

Reference: RCS/C.6

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## TREASURY CIRCULAR NO. 29 OF 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 (ADV. Y PILLAY)

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 (DR R HAVEMANN)

THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)

THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR A PHILLIPS)

THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)

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)

For information

THE DIRECTOR: FISCAL POLICY (DR N NLEYA)  
 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 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 (MS A ABOO)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)  
 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)

## INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

### 1. PURPOSE

- 1.1 To inform Accounting Officers (AOs) and Chief Financial Officers (CFOs) of the requirements for compiling and submitting of Interim Financial Statements (IFS) as at:

Period ending	Due date
30 June 2020	15 October 2020
30 September 2020	30 October 2020
31 December 2020	29 January 2021
31 March 2021	Not required

- 1.2 To note that Provincial Treasury Circular No. 23 of 2019 dated 16 July 2019 and all relevant supplementary circulars are hereby withdrawn in its entirety.

### 2. BACKGROUND

- 2.1 In terms of National Treasury (NT) Instruction No. 07 of 2019/20 dated 3 December 2019, paragraph 6.3, (see Annexure A), departments are required to compile and submit IFS within 30 days after the periods ending 30 June 2020, 30 September 2020 and 31 December 2020. Furthermore, paragraph 6.4 of the Instruction, states that Departments are not required to complete the IFS for the period ending 31 March 2021.
- 2.2 Due to the COVID-19 pandemic, NT issued NT Instruction No. 06 of 2020/21 dated 7 May 2020 (see Annexure B), for the amended dates for the submission of the IFS. In terms of paragraph 3.2(a) the first quarter IFS for the period ending 30 June 2020 were to be submitted within 60 days after the end of the period.
- 2.3 The Western Cape Provincial Accountant General (PAG) requested approval from NT for deviation from the requirement of paragraph 3.2 of Treasury Instruction No. 06 of 2020/2021, in that IFS not be compiled and submitted to the Provincial Treasury for the first quarter ending 30 June 2020, within 60 days after the end of the period i.e. 28 August 2020.
- 2.4 In response to the request, NT replied in a letter dated 20 July 2020 (see attached) by only granting approval to deviate from the requirements of paragraph 3.2(a) of the NT Instruction No. 06 of 2020/2021 by departments submitting the IFS for the quarter ending 30 June 2020 no later than 31 of October 2020.

2.5 On 27 July 2020, the PAG responded to NT indicating that the request that the exemption for not compiling the June 2020 IFS be reconsidered to support departments and the Provincial Treasury to free up and focus resources for the fight of the COVID 19 pandemic. The NT responded to the request in a letter dated 18 August 2020 and did not grant approval for the Western Cape Provincial Departments to deviate from the requirement of paragraph 3.2(a) of the NT Instruction Note No. 06 of 2020/2021.

### 3. BASIS FOR PREPARATION

3.1 The IFS in respect of the 2020/21 financial year, as at 30 June 2020, 30 September 2020 and 31 December 2020 respectively, must be prepared based on the final NT 2019/20 Annual Financial Statements template.

3.2 Departments should note that the 2020/21 IFS must be prepared in terms of the Modified Cash Standard read with the additional guidance provided in the Accounting Manual for Departments, issued by NT.

3.3 The IFS template for 2020/21 will be based on the final populated AFS template of the 2019/20 financial year. Departments are requested to follow the process below:

- *Go to the Cover sheet. Select the relevant year and relevant quarter from the drop-down menu, i.e. "2020/21" and "Quarter 1".*
- *Click on the "Clear contents" button at the top of the Cover sheet. This function will clear all capturing cells (blue cells) other than any merged blue cells and the Appropriation Statement.*
- *The Appropriation Statement has its own "Manage Data" button to be able to manage the clearing of information in the Appropriation Statement as well as to carry over previous year figures.*
- *Merged cells must be manually cleared where the information is not relevant to the current year.*
- *There is no Import data button on the Prior Yr TB. The department should check that the amounts are rolled over correctly from the Prior Yr TB to the relevant sheets by running the "Import prior year TB Numbers" macro.*
- *Import the current year TB into the Current Yr TB sheet and map the relevant items.*
- *Run the macro "Update programme and sub-programme names – 2020/21" to update structures. Please note these are the structures per the Estimates of National Expenditure (ENE) for the 2020/21 financial year*
- *Check that the programme and sub-programme structure for 2020/21 is correct and inform PT where there are discrepancies. Send PT the correct approved structure including where there are transfer of functions and prior year programmes/sub-programmes that should be included for comparatives. NT will then be requested to create a specific macro to address these.*
- *Run the macro "Patch 1 of 2020-21" to make the following adjustments:*
  - *Updates various per the Options section (column AL)*
  - *Create note 4.5 for Donations in Kind*
  - *Create note 50 for BBBEE reporting on Notes 50+ sheet*
  - *Create note 51 and Annexure 11 for COVID 19 Response Expenditure*

- *Updates the narrative cells in Note 44*
- *Updates Note 48 formulas*
- *Updates the Hyperlinks. NB: Click OK on the message for the Hyperlinks in order for the macro to implement completely!*
- *Departments are required to complete and include the additional disclosure on irregular expenditure in the 2020/21 IFS as an annexure (see Annexure C). The existing irregular expenditure note (Note 31) in the IFS must still be completed.*
- *Proceed to complete the rest of the template.*

3.4 Departments should save the template as at each quarter and use the same template for the next quarter. Departments have the option to populate the appropriation statement during the year or not, as it is not compulsory for the IFS.

#### **4. BAS Reports**

4.1 The Trial Balance must be drawn from BAS as at 30 June 2020, 30 September 2020, and 31 December 2020 respectively after month closure has been effected.

#### **5. LOGIS Reports**

5.1 LOGIS Reports as at the end of each quarter must be requested for the compilation of disclosure notes.

#### **6. PERSAL Reports**

6.1 The PERSAL reports as at each quarter must be requested from the system and where applicable from the Corporate Services Centre (CSC).

#### **7. AUDIT FILE**

7.1 The IFS must be submitted together with an Audit Information File which should be aligned to the requirements of Treasury Circular No. 7 of 2020 dated 17 March 2020.

#### **8. GG Vehicles**

8.1 For the periods ending 30 June 2020 and 31 December 2020, GG Vehicle disclosure information will not be provided by GMT. The future lease commitments and asset disclosure will not be required for the IFS as at 30 June 2020 and 31 December 2020. The information for the period ending 30 September 2020 will be provided and must be disclosed.

#### **9. REPORTING REQUIREMENTS**

9.1 The following must be submitted to the Provincial Treasury: Provincial Government Accounting and Compliance:

- Excel version
- Certificate signed by AO (Annexure F of NT Instruction 7 of 2019/20)
- Audit Information File (Soft copy)

## 10. WAY FORWARD

10.1 The following time frames will apply for the managing of the IFS process for the period ending 31 March 2021:

**Table 1: IFS process and steps**

	<b>Action/step</b>	<b>Responsibility</b>	<b>30 June 2020 Due date NT deviation letter dated 20 July 2020</b>	<b>30 September 2020 Due date</b>	<b>31 December 2020 Due date</b>
1.	Submit IFS to PT: Provincial Government Accounting	Departments	15 October 2020	30 October 2020	29 January 2021
2.	Review the IFS and supporting information submitted for accuracy and completeness and clear with CFO, where required	Provincial Government Accounting and Compliance	21 October 2020	6 November 2020	5 February 2021
3.	Refer any unresolved issues to the CFO for further attention	Provincial Government Accounting and Compliance	23 October 2020	13 November 2020	12 February 2021
4.	Conduct an assessment based on the audit file information and IFS and inform CFO of findings	Provincial Government Accounting and Compliance	28 October 2020	20 November 2020	19 February 2021
5.	Compile and issue assessment report to the AO/CFO	Provincial Government Accounting and Compliance	4 November 2020	27 November 2020	26 February 2021
6.	Follow-up on action plans to address recommendations	Provincial Government Accounting and Compliance	25 November 2020	22 January 2021	19 March 2021

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

**MS A ABOO**  
**DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING**