

ANNEXURE A

PROCEDURE FOR THE TREATMENT OF IRREGULAR EXPENDITURE: DEPTS, GOV COMPONENTS, TRADING ENTITIES AND CONSTITUTIONAL INSTITUTIONS

Irregular expenditure discovered by the Accounting Officer (AO) and the Auditor-General.



AO must immediately report in writing in terms of sec 38(1) (g) to the relevant treasury and in the case of a department in terms of TR 9.1.2 in the monthly report as required in terms of sec 40(4)(b).



AO must take appropriate disciplinary steps [sec 38 (1) (h) of the PFMA and TR9.1.3].



If appropriate, forward a detailed submission to the National Treasury or the relevant authority to request condonation of non-compliance with the PFMA or other legislation respectively.



If the irregular expenditure is not condoned, the AO must recover the amount from the person who is liable in law in terms of TR 12.7.



If the irregular expenditure is irrecoverable from the person who is liable in law, the AO may write off the amount in terms of TR 11.4. All amounts written off must be recorded in the relevant note to the annual financial statements.



If the irregular expenditure is irrecoverable and there is no person who is liable in law, the AO may write of the amount.



All irregular expenditure must be recorded as a note to the annual financial statements. This note must include particulars of amounts condoned by the relevant authority in the same financial year and/or before finalisation of the annual financial statements.

ANNEXURE B

PROCEDURE FOR THE TREATMENT OF IRREGULAR EXPENDITURE: PUBLIC ENTITIES

Irregular expenditure discovered by the Accounting Authority (AA) and the Auditor-General.



AA must immediately submit particulars of irregular expenditure to the relevant treasury [sec 54(1) of the PFMA].



AA must take appropriate disciplinary steps [sec 51(1) (e) of the PFMA].



If appropriate, forward a detailed submission to the National Treasury or the relevant authority to request condonation of non-compliance with the PFMA or other legislation respectively.



If the irregular expenditure is not condoned, the AA must recover the amount from the person who is liable in law.



If the irregular expenditure is irrecoverable from the person who is liable in law, the AA may write off the amount and record such in the notes to the annual financial statements.



If the irregular expenditure is irrecoverable and there is no person who is liable in law, the AA may be write off the amount in line with the policies and procedures of the public entity.



All irregular expenditure must be recorded as a note to the annual financial statements. This note must include particulars of amounts condoned by the relevant authority in the same financial year and/or before finalisation of the annual financial statements.