

Reference: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 24/2020

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 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 (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
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 J SAMSON)
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 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 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 (MS O SAMUELS)
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 HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR AA PHILLIPS) (ACTING)
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR M BOOYSEN) (ACTING)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)
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 (MS C GREEN)

For information

THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P 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 (VACANT)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJE) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR EJ JOHANNES) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (VACANT)
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE) (ACTING)
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
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 2020/21

PURPOSE

This Circular serves to update Treasury Circular 27 of 2019 and requires departments to furnish the Provincial Treasury with quarterly debt reports regarding their outstanding debtor's accounts. The departments are further required to provide information regarding the measures taken to recover debt as part of the domestic resource mobilisation initiative.

BACKGROUND

The Budget Committee requested Provincial Treasury to report on outstanding debt as part of the quarterly report for the Province.

The quarterly debt reports will form part of the provincial debt and revenue discussions between departments and the Provincial Treasury during the yearly MTEC engagements.

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 GG accidents' debt, miscellaneous debt, advances, Motor Vehicle Licence fees debt, Medical/Hospital Patient fees debt, MDA debt, GMT debt, and 'Agriculture other' debt.

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.

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 (hospital patient fees debt), Human Settlements (loans, rentals and sales), Transport and Public Works (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 now be **reported electronically via e-mail in EXCEL FORMAT** to John.Ford@westerncape.gov.za and Sinazo.Dineka@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.

WAY FORWARD

Quarterly debt reports should be submitted about twenty days after the June, September, December, and March month ends.

Quarterly reports on outstanding debtors reporting dates are as follows:

Quarters 2020/21	Reporting Dates
1 st Q - end June 2020	Friday, 24 July 2020
2 nd Q - end September 2020	Friday, 23 October 2020
3 rd Q - end December 2020	Friday, 22 January 2021
4 th Q - end March 2021	Friday, 23 April 2021

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.



DR N NLEYA
DIRECTOR: FISCAL POLICY
DATE: 10 June 2020

Staff debt

Annexure A

DEPARTMENT OF

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/18 - 00/00/18 (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	
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
TOTALS	R 0.00	0	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0	0	0	0	

Other debt

Annexure B

DEPARTMENT OF

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/18 - 00/00/18 (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	
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
TOTALS	R 0.00	0	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0	0	0	0	

Claims recoverable

Annexure C

DEPARTMENT OF

QUARTERLY REPORT ON OUTSTANDING DEBTORS FOR THE PERIOD 00/00/18 - 00/00/18 (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	
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
							R 0.00					
TOTALS	R 0.00	0	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0	0	0	0	