



**PROVINCIAL  
TREASURY**

Provincial Government of the Western Cape

# **LG ACCOUNTING**

## **CFO FORUM**

**8 September 2011**



The statistics below are as per PT: LG Accounting information – awaiting confirmation from AGSA.

<b>AFS Submission</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Due Date: 31 August	20	24	22
Late submission	10	6	8
% Submission by 31 August 2011	67%	80%	73%
Outstanding as at 8 Sept. 2011	9		



- The submission of AFS on due date as prescribed by Sec.126 (1) or (2) of the MFMA has declined significantly.
- In the current (2010/11) financial year the submission of AFS on due date is on 67%. This is a regression when compared to prior year percentages.
  - 80% in 2009/10
  - 73% in 2008/09
- Sec.133(1) – Municipalities should inform AGSA in writing on the reasons for late submission. Of the ten municipalities that submitted late, five have provided letters of late submission.



## **KEY CHALLENGES CITED**

- Delays with implementation of GRAP 17
- Transfer of DMA to local municipalities
- Reconciliations
- Vacancies of critical posts

## **Areas that require attention in the move towards clean audit opinions:**

- There is an urgent need for documented year-end procedures to be implemented well in advance of the municipal financial year-end
- Bi-annual dry-run of AFS process in the form of Interim financial statements which should include, but not limited to the following:
  - » Full period close-out of accounting systems
  - » All reconciliations are performed
  - » Status of GRAP implementation reviewed and adjusting journals processed (e.g. depreciation run)



- Review information systems to ensure proper recording and reporting of information in line with GRAP reporting frameworks.
- Key municipal officials to be available during the audit.
- To advise PT LG Accounting of Audit Steering Committee meeting dates in order that **transversal issues** can be identified timeously.



# **Thank You**

# **Best wishes for the Audit**