



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS
HEAD OFFICIALS OF PROVINCIAL TREASURIES
PROVINCIAL ACCOUNTANTS-GENERAL**

NATIONAL TREASURY INSTRUCTION NO. 05 OF 2014/2015

MONTH-END CLOSURE PROCEDURES FOR 2015/16

1. PURPOSE

1.1. The purpose of this Treasury Instruction is to prescribe the month end closure procedures for departments to meet the reporting requirements:

- (a) in terms section 32 of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999); and
- (b) for interim financial statements.

2. BACKGROUND

2.1 Chapter 5 of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), prescribes the responsibilities of accounting officers. Section 40 (4) (b) and (c) of the PFMA requires that departments must, within 15 days of the end of each month, submit to the relevant treasury and the executive authority responsible for that department:

- (a) actual revenue and expenditure for the preceding month;
- (b) anticipated revenue and expenditure for the current month;
- (c) a projection of expected expenditure and revenue collection for the remainder of the current financial year; and
- (d) when necessary, an explanation of any material variances, and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

3. MONTH END CLOSURES

3.1. Section 40 (1) (a) of the PFMA, requires accounting officers to maintain full and proper records of the financial affairs of the department in accordance with any prescribed norms and standards. To ensure the completeness and accuracy of the information supplied in terms of section 40 (4) (b) and (c) of the PFMA, all accounting officers must certify in the format of the enclosed **Annexure A** that they have complied with the minimum financial management performance indicators contained in the enclosed **Annexure B**. This certificate must be completed before the closure of

each accounting month and must be signed by both the chief financial officer and the accounting officer before its submission to the relevant treasury.

- 3.2. For national departments, the certificate referred to in paragraph 3.1 must be delivered to the National Treasury's Office of the Accountant-General, 17th Floor 240 Madiba Street for the attention of the responsible cluster official referred to in the enclosed **Annexure F**.
- 3.3. If an accounting officer is unable to comply with any of the minimum prescribed financial performance indicators reflected in **Annexure B**, that accounting officer must report the non-compliance and reasons therefore to the relevant treasury. The aforementioned report must include action plans with timeframes to address the non-compliance of the performance indicators reflected in **Annexure A**.
- 3.4. The month-end closure dates for the 2015/16 financial year are contained in the enclosed **Annexure C**. Departments must align these dates with their departmental processes in order to ensure that their month-end closures can occur on or before these dates. The National Treasury will force close general ledgers that are still open by the closing dates as contained in **Annexure C**.
- 3.5. National departments must adhere to the final dates, as contained in the enclosed **Annexure D**, for closure of their Paymaster General Accounts (PMG). Bank statements **on these accounts** also become available on these final dates. This information must be used in conjunction with the month-end closure dates.
- 3.6. National departments must report all unknown or erroneous items arising from banking interfaces immediately to the Office of the Accountant-General either via e-mail to pmg.safetynet@treasury.gov.za or by fax to 012 323 8247.
- 3.7. Provincial departments must follow the reporting requirements as determined by their respective provincial treasuries and such reports must be submitted to the relevant provincial treasuries no later than the dates indicated in the enclosed **Annexure C**.
- 3.8. Provincial departments must immediately report all unknown or erroneous items arising from banking interfaces to their respective provincial treasuries.

4. BANK RECONCILIATIONS

- 4.1. The accounting officer must ensure that his or her department performs daily bank reconciliations to detect unauthorised transactions.
- 4.2. The chief financial officer must review all bank reconciliations for the reporting month to ensure that unauthorized transactions are detected and that dishonored cheques and long outstanding amounts are followed up and cleared.
- 4.3. The chief financial officer must approve all bank reconciliations by appending his or her signature thereto which shall confirm his or her concurrence and approval thereof.
- 4.4. Amendments to the Bills of Exchange Act, 1964 (Act No. 34 of 1964) relating to non-transferrable cheques require that departments take care of their warrant vouchers or cheques, whichever applicable.

5. USE OF CLEARING AND SUSPENSE ACCOUNTS

- 5.1. Paragraph 17.1.2 of the Treasury Regulations makes provision for departments, in exceptional cases, to account for revenue and expenditure in a clearing or suspense account.
- 5.2. In instances where a department has accounted for revenue and expenditure in a clearing or suspense account and the classification has not been resolved, the accounting officer must ensure that paragraph 13 of **Annexure B** is complied with.

6. INTERIM FINANCIAL STATEMENTS (IFS)

- 6.1. This Treasury Instruction hereby repeals National Treasury Instruction No. 3 of 2013/2014. The National Treasury will annually issue reporting requirements for Interim Financial Statements (IFS).
- 6.2. For the 2015/2016 financial year, departments must compile Interim Financial Statements for the periods ending:
- (a) 30 June 2015;
 - (b) 30 September 2015; and
 - (c) 31 December 2015.
- 6.3. Accurate and completed Interim Financial Statements templates must be submitted to the relevant treasury within 30 days after the end of the period referred to in paragraph 6.2 above
- 6.4. Departments are not required to complete Interim Financial Statements for the period ending 31 March 2016 but are still required to complete the Annual Financial Statement (year-end) template for the period ending 31 March 2016. This template is available on the website of the Office of the Accountant-General via the following link:
- <http://oag.treasury.gov.za/Publications/Forms/AllItems.aspx>.
- 6.5. Accounting officers must complete and sign the letter, in the format contained in the enclosed **Annexure E**, confirming the accuracy and completeness of the Interim Financial Statements to be submitted.
- 6.6. National departments must submit their Interim Financial Statements to the Office of the Accountant-General for the attention of the responsible cluster official referred to in the enclosed **Annexure F**. Provincial departments must submit their Interim Financial Statements to their respective Provincial Accountant-General.
- 6.7. Upon the annual issuing of the Interim Financial Statements template, the National Treasury will provide guidance to departments on the completion thereof.
- 6.8. The Interim Financial Statements template for 2015/16 will be issued by no later than 30 June 2015.

7. APPLICABILITY

- 7.1. This *Treasury Instruction* applies to all departments and failure to comply with its contents shall be regarded as financial misconduct in terms of section 81(1) (a) of the PFMA.

8. EFFECTIVE DATE

- 8.1. This *Treasury Instruction* takes effect from 1 April 2015.

9. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

- 9.1. Head officials of provincial treasuries are requested to bring the contents of this *Treasury Instruction* to the attention of all accounting officers of departments in their respective provinces.

10. AUTHORITY FOR THIS INSTRUCTION

- 10.1 This *Treasury Instruction* is issued in terms of sections 76(2) (j) of the PFMA.

11. CONTACT INFORMATION

Enquiries related to this *Treasury Instruction* may be directed to:

Ms Lizette Labuschagne
Director: Accounting Support and Reporting
Phone: 012 315 5781
E-Mail: Lizette.Labuschagne@treasury.gov.za


MICHAEL SASS
ACCOUNTANT-GENERAL

DATE: 2 FEBRUARY 2014

ANNEXURE A

CERTIFICATE OF COMPLIANCE WITH FINANCIAL MANGEMENT PERFORMANCE INDICATORS IN ACCORDANDE WITH THE REQUIREMENTS OF THE PUBLIC FINANCE MANAGEMENT ACT, PFMA (Act No.1 of 1999)

- ❖ FROM (Name of Department): _____
- ❖ TO (Relevant Treasury): _____
- ❖ WHEN REQUIRED (Month-end closure date): _____
- ❖ WHEN DUE (10 days after month-end closure date): _____
- ❖ PAYMASTER-GENERAL ACCOUNT NUMBER: _____

Please attach reason/comments and action plans with the time frames to address non-compliance with the minimum financial management performance indicators reflected in **Annexure B**.

PERFORMANCE INDICATOR NUMBER	REASONS/ COMMENT FOR NON-COMPLIANCE	ACTION PLANS	TIME FRAMES

The Bank Reconciliation for all bank accounts for the reporting month has been performed as at (date)_____and copies thereof are attached (Do not attach any other documentation).

SIGNATURE: _____
DATE: _____ CHIEF FINANCIAL OFFICER PRINT NAME _____

SIGNATURE: _____
DATE: _____ ACCOUNTING OFFICER PRINT NAME _____

MINIMUM FINANCIAL MANAGEMENT PERFORMANCE INDICATORS TO BE COMPLIED WITH:

1. All transactions are supported by authentic and verifiable source documents.
2. All deposits and receipts have been recorded in the General Ledger of the department and reconciled.
3. All departmental revenue has been paid timeously to the National Revenue Fund.
4. All Cheques/Warrant vouchers/Electronic fund transfer (EFT)/Bank credits have been recorded in the General Ledger of the department and the EFT control account has been reconciled.
5. The bank adjustment/exception account has been reconciled.
6. All bank reconciliations have been performed and reconciling items have been cleared.
7. All interfaces for the month have taken place and have been reconciled.
8. All journals have been recorded and authorised on the financial system of the department.
9. All Inter-departmental balances and debts have been recorded, confirmed, reconciled and paid within the prescribed or agreed period.
10. All staff debts have been recorded and reconciled.
11. All Division of Revenue Act (DoRA) reporting requirements have been adhered to.
12. The budget as per the Estimates of National Expenditure (ENE) or adjusted ENE has been captured on the financial system as prescribed in the ENE in terms of the Standard Chart of Accounts (SCOA). The budget on the financial system has been reconciled to the ENE or adjusted ENE.
- 13. Control and Suspense Accounts**
 - 13.1 All supporting documentation are readily available.
 - 13.2 Monthly reconciliation of all control or suspense accounts is performed to identify and confirm balances as recorded in the confirmation letters issued and received
 - 13.3 Amounts included in control or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis.
 - 13.4 Reports of uncleared items are provided to the Accounting Officer and followed up by the Chief Financial Officer on a monthly basis.

MONTH-END CLOSURE DATES FOR THE 2015/2016 FINANCIAL YEAR, TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT

ACCOUNTING MONTH	CLOSURE DATES
MARCH 2015 - Reporting to Vulindlela	2015/04/06(no month/year close transaction)
MARCH 2015 – PRELIMINARY	2015/04/30
APRIL 2015	2015/05/07
MAY 2015	2015/06/08
JUNE 2015	2015/07/07
JULY 2015	2015/08/06
AUGUST 2015	2015/09/07
SEPTEMBER 2015	2015/10/06
OCTOBER 2015	2015/11/06
NOVEMBER 2015	2015/12/07
DECEMBER 2015	2016/01/07
JANUARY 2016	2016/02/08
FEBRUARY 2016	2016/03/08
MARCH 2016 - Reporting to Vulindlela	2016/04/06 no month/year close transaction)
MARCH 2016 – PRELIMINARY	2016/05/02

Please note: for BAS Departments:

The PRELIMINARY close for March must be dealt with in accordance with the prescripts as detailed in **BAS notice 1 of 2015**.

NATIONAL DEPARTMENTS ONLY**SCHEDULE ON THE CLOSURE OF PAYMASTER-GENERAL ACCOUNTS**

ACCOUNTING MONTH	PMG CLOSURE DATE (END OF DAY)	FINAL DATES FOR AVAILABILITY OF BANK STATEMENTS
MARCH 2015	2015/04/01	2015/04/02
APRIL 2015	2015/05/04	2015/05/05
MAY 2015	2015/06/01	2015/06/02
JUNE 2015	2015/07/01	2015/07/02
JULY 2015	2015/08/03	2015/08/04
AUGUST 2015	2015/09/01	2015/09/02
SEPTEMBER 2015	2015/10/01	2015/10/02
OCTOBER 2015	2015/11/02	2015/11/03
NOVEMBER 2015	2015/12/01	2015/12/02
DECEMBER 2015	2016/01/04	2016/01/05
JANUARY 2016	2016/02/01	2016/02/02
FEBRUARY 2016	2016/03/01	2016/03/02
MARCH 2016	2016/04/01	2016/04/04

PLEASE NOTE: The final dates for availability of bank statements are subject to:

- ❖ Receiving of daily Statement from South African Reserve Bank (SARB) and cashed Warrant Vouchers from ACB for different CLC centers; and
- ❖ The bank statements will be available on above-mentioned dates after 14h00.

< Insert Departmental Letterhead >

CONFIRMATION OF THE ACCURACY AND COMPLETENESS OF THE INTERIM FINANCIAL STATEMENTS SUBMITTED TO THE RELEVANT TREASURY

TO:¹ **DATE:**

INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING 30 JUNE 2015

I hereby acknowledge that the Interim Financial Statements (IFS) of², have been submitted to the³ as required in terms of National Treasury Instruction No. 5 of 2014/2015.

I acknowledge my responsibility for the accuracy and completeness of the accounting records and the fair presentation of the Interim Financial Statements and confirm, to the best of my knowledge and belief, the following:

- (a) the Interim Financial Statements have been prepared in accordance with the Modified Cash Standards and the relevant guidelines issued by the National Treasury.
- (b) the Interim Financial Statements are complete and accurate.
- (c) all amounts appearing on the Interim Financial Statements have been cast and cross-cast.
- (d) the Interim Financial Statements are free from material misstatements, including omissions; and
- (e) accounting estimates are reasonable in the circumstances.

Yours faithfully

Accounting Officer

¹ The letter should be addressed to relevant treasury (national treasury or provincial treasury).

² Insert the name of the department.

³ Insert the relevant reference, for example for national and provincial treasury.

NAME OF RESPONSIBLE CLUSTER OFFICIAL:

Herewith the details of the responsible cluster official:

NAME OF CLUSTER	RESPONSIBLE OFFICIAL	CONTACT DETAILS
Central Government Administration	Thokozile Motsweni	(012) 315 5233
Financial and Administrative Services	Keitumetsi Malebye	(012) 315 5989
Justice, Crime Prevention and Security	Star Kafu	(012) 315 5763
Social Services	Thomas Matjeni	(012) 315 5792
Economic Services and Infrastructure Development	John Watson	(012) 315 5590