



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Nokuthula Simelane Building, No. 7 Government Boulevard, Riverside Park Extension 2, Mbombela, 1200

Private Bag X 11205, Mbombela, 1200

Tel: 013 766 4572, Int: +27 (13) 766 4572

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : Ms J Bezuidenhout X 4519
Ref : MPT 13/4/4

PROVINCIAL TREASURY CIRCULAR NO. 1 OF 2020

TO:

**ACTING DIRECTOR GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA: VOTE 1:
(MR K MOHLASEDI)**

SECRETARY: PROVINCIAL LEGISLATURE OF MPUMALANGA: VOTE 2: (MR L MWALE)

HEAD: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

(MR P NYONI)

**ACTING HEAD: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND
ENVIROMENTAL AFFAIRS (MR LS MONARENG)**

HEAD: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR MS MTSWENI)

ACTING HEAD: VOTE 7: EDUCATION (MR JR NKOSI)

ACTING HEAD: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MS SP XULU)

HEAD: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIASON (MR W MTHOMBOTHI)

HEAD: VOTE 10: HEALTH (DR S MOHANGI)

HEAD: VOTE 11: CULTURE, SPORT AND RECREATION (MR GS NTOMBELA)

HEAD: VOTE 12: SOCIAL DEVELOPMENT (MR MV MAHLALELA)

HEAD: VOTE 13: HUMAN SETTLEMENT (MR K MASANGE)

**THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC GROWTH AGENCY
(MEGA): (MR XGS SITHOLE)**

**THE CHIEF EXECUTIVE OFFICER: MPUMALANGA ECONOMIC REGULATOR (MER):
(MR BJ MLAMBO)**

**THE CHIEF EXECUTIVE OFFICER: MPUMALANGA TOURISM AND PARKS AGENCY
(MTPA): (MR BJ NOBUNGA)**

**THE CHIEF EXECUTIVE OFFICER: MPUMALANGA REGIONAL TRAINING TRUST (MRTT):
(MR R OOSTHUIZEN)**

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

PREPARATION FOR THE YEAR-END AND AUDIT PROCESS: 2019/20

1. PURPOSE

The purpose of this Circular is to remind Accounting Officers / Authorities of certain processes to be undertaken to ensure that books are closed on time and Annual Financial Statements that are free of material misstatements are submitted to the Auditor-General as required.

2. LEGISLATION REQUIREMENTS

2.1 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.”

2.2 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.

2.3 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.

3. INTERIM FINANCIAL STATEMENTS

With reference to Provincial Circular No. 24 of 2019, Accounting Officers were requested to ensure that IFS are prepared and submitted as follows:

Period	Submission date
1 April to 30 June 2019	31 July 2019
1 July to 30 September 2019	31 October 2019
1 October to 31 December 2019	31 January 2020

PROVINCIAL TREASURY CIRCULAR NO. 1 OF 2020

Accounting Officers were also requested to ensure that the IFS are submitted to the internal auditors for review and the review report must be attached to the submissions to the Accounting Officer and Provincial Treasury.

4. CONTROL ACTIVITIES

As a minimum, the following should be adhered to in order to prepare for year-end:

- a) All suspense accounts should be cleared to zero in order to provide complete financial information on expenditure and revenue.
- b) Stock counts and reconciliation of assets between BAS and LOGIS systems must be performed.
- c) Reconciliation of assets, creditors, debtors and bank accounts must be performed.
- d) The expenditure management report should be scrutinized to ensure that all expenditure is correctly allocated to the budget appropriated.
- e) All transactions must be supported by valid and complete documentation.

5. ACTION PLANS

Accounting Officers / Authorities were also requested to prepare action plans for audit findings (Provincial Treasury Circular No. 37 of 2019) in order to address the internal control deficiencies that lead to the findings. These plans were reviewed and Provincial Treasury provided recommendations for improvement in some areas.

It will be appreciated if Departments and Public Entities could indicate the level of implementation of remedial actions as per their action plans by **20 January 2020**.

Your co-operation is appreciated.

Kind Regards,



MS GUGU MASHITENG
ACTING HEAD: PROVINCIAL TREASURY
DATE: 06/01 /2020