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**ALL ACCOUNTING OFFICERS – NATIONAL AND PROVINCIAL DEPARTMENTS
HEADS OF PROVINCIAL TREASURY'S
PROVINCIAL ACCOUNTANT-GENERALS**

OFFICE OF ACCOUNTANT-GENERAL PRACTICE NOTE 10 OF 2002:

**MONTH CLOSURE PROCEDURES FOR 2002/03, TO MEET THE REPORTING
REQUIREMENTS IN TERMS OF SECTION 32 OF THE PUBLIC FINANCE
MANAGEMENT ACT**

1. Chapter 5 of the Public Finance Management Act (Act 1 of 1999), prescribes the responsibilities of Accounting officers in respect of financial reporting. Section 40 (4)(c) requires that an Accounting Officer for a department must, within 15 days of the end of each month, submit to the relevant treasury and the executive authority responsible for that department:
 - The information for that month;
 - A projection of expected expenditure and revenue collection for the remainder of the current financial year; and
 - 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.

2. In order to comply with the above requirements, Annexure A reflects the final dates for month closures of the 2002/2003 fiscal year.
3. All Accounting officers must certify on a monthly basis, before the closure of the accounting month, compliance to the following financial management performance indicators:
 - The recording of all issued cheques in the General ledger;
 - The recording of all deposits in the General ledger;
 - The recording of all receipts in the General ledger;
 - The recording of all journals;
 - That all interfaces for the month have taken place, and have been reconciled; and
 - That a bank reconciliation has taken place.

The above certification must be supplied to the relevant treasury for the attention of the Accountant-General.

4. In addition to the above, compliance to the following requirements of Paragraph 17.1 of Part 7 of the National Treasury Regulations, must also be certified:
 - 4.1 That all the transactions of an institution are supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation;
 - 4.2 That in all exceptional cases, where it is necessary to account for revenue and expenditure transactions in a control account because the classification has not been resolved, that the accounting officer, or his/her designate, ensured that-
 - The sources of the transactions are readily identifiable;
 - Amounts included in the control accounts are cleared each month, and correctly allocated to the relevant cost centers;
 - Monthly reconciliations are performed to confirm the balance of each account; and
 - Reports are provided on monthly basis to the Chief Financial Officer about uncleared items.
5. The dates on Annexure A reflects the final dates on which month closure will be enforced by the National Treasury. Departments and Provinces must align their departmental processes to ensure that month closure can occur on or before these dates.

6. Annexure B lists the final closure dates of the National Paymaster-General accounts as well as the reconciliation dates for the Paymaster-General. This information must be used in conjunction with the month-closure dates.
7. All National and Provincial Departments must ensure that bank reconciliations are performed on a daily basis. This is critical in terms of the amendments to the Bills of Exchange Act, regarding non-transferable cheques which requires departments to take care of their warrant vouchers, scrutinize statements to detect unauthorized debits, and ensure timeous bank reconciliations. Please note that banks can no longer be held liable for forged or altered cheques or unauthorized debits where these transactions are facilitated by negligence of the department.

Your co-operation in this regard, is highly appreciated

ISMAIL MAMOOJEE
ACCOUNTANT-GENERAL
Date:

Annexure A

**IMPLEMENTATION SCHEDULE FOR MONTH-END CLOSURES FOR THE
2002/03 FISCAL YEAR, TO MEET THE REPORTING REQUIREMENTS IN
TERMS OF SECTION 32 OF THE PUBLIC FINANCE MANAGEMENT ACT**

ACCOUNTING MONTH	ALL DATES REFLECT CLOSE OF BUSINESS
March 2002 Preliminary	5 April 2002
March 2002 Final	26 April 2002
April 2002	6 May 2002
May 2002	7 June 2002
June 2002	5 July 2002
July 2002	7 August 2002
August 2002	6 September 2002
September 2002	7 October 2002
October 2002	7 November 2002
November 2002	6 December 2002
December 2002	7 January 2003
January 2003	7 February 2003
February 2003	7 March 2003
March 2003 Preliminary	7 April 2003
March 2003 Final	25 April 2003

Annexure B

SCHEDULE ON THE CLOSURE OF PAYMASTER-GENERAL ACCOUNTS
(National Departments only)

MONTH END	PMG CLOSURE DATE	RECONCILIATION DATE
April 2002	2 May 2002	3 May 2002
May 2002	3 June 2002	4 June 2002
June 2002	1 July 2002	2 July 2002
July 2002	1 August 2002	2 August 2002
August 2002	2 September 2002	3 September 2002
September 2002	1 October 2002	2 October 2002
October 2002	1 November 2002	4 November 2002
November 2002	2 December 2002	3 December 2002
December 2002	2 January 2003	3 January 2003
January 2003	3 February 2003	4 February 2003
February 2003	3 March 2003	4 March 2003
March 2003	2 April 2003	3 April 2003