



PROVINCIAL TREASURY CIRCULAR NO. 8 OF 2024

TO:

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

2023/24 YEAR END REPORTING REQUIREMENTS

1. LEGISLATIVE 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

In terms of Section 65(1) of the PFMA, the Executive Authority responsible for the Department must table in the Provincial Legislature the annual report, Financial

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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 the Treasury Regulations: "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-

- a) the purpose for which the funds were appropriated;
- b) the reasons why the funds were not spent;
- c) proposed changes to the use of the funds, if any; and;
- d) 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 Division of Revenue Act (Act No. 5 of 2023), as amended, each vote with conditional grants must submit to Provincial Treasury:

- (i) The total amount of unspent funds for each relevant conditional grant as at 31 March 2024;
- (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), 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 applicable grant framework and submit their requests to the Provincial Treasury on or before **23 April 2024**.

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 30 April 2024**.

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2. PREPARATION OF FINANCIAL STATEMENTS

- a) The Departments should use Caseware system which also has a template to prepare the annual financial statements as issued by the National Treasury
- b) All suspense accounts should be cleared to zero by 31 March 2024 to enable Departments to provide complete financial information on expenditure and revenue.
- c) Stock counts and reconciliation of assets between BAS and LOGIS systems must be performed.
- d) The expenditure management report should be scrutinized to ensure that all expenditure is properly allocated to the budget appropriated.
- e) All the supporting documentation for all the transactions, and other important records, should be made available for audit purposes.

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 should be established in line with engagement letter from AGSA.

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

4.1 PRELIMINARY CLOSURE

Provincial Treasury has set **26 April 2024** 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 26 April 2024 and failure to do so will result in the 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.

4.2 AUDIT FINAL CLOSURE DATE ON BAS

Final closure of the year should be 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 2024**.

5. BPA E- LEAVE SYSTEM AUDIT PREPARATION

5.1 Cleanup of all faulty leave transactions on PERSAL – the following reports can be utilised for this purpose:

- a) Function 4.8.9 choice 7 (Leave records not captured); 8 (Leave records incomplete); and 9 (Faulty Leave Records);
- b) Function 7.11.6 – no vacation or sick leave utilised.

5.2 Cleanup of all pending leave transactions on BPA e-Leave System:

- a) All leave transactions for the period 1 April 2023 – 31 March 2024 that still have to be recommended or approved should be allocated to the responsible recommenders/ approvers to finalise the transactions.

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- b) All leave transactions still to be verified/reviewed and rejections managed should be allocated to HR to ensure that the transactions be finalised on BPA eLeave System.
- c) All leave transactions referred back to the initiator should be allocated to the respective managers of the employees to ensure that measures be instated to finalise these transactions as well.
- d) It is essential that all transactions are captured, recommended, and approved on or before 15 March 2024 to ensure that all transactions are interfaced to PERSAL.

6. CUT OFF DATES FOR 2023/24 FINANCIAL YEAR

Date	Activity
<ul style="list-style-type: none"> • 26 February to 07 March 2024 	<ul style="list-style-type: none"> • Follow up and settlements of all outstanding purchase orders • De-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
<ul style="list-style-type: none"> • 28 February to 11 March 2024 	<ul style="list-style-type: none"> • Follow up and settlement of all outstanding invoices • Urging suppliers to submit their invoices through the suppliers' portal
<ul style="list-style-type: none"> • 11 March 2024 	<ul style="list-style-type: none"> • Last date of creating new orders. No new orders must be created after this date
<ul style="list-style-type: none"> • 11 March to 25 March 2024 	<ul style="list-style-type: none"> • Paying all outstanding and current invoices
<ul style="list-style-type: none"> • 25 March 2024 	<ul style="list-style-type: none"> • Last day for payments to be processed for 2023/24 financial year. No payments must be processed after this day. • Upload all payment stubs to invoice tracking system • Last day of transferring funds to departments by MPT for 2023/24 financial year. Departments should ensure that these funds cater for all claims, creditors and salaries up to 31 March 2024.
<ul style="list-style-type: none"> • 25 March 2024 	<ul style="list-style-type: none"> • Last day for supplementary runs in Persal. No special runs will be permitted after this date for 2023/24 financial year
<ul style="list-style-type: none"> • 25 March 2024 	<ul style="list-style-type: none"> • Last day to transfer funds to departments.
<ul style="list-style-type: none"> • 01 April 2024 to 08 April 2024 	<ul style="list-style-type: none"> • Logis downtime from 15H30 on 1 April 2024 and Resume on 8 April 2024 at 7H30 a.m.
<ul style="list-style-type: none"> • 08 April 2024 	<ul style="list-style-type: none"> • Year-end closure transactions for Vulindlela reporting • Transactions must be finalised for Vulindlela reporting purposes
<ul style="list-style-type: none"> • 11 April 2024 • 15 April 2024 	<ul style="list-style-type: none"> • First day of capturing payments in BAS and Logis • First supplementary run for 2024/25 financial year in Persal.
<ul style="list-style-type: none"> • 26 April 2024 	<ul style="list-style-type: none"> • Provincial Force Closure date of the financial year in BAS
<ul style="list-style-type: none"> • 31 May 2024 	<ul style="list-style-type: none"> • Submission of AFS and performance report to Auditor-General

NB: Departments must note that Logis and BAS will not be available for payments / disbursement purposes from 26 March 2024 to 10 April 2024. Reports and reconciliation may be done during this period.

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PERSAL runs will be stopped after 28 March 2024 and be opened from 15 April 2024. Departments are urged to inform all of their stakeholders about this which includes but not limited to suppliers and employees.

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 OVERDRAFTS. CARE MUST ALSO BE EXERCISED TO MINIMISE ERRONEOUS PAYMENTS.

Regards



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 04/05/2024