



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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PROVINCIAL TREASURY CIRCULAR NO 15 OF 2023

TO:

**DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA
HEADS OF DEPARTMENTS
CHIEF FINANCIAL OFFICERS OF DEPARTMENTS**

2022/23 YEAR END REPORTING REQUIREMENTS

1. LEGISLATION REQUIREMENTS

1.1 REPORTING ON ANNUAL FINANCIAL STATEMENTS

According to the Public Finance Management Act, No. 1 of 1999 (PFMA), Section 40(1)(c), the Accounting Officer for a Department –

“(c) must submit the financial statements within two months after the end of the financial year to:

- (i) the Auditor-General for auditing
- (ii) the relevant treasury to enable that Treasury to prepare Consolidated Financial Statements in terms of Section 8 and 19.”

1.2 SUBMISSION OF ANNUAL REPORT

The PFMA, Section 40(1) (d) requires that the Accounting Officer of a department to submit within five months of the end of a financial year to the relevant treasury-

- (i) an annual report on the activities of the department 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.

1.3 TABLING OF ANNUAL REPORT

According to Section 65(1) of the PFMA the Executive Authority responsible for the Department must table in the Provincial Legislature the annual report, Financial Statements and Audit Report on those statements, within one month after the Accounting Officer of the Department received the audit report.

1.4 REQUEST OF ROLL OVERS

In terms of Section 6.4.2 of Treasury Regulation “Requests for rollovers must be submitted to the relevant treasury on or before the last working day of April, in a format determined by the National Treasury and must include-

- (i) the purpose for which the funds were appropriated;
- (ii) the reasons why the funds were not spent;
- (iii) proposed changes to the use of the funds, if any; and;
- (iv) a disbursement schedule indicating the month(s) in which the expenditure is expected to be incurred.”

Section 6.4.3 states that “funds for a specific purpose may not be rolled over for more than one financial year, unless approved in advance by the relevant treasury.

1.4.1 UNSPENT CONDITIONAL GRANTS.

In terms of Section 21 of the 2012 Division of Revenue Act (Act No. 5 of 2022), as amended, each vote with conditional grants must submit to Provincial Treasury:

- (i) Total amount of unspent funds for each relevant conditional grant as at 31 March 2023;
- (ii) The amount of unspent funds for the relevant grant not committed to identifiable projects;
- (iii) The amount of funds currently committed to identifiable projects;
- (iv) Given that Section 21 (2) of the Act requires proof of commitments, departments must submit a list of the projects referred to and clearly stipulate the tender details (pricing and numbers) relating to each ongoing project or invoices awaiting payment. Proof of commitments means an order and/or invoice.

Conditional grants requests should be listed separately per conditional grant. The list should clearly state the order number, order date, invoice number (if applicable) and invoice date and the amount requested. Each conditional grant list should be supported by scanned copies of the orders and/or invoices (not the batch) in the order of the list.

Departments that have applications for rollovers on conditional grants should ensure their requests adheres to the grants frameworks and submit their requests to Provincial Treasury on or before **21 April 2023**.

1.4.2 UNSPENT EQUITABLE SHARE

Departments are thus required (if there are any funds to be rolled over) to complete the rollover template annexures A, B, C (see attached) and the rollover order lists (which must comprise of supplier name, order or invoice number, its date and amount). These must be submitted with the supporting documents (copies of orders and/or invoices) for approval by the Provincial Treasury **on or before 28 April 2023**.

The Provincial Treasury would thus like to advise departments to ensure that the following issues are attended to:-

2. PREPARATION OF FINANCIAL STATEMENTS

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- (i) A template to prepare the annual financial statements will be issued to Departments and is also available on the website <http://oag.treasury.gov.za>. This will assist in ensuring that the Financial Statements are properly and timely compiled.
- (ii) All suspense accounts should be cleared to zero by 31 March 2023 to enable departments to provide complete financial information on expenditure and revenue.
- (iii) Stock counts and reconciliation of assets between BAS and LOGIS systems must be performed.
- (iv) The expenditure management report should be scrutinized to ensure that all expenditure is properly allocated to the budget appropriated.
- (v) All the supporting documentation for all the transactions, and other important records, should be made available for audit purposes.

Attached is a checklist for other issues to be made available for audit purposes.
(Annexure A)

3. AUDIT PROCESS

Departments should ensure that the Audit Steering Committees are established at the beginning of the audit process. The terms of reference and the constitution of the Audit Steering Committee are outlined in **Annexure B**.

4. TRANSFER OF CASH AND CREDIT TRANSFERS FOR 31 MARCH 2023.

EQUITABLE SHARE AND CONDITIONAL GRANTS

Most of outstanding Equitable Share and Conditional Grants will be disbursed on the 23rd of March 2023.

NB. Departments are advised to closely monitor their cash flow on a daily basis. Payments should not be released prior to checking the availability of cash in the account to avoid overdraft. Care must also be exercised to minimise erroneous payments.

5. CLOSURE DATE OF BOOKS ON BASIC ACCOUNTING SYSTEM (BAS)

5.1 PRELIMINARY CLOSURE

Provincial Treasury has set **21 April 2023** as a day of closure and that date had been communicated and agreed with National Treasury. **All Departments are urged to close their books on or before 21 April 2023 and failure to that will result in a Department being forced closed.** When preliminary closure has been initiated, no journal can be posted to the closed year. The balances are confirmed and signed off by the Chief Financial Officer.

Any changes of the figures thereafter require an approval by both the Provincial Office of the Accountant-General and the Office of the Auditor-General. The two Offices must agree on the reasonability of the changes before the journals could be effected. Changes in the system should be performed by an official with post journal user identification.

5.2 AUDIT FINAL CLOSURE DATE ON BAS

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Final closure of the year is performed after the Auditor-General has issued the final audit report. After audit final closure, no changes can be made to any transactions in the BAS system for the financial year under review. Based on the above all Departments must perform the final audit closure on or before **31 October 2023**.

6 CUT OFF DATES FOR 2022/23 FINANCIAL YEAR

Date	Activity
13 March 2023 to 24 March 2023	<ul style="list-style-type: none">Follow up and settlements of all outstanding purchase ordersDe-commit incomplete purchase orders and clear commitments, which are not going to be paid in Logis and BAS.Upload all purchase orders to Invoice Tracking System
13 March 2023 to 24 March 2023	<ul style="list-style-type: none">Follow up and settlement of all outstanding invoicesUrging suppliers to submit their invoices through the suppliers' portal
24 March 2023	<ul style="list-style-type: none">Last date of creating new orders. No new orders must be created after this date
13 March 2023 to 28 March 2023	<ul style="list-style-type: none">Paying all outstanding and current invoices
28 March 2023	<ul style="list-style-type: none">Last day for payments to be processed for 2022/23 financial year. No payments must be processed after this day.Upload all payment stubs to invoice tracking system
31 March 2023 to 7 April 2023	<ul style="list-style-type: none">Logis will be down from 18H00 on the 31 March 2023 and be back on 7 April 2023 at 7H30 a.m.
21 April 2023	<ul style="list-style-type: none">Provincial Force Closure date of the financial year in BAS
31 May 2023	<ul style="list-style-type: none">Submission of AFS and performance report to Auditor-General
31 October 2023	<ul style="list-style-type: none">Final Audit Closure on BAS and all adjustment journals must be passed to BAS before closing for Final Audit Closure
16 March 2023 to 31 March 2023	<ul style="list-style-type: none">BAS will be available from 5H00am to 22H00 everyday including weekends and holidays except on Fridays where it will be available until 20H00

Regards;



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: ____/____/2023