



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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**To: All Accounting Officers
Heads of Provincial Treasury's
Provincial Accountants General**

OFFICE OF ACCOUNTANT-GENERAL PRACTICE NOTE 13 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. This replaces Practice Note 10, dated 18 February 2002. Please note the amended month closure dates.
2. 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 departments 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.

3. All Accounting officers must certify on a monthly basis, before the closure of the accounting months, 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.
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 centres;
 - monthly reconciliations are performed to confirm the balance of each account; and
 - reports are provided on a monthly basis to the Chief Financial Officer about uncleared items.
5. To ensure uniformity in respect of the certification, a pro forma certificate has been designed that should be used by all departments. The certificate must be completed and signed by the Accounting Officer, and be submitted monthly to the relevant Treasury. (Please see Annexure A).
6. Annexure B reflects the final dates for month closures for 2002/2003 financial year. The dates on this annexure reflect 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.
7. Annexure C lists the final dates on which the relevant Paymaster-General accounts will close, as well as the dates for the subsequent Paymaster-General reconciliation. This information is only applicable to National Departments, and must be used in conjunction with the month-closure dates.

8. All National and Provincial Departments must ensure that bank reconciliation is 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, to scrutinise statements to detect unauthorised debits, and ensure timeous bank reconciliation. Please note that the proposed amendment to the Act is that banks can no longer be held liable for forged or altered cheques, where the forgery or alterations was facilitated by negligence of the department.

Your co-operation in this regard, is highly appreciated.



ISMAIL MAMOOJEE
ACCOUNTANT-GENERAL

DATE: 18 April 2002

ANNEXURE A

CERTIFICATE OF COMPLIANCE TO THE FINANCIAL MANAGEMENT PERFORMANCE INDICATORS IN ACCORDANCE WITH THE REQUIREMENTS OF THE PUBLIC FINANCE MANAGEMENT ACT, 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: _____

Control process for receipt

I hereby certify that the under-mentioned financial management performance indicators as prescribed have been complied with:

TYPE OF TRANSACTION	COMPLIANCE STATE YES/NO
All deposits have been recorded in the General Ledger of the department.	
All cheques / warrant vouchers / EFT's / BCT's have been recorded in the General Ledger of the department.	
The Bank adjustment / exception account has been reconciled.	
The EFT control accounts have been reconciled.	
All receipts have been recorded in the General Ledger and have been reconciled.	
All journals have been recorded and authorised on the Financial System.	

Should the performance indicator reflect a NO, please attach reason / comments.

All interfaces for the month have taken place and have been reconciled, except for;

The Bank Reconciliation for the month has been done as at _____
and a copy is attached.

Suspense items in Control Accounts

In terms of paragraph 17.1 of the Treasury Regulations it is confirmed that:

- the sources of the transactions are readily identifiable;
- amounts included in clearing or suspense accounts are cleared and correctly allocated to the relevant cost centres on a monthly basis;
- monthly reconciliations are performed to confirm the balance of each account; and
- reports are provided to the accounting officer about uncleared items on a monthly basis.

SIGNATURE:

ACCOUNTING OFFICER

DATE:

ANNEXURE B

**IMPLEMENTATION SCHEDULE FOR MONTH-END CLOSURES
FOR THE 2002/2003 FISCAL YEAR,
TO MEET THE REPORTING REQUIREMENTS IN TERMS OF SECTION 32
OF THE PUBLIC FINANCE MANAGEMENT ACT**

ACCOUNTING MONTH	*CLOSURE DATES
MARCH 2002 – Reporting to Vulindlela	2002/04/05 (no month / year close transaction)
MARCH 2002 - PRELIMINARY	2002/04/30
APRIL 2002	2002/05/06
MAY 2002	2002/06/07
JUNE 2002	2002/07/05
JULY 2002	2002/08/07
AUGUST 2002	2002/09/06
SEPTEMBER 2002	2002/10/07
OCTOBER 2002	2002/11/07
NOVEMBER 2002	2002/12/06
DECEMBER 2002	2003/01/07
JANUARY 2003	2003/02/07
FEBRUARY 2003	2003/03/07
MARCH 2003 - Reporting to Vulindlela	2003/04/07 (no month / year close transaction)
MARCH 2003 - PRELIMINARY	2003/04/30

*i) The dates reflect close of business for that day.

ii) The dates are the latest possible closure date, however departments can close earlier.

Please note: For FMS Department:

The departments submit the PRELIMINARY close for March on or before the given date.

Any adjustments to the totals for March may be corrected through the distribution quoted in the 4-digit parameter position 2.

After the Office of the Auditor-General approves the financial statements, the department must authorise the FMS project to submit the final close transaction (Financial Management Circular 487' 2002).

For BAS Departments:

The departments submit the FINAL close for March on or before the given date.

Access will be restricted to specified users within each department. Changes or adjustments to a closed month will only be allowed through adjustment journals.

After the Office of the Auditor-General approves the financial statements, March 2002 would be finally closed, no further adjustment journals will be permitted thereafter.

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

ACCOUNTING MONTH	PMG CLOSURE DATE (END OF DAY)	FINAL DATES FOR AVAILABILITY OF BANK STATEMENTS
March 2002 - Preliminary	2002/04/01	2002/04/03
March 2002 – Final	2002/04/01	2002/04/03
April 2002	2002/05/02	2002/05/03
May 2002	2002/06/03	2002/06/04
June 2002	2002/07/01	2002/07/02
July 2002	2002/08/01	2002/08/02
August 2002	2002/09/02	2002/09/03
September 2002	2002/10/01	2002/10/02
October 2002	2002/11/01	2002/11/04
November 2002	2002/12/02	2002/12/03
December 2002	2003/01/02	2003/01/03
January 2003	2003/02/03	2003/02/04
February 2003	2003/03/03	2003/03/04
March 2003 – Preliminary	2003/04/02	2003/04/03
March 2003 - Final	2003/04/02	2003/04/03

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

- Receiving of ACB tapes on time,
- The bank statements will be available on above-mentioned dates after 14h00.