

# PFMA COMPLIANCE REPORTING

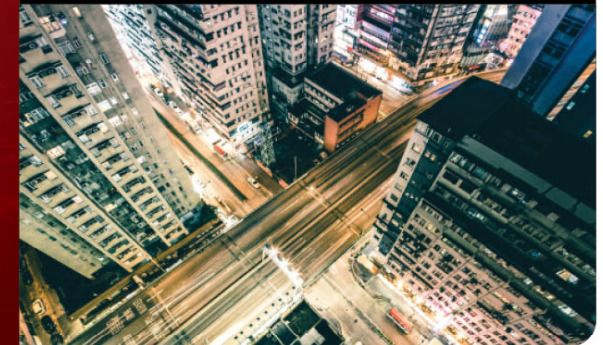
REVISED PROCESS

PRESENTED BY:

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*Office of the  
Accountant-General*

09 June 2022



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



**STAY  
SAFE**

VACCINATE TO SAVE SOUTH AFRICA

# PFMA COMPLIANCE REPORT

## SCOPE

The report covers the following:

- Recognition criteria for UIF &WE
- Assessment, determination and investigations and revised timeframes
- Approval process of UIF &WE
- Recovery process
- Financial misconduct
- Quarterly reporting
- Disclosure in the annual financial statements
- Recording in annual reports (UIF&WE, late payment of suppliers and SCM information)

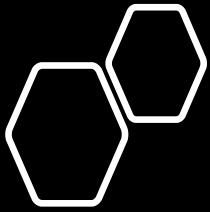
# REVISED VERSION

## The following inclusions are made:

- Additional definitions
- Recognition criteria for inter-institutional arrangements
- Principles of impracticability judgment
- Recognition criteria for unauthorised expenditure
- Completion of assessment and determination process
- Approval process for unauthorised expenditure

## The following revisions/expansions are made

- Expanded on the definition of relevant authority (condoning authority)
- Revision of the condonation framework
- Quarterly reporting (REGISTERS) as opposed to monthly IYM reporting process - [PFMAComReports@Treasury.gov.za](mailto:PFMAComReports@Treasury.gov.za) – transitional arrangement for the 1<sup>st</sup> quarter of 2022



# DETAILED REPORTING MOVED FROM THE AFS TO THE ANNUAL REPORT GUIDE

## WHAT MOVED TO THE ANNUAL REPORT GUIDE

- UIF&WE under assessment, determination and investigations
- Condonations, recoveries and write off's
- Losses from criminal conduct
- Additional reconciliations
- Additional narratives

### Old Format - AFS note

	Note	2021/22	2020/21
<b>31 Irregular Expenditure</b>			
<b>31,1 Reconciliation of irregular expenditure</b>			
Opening balance			
Prior period error			
<b>As restated</b>			
Add: Irregular expenditure - relating to prior year			
Add: Irregular expenditure - relating to current year			
Less: Prior year amounts condoned			
Less: Current year amounts condoned			
Less: Prior year amounts not condoned and removed			
Less: Current year amounts not condoned and removed			
Less: Amounts recoverable (current and prior year)			
Less: Amounts written off			
<b>Closing balance</b>			

### New Format - AFS note

	Note	2022/23	2021/22
<b>30 Unauthorised, Irregular and Fruitless and Wasteful Expenditure</b>			
Unauthorised expenditure			
Irregular expenditure			
Fruitless and wasteful expenditure			

### New Format - Compliance Report Note (Annual Report)

Annual Report Guide from 2022-23 in addition to PFMA Compliance Report

	2022/23	2021/22
<b>Irregular Expenditure</b>		
Opening balance		
Add: Irregular expenditure confirmed		
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recovered and written off		
<b>Closing balance</b>		

**DETAILED  
REPORTING MOVED  
FROM THE AFS TO  
THE ANNUAL REPORT  
GUIDE**

**Fruitless and Wasteful Expenditure**

**2022/23**

**2021/22**

Opening balance

Add: Fruitless & Wasteful expenditure confirmed

Less: Fruitless and Wasteful Expenditure recovered

Less: Fruitless and Wasteful Expenditure written off

**Closing balance**

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**Unauthorised Expenditure**

**2022/23**

**2021/22**

Opening balance

Add: Unauthorised expenditure confirmed

Less: Unauthorised expenditure approved with funding

Less: Unauthorised expenditure approved without funding

Less: Unauthorised expenditure recovered

Less: Unauthorised expenditure not recovered and written off

**Closing balance**

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**Reconciliation additional for the Compliance Report Note**

**Confirmed Irregular Expenditure**

2022/23

2021/22

Irregular expenditure (transgressions) under assessment in 2021/22

Irregular expenditure (transgressions) relating to (prior year) 2021/22 but identified in 2022/23

Irregular expenditure for the current year 2022/23

**Confirmed Fruitless and Wasteful Expenditure**

2022/23

2021/22

Fruitless and wasteful expenditure under assessment in 2021/22

Fruitless and wasteful expenditure relating to (prior year) 2021/22 but identified in 2022/23

Fruitless and wasteful expenditure for the current year 2022/23

**Confirmed Unauthorised Expenditure**

2022/23

2021/22

Unauthorised expenditure under assessment in 2021/22

Unauthorised expenditure relating to (prior year) 2021/22 but identified in 2022/23

Unauthorised expenditure for the current year 2022/23

**Addition  
information on  
the annual  
report guide**

**Reconcile to the AFS  
disclosure**

# STATUS OF THE PFMA COMPLIANCE REPORT

- The Compliance Report is in its final stage after incorporation of comments
- To be published in June 2022
- Alignment with the Specimen and annual report guide (UIF&WE)
- Transitional arrangements for the 1<sup>st</sup> quarter reporting in 2022

**THANK YOU**