

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 06 /2023

THE PREMIER

THE MINISTER OF AGRICULTURE
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 INFRASTRUCTURE
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF MOBILITY
THE MINISTER OF POLICE OVERSIGHT AND COMMUNITY SAFETY
THE MINISTER OF SOCIAL DEVELOPMENT

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER M WENGER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER M WENGER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER M WENGER)
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 R ALLEN)

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: POLICE OVERSIGHT AND COMMUNITY SAFETY (ADV. Y PILLAY)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH AND WELLNESS (DR K CLOETE)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: MOBILITY (MR K REINECKE)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR G GERBER)
THE ACCOUNTING OFFICER: VOTE 10: INFRASTRUCTURE (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (DR M SEBOPETSA)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR V DUBE)
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: POLICE OVERSIGHT AND COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH AND WELLNESS (MR S KAYE)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: MOBILITY (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR RT MOSOME)
THE CHIEF FINANCIAL OFFICER: VOTE 10: INFRASTRUCTURE (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. D HENDRICKS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR D GREEN)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MR H METTLER) (ACTING)
 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 (PROF. J KIRSTEN)
 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 (MS W STANDER)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (DR K DU PLESSIS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (ADV. L PETERSEN) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MR P VOGES)
 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 (MR S GCWABE)
 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 ADAMS) (ACTING)
 THE CHIEF FINANCIAL OFFICER: ATLANTIS SPECIAL ECONOMIC ZONE (MS W SAIB)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (VACANT)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS S ROBINSON)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 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 (MR R BRUETON)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN)
 THE DIRECTOR: INFRASTRUCTURE (MS S VAN BREDA) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MS N RINQUEST)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR D CRONJE)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS L SALLIES) (ACTING)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS M NICHOLAS)
 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)

GUIDELINES: 2022/23 BOOK CLOSURE AND ANNUAL FINANCIAL STATEMENTS – PUBLIC AND TRADING ENTITIES

PURPOSE

1. To provide **direction and guidance** to Accounting Authorities (AAs) and Chief Financial Officers (CFOs) of public and trading entities with the book-closure and compilation of the annual financial statements process for the year ending **31 March 2023**.
2. This circular replaces Treasury Circular 08 of 2022 dated 14 March 2022, in its entirety.

BACKGROUND

3. To ensure synergy with the annual financial statement process and the annual reporting process it is imperative that public and trading entities read National Treasury Circular: 05 of 2022/2023 Financial Year End Procedures, Closure and Submission Date for All Public Finance Management Act (PFMA) Compliant institutions dated, 31 March 2023 (**Annexure 1**).
4. The 2022/23 financial year reporting framework is covered by **ASB Directive 5** on General Recognised Accounting Practice (GRAP) Standards and Interpretations effective and adopted for 2022/23. (**Annexure 2** and **Annexure 2.1**)
5. Any further changes and developments on GRAP standards will be communicated to public and trading entities.

LEGAL FRAMEWORK

6. In terms of sections 55(1)(b), (c) & (d) of the Public Finance Management Act (PFMA) (Act 1 of 1999), the Accounting Authority for a public entity –
 - (b) “prepare financial statements for each financial year in accordance with general accepted accounting practice, unless the Accounting Standards Board approves the application of general recognised accounting practice for that public entity;
 - (c) must submit those financial statements within two (2) months after the end of the financial year:
 - (i) the auditors of the public entity for auditing; and
 - (ii) if it is a business enterprise or other public entity under the ownership control of the national or provincial government, to the relevant treasury;”
 - (d) must submit within five (5) months after the end of the financial year to the relevant treasury, to the executive authority responsible for that public entity and, if the Auditor-General did not perform the audit of the annual financial statements, to the Auditor-General.
 - (i) an annual report on the activities of the public entity during that financial year;
 - (ii) the financial statements for that financial year after those statements have been audited; and
 - (iii) the Auditor-General's report on those statements”

ANNUAL FINANCIAL STATEMENTS

7. The Annual Financial Statements of Public/Trading Entities must be prepared in terms of the applicable GRAP Reporting Framework for 2022/23 and any guidance provided by National Treasury. This is contained in Directive 5 determining the GRAP Reporting Framework issued by the Accounting Standards Board. Directive 5 outlines the list of standards and other pronouncements that must be applied by public and trading entities in preparing their financial statements. The appendices to Directive 5 outline the specific standards and pronouncements to be applied by public and trading entities for a particular reporting period. It *inter alia* includes the Standards of GRAP which were revised as well as the interpretation of the standards of generally recognised accounting practice (IGRAPs) that must be complied with. These documents are available on the Accounting Standards Board (ASB) website: <http://www.asb.co.za>.

Comparative figures (2021/22)

8. Comparative (2021/22) figures must be restated to conform to changes in the presentation of the 2021/22 Annual Financial Statements (AFS) as prescribed by GRAP, where appropriate. Provincial Treasury (PT) requires entities to submit their comparative AFS information as loaded on the 2022/23 AFS template before or on 14 April 2023 (Electronic copy of Excel template). The PT will check the comparative AFS information against the published AFS to identify any changes that may require further explanations.

Audit Working File

9. It is important that an Audit Information File be made available for audit purposes. The necessary working/supporting documentation and calculations must be available for audit purposes.
10. A combined AFS review session with Public and Trading Entities will be conducted on Monday 22 May 2023 to discuss and seek resolutions for the 2021/22 AFS issues. To improve the quality of information in the 2022/23 AFS, PT requires all GRAP institutions to submit their AFS in **an electronic copy (Excel) and Word on or before Thursday, 18 May 2023**. A review will be performed on the submitted documents, and feedback will be provided before the final submission date of 31 May 2023.

Submission to the Auditor General South Africa (AGSA) and PT (Unaudited)

11. On **Wednesday, 31 May 2023** Public and Trading Entities must submit their unaudited AFS to both the Auditor-General and to Provincial Treasury, in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO; (**Annexure 3**)
 - Electronic (Word); and (Excel)
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/> or via email

Submission to PT (Audited)

12. On **Monday, 31 July 2023**, Public and Trading entities must submit their audited AFS to Provincial Treasury in both Excel and Word formats. GRAP compliant institutions are required to submit:
 - Confirmation certificate signed by the AA/CFO;
 - Electronic (Word stamped by AGSA); and audited excel;
 - Dropped in the following shared folder: - <http://lift.pgwc.gov.za/> or via email;
 - External confirmation certificate from AGSA to confirm review of AFS Excel template and
 - Covering letter signed by the AO of the parent department confirming receipt of the AFS of the Public Entity

Audit Process

13. Public and Trading Entities are encouraged to correct immaterial misstatements in the AFS as these may impact on the consolidated AFS.

Irregular expenditure

14. National Treasury Instruction no.4 of 2022/23 and the concomitant PFMA Compliance and Reporting Framework was issued on 23 December 2023, in order to provide guidance with the interpretation and implementation of the Framework, in managing and reporting on irregular, unauthorised, fruitless, and wasteful expenditure, as well as to communicate the reporting requirements on payment of supplier invoices and supply chain management information.
15. National Treasury Instruction no.4 of 2022/23 is effective from 3 January 2023.
16. Irregular, unauthorised, fruitless, and wasteful expenditure must be disclosed in the Annual Financial Statements upon confirmation, as follows:
 - (i) The current financial year disclosure must include:
 - a. amounts incurred and confirmed in that financial year; and/or
 - b. payments made as it relates to multi-year contracts.
 - (ii) The previous financial year disclosure must include:
 - a. amounts confirmed in that financial year;
 - b. amounts that were under assessment in that financial year and confirmed in the current financial year; and
 - c. amounts not identified in that financial year and discovered and confirmed in the current financial year.
17. AA's must disclose the details of irregular, unauthorised, fruitless, and wasteful expenditure in Part E of the annual report and no longer as a note to the AFS, as previously required. Please refer to Provincial Treasury Circular 27 of 2020 (Supplementary 1 of 2023) for further details on irregular, unauthorised, fruitless, and wasteful expenditure annual reporting requirements.

PT OFFICIALS

18. The following officials may be contacted for assistance during this process:

Department/Entity	Name	Telephone number	E-mail address
Wesgro SBIDZ	Shaun Manuel	(021)483-6600	Shaun.Manuel@westerncape.gov.za
Cultural Commission Language Commission Heritage	Neil Schippers	(021)483-8666	Neil.Schippers@westerncape.gov.za
GMT WCGRB	Yolanda Solomons	(021)483-6415	Yolanda.Solomons@westerncape.gov.za
Casidra Liquor Authority	Tasneem Daniels	(021)483-3023	Tasneem.Daniels@westerncape.gov.za
CapeNature	Zimkhita Joka	(021)483-7030	Zimkhita.Joka@westerncape.gov.za

Department/Entity	Name	Telephone number	E-mail address
Annual Consolidated Financial Statements	Loyiso Faniso	(021) 483-5171	Loyiso.Faniso@westerncape.gov.za
Atlantis Special Economic Zone	Siyanda Thomas	(021) 483-6968	Siyanda.Thomas@westerncape.gov.za

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

MS ADILA ABOO
DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING AND COMPLIANCE