

Reference: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 30/2020

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 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 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)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
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 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
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 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR A SEYMOUR)
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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 GCWABE)
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 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)

2020/21 EARMARKED ALLOCATIONS REPORTING REQUIREMENTS

1. PURPOSE

The purpose of this Circular is to outline the reporting requirements and the associated reporting timelines for departments on the 2020/21 earmarked allocations.

2. BACKGROUND

As stipulated in Section 3(b) of the Western Cape Appropriation Act (Act No. 2 of 2020), 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.

The 2020/21 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).

As communicated in Budget Circular 1 – 2021/22 dated 19 May 2020, 2020/21 earmarked allocations will be reviewed as part of the short term 2020 budget reprioritisation phase. This process will be policy-led and will take into account the development of the Western Cape Recovery Plan and the review process of the 2019 – 2024 Provincial Strategic Plan.

The performance on earmarked allocations will inform budgetary decisions on earmarked allocations. With a focus on the effectiveness and desired impact of earmarked allocations, the objective is to align in-year reporting to the actual purpose and intent of earmarked allocations. This will allow for improved coordination and alignment between policy, planning, budgeting and implementation.

3. REPORTING REQUIREMENTS AND ASSOCIATED REPORTING TIMELINES

The aim of the quarterly earmarked reports is to provide detailed information on the overall progress made on the purpose of the earmarked allocation.

Departments are required to submit a narrative report together with an Excel report on a quarterly basis to the Provincial Treasury and 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. This report should describe progress on performance and include the following sections:

Section 1: Details around the purpose of the Earmarked allocation. This section should be included as a standard section throughout the reporting period.

Section 2: Departments are required to report on the non-financial and financial performance of the Earmarked allocations.

Non-financial information:

Departments are required to provide an explanatory narrative report indicating the key achievements and challenges experienced as well as mitigating measures. The information to be reported should be done in conjunction with the budget allocated and the overall purpose for which the funds were allocated.

Financial information:

This includes reporting on the actual expenditure outcome for the specified period against the main or adjusted budget together with the projections for the remaining months of the 2020/21 financial year. Any over or under spending projected/reported for the remainder of the financial year must be explained as part of the narrative and supported by the necessary remedial action.

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 can be done through the utilisation of the various segments available on BAS; such as; the Fund, Project, Objective and/or Responsibility segment.

Reporting template and dates:

Departments will be issued with the narrative reporting template together with the Excel reporting template that would require quarterly reporting to the Provincial Treasury.

The signed-off earmarked reports, including the non-financial and financial information, should be submitted to Megan Robertson to BudgetOffice.ProvincialTreasury@westerncape.gov.za.

The dates for submission of the 2020/21 earmarked reports are as follows:

Deliverable	Date
Provincial Treasury issues reporting templates to relevant departments to populate.	28 August 2020
Departments submit populated templates to Provincial Treasury for verification.	11 September 2020
Toward strengthening the approach to ensure quality reporting by departments, the Provincial Treasury will provide comment on the departmental populated templates submitted and provide recommendations to improve reporting for the 2020/21 earmarked reporting period.	15 September 2020
Departments submit the 1 st Quarter - June 2020.	23 September 2020
Departments submit the 2 nd Quarter - September 2020.	30 October 2020
Departments submit the 3 rd Quarter - December 2020.	29 January 2021
Departments submit the 4 th Quarter - March 2021.	30 April 2021
Note: The actual 2020/21 pre-audited information must be submitted to the Provincial Treasury end May 2021.	

4. INFRASTRUCTURE REPORTING REQUIREMENTS

Section 13(1)(a) - (h) of the Division of Revenue Act (Act No. 4 of 2020) requires infrastructure departments to provide reports on the aggregate infrastructure spending, based on a format prescribed by the National Treasury. 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. 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.

5. ENQUIRIES

Should you have any queries on the earmarked allocation reporting, please contact Jonathan Hendricks at Jonathan.Hendricks@westerncape.gov.za.

DR R HAVEMANN

DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES

DATE: 25 August 2020