

PUBLIC ENTITIES CFO FORUM

PFMA COMPLIANCE REPORTING

PRESENTED BY:

Governance Monitoring and
Compliance Chief Directorate

Division: OAG-GMC

Date: 29 November 2022



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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COMPLIANCE REPORTING



2022 PFMA

PUBLIC FINANCE MANAGEMENT ACT COMPLIANCE REPORTING



national treasury

Department:
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Outline

1. Chapters in the consolidated Compliance report
2. Cross walk to the changes
3. Quarterly Reporting
4. Annual report disclosure
5. Annual financial statement disclosure

CHAPTERS IN THE COMPLIANCE REPORT

- Chapter 1- definitions
- Chapter 2- purpose and application
- Chapter 3- discovery and recognition
- Chapter 4- assessment, determination and investigations
- Chapter 5 – approval process
- Chapter 6 – recovery process
- Chapter 7- financial misconduct
- Chapter 8- quarterly and AFS reporting
- Chapter 9- annual report disclosures
- Appendix A,B,C,D & E – UIF&WE, Information on late payment of suppliers and information on supply chain management registers

CROSSWALK TO CHANGES

- Combined unauthorised guideline and frameworks on irregular and fruitless and wasteful expenditure into one document - PFMA Compliance Reporting
- Definition of relevant authority expanded to include specific cases where the accounting officer/authority can consider condonation
- Included definition of mandated institutions and budget holder
- Included timeframes disputed matters under:
 - Assessment
 - Determination
- Included impracticability judgement

CROSSWALK TO CHANGES

- Under condonation deleted “confirmed investigations on fraudulent, corrupt or criminal acts” – as long as those investigations have started- this means that condonations may be granted on condition that supporting documents are submitted indicating the outcome of the investigation
- Amended disciplinary section to reflect “actions taken and actions underway”
- IE & F&WE reports (registers) to be submitted quarterly – does not follow the In-Years-Monitoring process anymore

CROSSWALK TO CHANGES

- National entities will report to the National Treasury and provincial entities will report to their relevant treasuries, this means that provinces treasuries can issue an instruction expanding on the reporting requirements
- Amended the register as contained in Appendix A,B & C
- Included Appendix D & E , Information on late payment of suppliers and information on supply chain management registers

Irregular expenditure is recorded in the notes to the financial statements when confirmed.

- IE that was under assessment in the previous financial year;
- IE relating to previous financial year and identified in the current year; and
- IE incurred in the current year.

Losses emanating from irregular expenditure are recognised in the statement of financial position as receivables, measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure with no losses are disclosed in the annual report and condoned by the relevant authority if there are no alleged criminal acts

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed.

- F&WE that was under assessment in the previous financial year;
- F&WE relating to the previous financial year and identified in the current year; and
- F&WE incurred in the current year.

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position, measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.



2022 PFMA
**QUARTERLY
REPORTING GUIDELINE**
on PFMA Compliance Reporting



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REPUBLIC OF SOUTH AFRICA



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[LINK:](#)

PFMAComReports@Treasury.gov.za

For the financial year 2022/2023 transitional arrangements prescribed in Instruction No. 3 of 2022/2023 will be followed, thereafter submission of reports must follow the submission timeframes indicated in the guideline

Other entities	Due date for submission
Q1: Quarter ending 30 June	31 July
Q2: Quarter ending 30 September	30 October
Q3: Quarter ending 31 December	31 January
Q4: Quarter ending 31 March	30 April

Water Boards	Due date for submission
Q1: Quarter ending 30 September	30 October
Q2: Quarter ending 31 December	31 January
Q3: Quarter ending 31 March	30 April
Q4: Quarter ending 30 June	31 July



Annual Report Guide

Annual report disclosures

Description	20YY/20ZZ	20XX/20YY
• Reconciliation of irregular expenditure	R'000	R'000
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		
Closing balance		

Reconciling notes

Description	20YY/20ZZ	20XX/20YY
Record amounts in the year in which it was incurred	R'000	R'000
Irregular expenditure that was under assessment in 20XX/YY		
Irregular expenditure that relates to 20XX/YY and identified in 20YY/ZZ		
Irregular expenditure for the current year		
Total	XXXX	

ANNUAL REPORT

- Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		
Irregular expenditure under investigation		
Total		

- Details of current and previous year irregular expenditure condoned
- Details of current and previous year irregular expenditure removed - (not condoned)

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure NOT condoned and removed		
Total		

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure condoned		
Total		

ANNUAL REPORT

- Details of current and previous year irregular expenditure Recovered

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure recovered		
Total		

- Details of current and previous year irregular expenditure written off

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure written off		
Total		

ANNUAL REPORT

- Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Total		

- Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Total		

- **ANNUAL REPORT**

- **Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure**



Disciplinary steps taken

ANNUAL FINANCIAL STATEMENTS

Notes to the Annual Financial Statements	20YY/20ZZ	20XX/20YY
	R'000	R'000
Unauthorised expenditure (not applicable to public entities)		
Irregular expenditure	XXX	
Fruitless and wasteful expenditure		
Total		

Refer to reconciling notes in the annual report

AFS AND ANNUAL REPORT DISCLOSURE

**FRUITLESS AND WASTEFUL EXPENDITURE WILL
FOLLOW THE SAME REPORTING FORMAT**

The End