implementation, it is crucial to align in-year reporting to the purpose and intent of earmarked allocations through the use of credible output indicators and targets.

### **REPORTING REQUIREMENTS**

5. The implementation of programmes and projects funded through earmarked allocations must be monitored to measure progress toward the achievement of planned targets. The performance on earmarked allocations will inform budgetary decisions on earmarked allocations.
6. Earmarked reporting tracks the overall progress against the purpose for which the allocation was made, it provides information about the use of funding allocated and to describe measures to be taken to ensure that the implementation of programmes and projects remains on track.
7. Departments are required to submit an explanatory narrative report together with the Excel Reporting template on a quarterly basis to the Provincial Treasury.
8. The explanatory narrative report should indicate the overview of performance and challenges experienced as well as mitigating measures. The information to be reported against should be done in conjunction with the budget allocated and the overall purpose for which the funds were allocated. Departments would have to certify that this report is correct and can be verified by means of supporting documentation that provides a true reflection of the performance of the allocation.
9. Departments are further required to ensure that all earmarked allocations required for reporting are identifiable on the Basic Accounting System (BAS) for verification and transparency purposes. This must be done through the utilisation of the Fund and/or Project segment available on BAS.

### **REPORTING TEMPLATE AND TIMELINES**

10. Departments will be issued with the explanatory narrative reporting template together with the Excel reporting model that would require quarterly reporting to the Provincial Treasury.
11. Information sessions with the Management Accounting colleagues will be scheduled on the explanatory narrative reporting template and the Excel reporting model. Departments will be therefore be contacted to schedule the information sessions.
12. Earmarked reporting must be signed-off by the Accounting Officer. The signed-off explanatory narrative reports and the Excel reporting models should be submitted to Megan Robertson at [BudgetOffice.ProvincialTreasury@westerncape.gov.za](mailto:BudgetOffice.ProvincialTreasury@westerncape.gov.za).

13. The due dates for submission are as follows:

<b>Deliverable</b>	<b>Date</b>
1 <sup>st</sup> Quarter ending June 2021	30 July 2021
2 <sup>nd</sup> Quarter ending September 2021	29 October 2021
3 <sup>rd</sup> Quarter ending December 2021	31 January 2022
4 <sup>th</sup> Quarter ending March 2022	29 April 2022
<b>Note:</b> The actual 2021/22 pre-audited information must be submitted to the Provincial Treasury together with the submission of the 2021/22 Draft Annual Report.	

#### **INFRASTRUCTURE REPORTING REQUIREMENTS**

14. Section 13(1)(a) - (h) of the Division of Revenue Act (Act No. 9 of 2021) requires infrastructure departments to provide reports on the aggregate infrastructure spending, based on a format prescribed by the National Treasury.
15. The IRM is the prescribed format, however, maintenance and a number of other projects are currently included in the IRM as a one-line entry only. The National Treasury has expanded the IRM to cater for sub-projects where projects are indicated as packages or as one liners for example, schedule maintenance.
16. Expenditure performance against earmarked maintenance allocations requires comprehensive reporting on a project-by-project basis in respect of all Scheduled Maintenance Projects. This is to be either incorporated in the monthly IRM reports as sub-projects or to be reported on an excel spreadsheet. The excel based template provided previously should be used for reporting purposes. Expenditure on Day-to-Day, Routine and Emergency Maintenance needs to be reported on an aggregate level per district.

#### **ENQUIRIES**

17. Should you have any queries on the earmarked reporting requirements, please contact Jonathan Hendricks at [Jonathan.Hendricks@westerncape.gov.za](mailto:Jonathan.Hendricks@westerncape.gov.za).

Thank you for your continued support and co-operation.



**DR R HAVEMANN**  
**DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES**  
**DATE:** 9 July 2021