



## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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All Accounting Officers of Departments and Constitutional Institutions

All Accounting Head Officials of Provincial Treasuries

All Accounting Authorities of Public Entities

### **CIRCULAR: FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATE FOR ALL PUBLIC FINANCE MANAGEMENT ACT (PFMA) COMPLIANT INSTITUTIONS.**

#### **1. Purpose**

Sections 40 and 55 of the Public Finance Management Act (PFMA) require accounting officers for departments and public entities respectively to prepare and submit Annual Financial Statements (AFS) and annual reports to the National Treasury (NT), the Auditor General of the South Africa (AGSA) and the Executive Authority. This circular serves to remind:

- Accounting Officers (AO) and Accounting Authorities (AA) of departments, constitutional institutions and public entities of important financial year end procedures and closure/submission dates relating to the preparation and auditing of AFS and preparation of Annual Reports (AR) where such institutions have 31 March as their financial year end;
- Accounting Authorities of entities with a financial year end other than 31 March of important financial year end procedures and submission dates relating to preparation and auditing of AFS and preparation of AR.

#### **2. Financial Year End Closure and Submission Dates for National and Provincial Departments**

**Annexures A and B** stipulate the financial year end closure dates for the above mentioned institutions.

Table 1

FINANCIAL YEAR END AND ACCOUNTING CLOSURE FOR NATIONAL AND PROVINCIAL DEPARTMENTS			
ACTION	PFMA	DATE	RESPONSIBILITY
Financial Year end closure	n/a		
March 2014 Reporting to Vulindlela		04 April 2014	Accounting Officer
March 2014 – Preliminary		30 April 2014	Accounting Officer

Whilst the above dates represent the latest time periods, earlier closure is always encouraged. Departments on BAS are required to perform their preliminary closure for March 2014 in accordance with BAS notice number 1 (Guidelines for the financial year-end closure) of 2013/2014, which is available on the BAS website at the following link:

<http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/default.aspx>

as well as in accordance with Instruction Note 3 of 2013/14, which is available on the OAG website at the following link:

<http://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2fPublications%2f10%2e%20Instruction%20Notes%2fFor%20fin%20year%20201314&FolderCTID=%2f7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d>

The NT does not prescribe accounting closure dates for Entities at this stage. Institutions that have 31 March 2014 as their financial year end are required to comply with the submission dates as prescribed by the PFMA and/or Treasury Regulations (Refer to **Annexure A**).

Institutions that have year ends other than 31 March 2014 are required to comply with the submission dates as prescribed by the PFMA and/or Treasury Regulations, (Refer to **Annexure B**).

### 3. Specimen AFS, AFS Excel Templates , Modified Cash Standard as well as Accounting Manual for Departments

Departments and Entities can access the specimen AFS, Excel Template, the modified cash standard and the Accounting Manual for departments by following the links on the Office of the Accountant General's Website as illustrated in **Annexure C**.

### 4. Exemptions

In the extremely rare circumstances when management, concludes that compliance with a requirement of the Modified Cash Standard /Accounting Standard would be so misleading that it would conflict with the overall objectives of the Standard with regard to fair presentation, the department/entity may apply for an exemption to the Accountant-General.

Applications must reach the Office of the Accountant-General (OAG) by no later than 31 March 2014.

Details of any exemptions granted must be disclosed in the Accounting Officer/Authority's report.

## 5. Implementation Plans on Audit Outcomes(2013/14)

In December 2008, Cabinet passed a resolution that supported the need for accounting officers and accounting authorities to immediately implement recommendations contained in the AGSA's management letters for the past financial year. Cabinet also noted National Treasury's request for institutions to provide corrective steps to be taken to address concerns raised in their audit reports on an annual basis.

It is therefore a requirement for all PFMA compliant institutions to submit implementation plans (corrective plans) detailing how the institutions plan to correct matters raised in their audit report.

For National Institutions, the implementation plans should be submitted, in the format prescribed by the National Treasury, to the relevant cluster manager by no later than 30 September 2014. For Provincial institutions, the implementation plans should be submitted to the relevant treasury by no later than 30 September 2014.

## 6. Strategic Support Plans (SSP's) (2014/15)

The National Treasury prioritised departments that required interventions to improve their financial management. Pursuant to this, the National Treasury developed Strategic Support Plans which in essence are support agreements entered into between the prioritised department and the National Treasury. These plans provide details of activities that the department is required to perform in order to address its financial management weaknesses. The plan also contains details of support that the National Treasury will provide to the department to address their financial management weaknesses. These plans are formal agreements entered into between the Accounting Officer of the department and the Accountant-General. These must be concluded and signed off by the 31 May 2014.

Provincial Treasuries develop similar plans for their provincial departments.

## 7. Additional Notes

Accounting Officers and Accounting Authorities should take note of the following:

- AFS Templates may **NOT** be submitted via E-MAILS.
- In terms of sections 40(1)(c) and 55(1)(c) of the PFMA, financial statements submitted to the Auditor General and Treasury must be complete and accurate. Failure to submit accurate AFS constitutes noncompliance with the aforementioned sections of the PFMA and may be seen as an **act of Financial Misconduct** in terms of Section 81 and 83 of the PFMA.
- **Should there be misstatements that were identified during the audit process, the affected departments and entities must correct these. We would like to urge departments and entities to also correct immaterial misstatements as these might have an impact on the consolidated AFS.**
- Where National Institutions do not submit a final audited template that agrees to published AFS by the 31 July 2014, National Treasury will record the submission as late and all late recordings will be disclosed in the consolidated financial statements.
- Submissions by Provincial Institutions should follow relevant Provincial circulars.
- Submission to the relevant treasury means relevant cluster managers at the OAG (**National Institutions**) or relevant contacts at the PAG offices (**Provincial Institutions**).
- The Executive Authority should advise the relevant treasury of any entity under its ownership or control that the relevant treasury may not be aware of.

- Accounting Officers and Authorities who are unable to comply with any of the submission requirements of this circular must promptly report that inability together with reasons to the relevant treasury. This requirement to report is in line with section 40(5) and 51(2) of the PFMA, and does not absolve an entity of its responsibility.
- The accounting framework to be used for departments is modified cash basis. The entities' template for 2013/2014 is a GRAP compliant template and entities are required to prepare the template based on the GRAP group accounting policies in the template. Entities using other reporting frameworks are required to identify and record the required adjusting journal entries that would be needed to conform to the National Treasury GRAP accounting policy. **These journal entries should not be passed when completing the AFS Template but only recorded in the CONVERSION worksheet in the template.** Please contact the cluster manager for more information.
- Departments and entities are required to confirm inter-departmental and inter-entity balances on the prescribed template issued by National Treasury. Communication will be sent out when the inter-group templates are available on the website.

It is imperative for PFMA compliant institutions to adhere to the requirements of this circular, especially those requirements relating to the submission of audited AFS. This will assist the NT in compiling consolidated AFS as prescribed by Section 8(1)(a) of the PFMA.

## **8. Contact Details**

### **National Departments, Constitutional Institutions, National Trading Entities and National Public Entities**

National Institutions that have to submit information to the Relevant Treasury, or require further information and clarity on the contents of this circular and any issue relating to the preparation, submission and audit of AFS and AR should contact the relevant cluster manager (***National Institutions Only***) as detailed below:

<b>Cluster</b>	<b>Contact Name</b>	<b>Telephone</b>	<b>Office no.</b>
Social Services	Thomas Matjeni	(012) 315 5792 082 908 9178	1753
	Nthua Motlhala	(012) 315 5244	1755
Justice and Protection Services	Star Kafu	(012) 315 5763 079 099 0032	1745
	Musa Ndlovu	(012) 315 5741	1747
Economic Service and Infrastructure Development	John Watson	(012) 315 5590	1708
	Andrea Wolfaardt	012 406 9091	1776
Central Government Administration	Thokozile Motsweni	(012) 315 5233 071 673 1610	1763
	Palesa Nhlangothi	(012) 315 5383	1764
Financial and Administrative Services	Keitumetse Malebye	(012) 315 5989 071 606 0555	1756

All submissions by National Institutions relating to this circular must be submitted via the relevant cluster managers.

**Provincial Departments and Provincial Public and Trading Entities**

Provincial Institutions that have to submit information to the Relevant Treasury, or require further information and clarity on the contents of this circular and any issue relating to the preparation, submission and audit of AFS and AR should contact the relevant Provincial Treasury.



**SCHALK HUMAN**  
**ACTING ACCOUNTANT-GENERAL**

**DATE:** 17/03/2014

# FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES

## Annexure A

SUBMISSION DATES – PUBLIC INSTITUTIONS WITH 31 MARCH YEAR END			
ACTION	PFMA/ TR	DATE	RESPONSIBILITY
Commence preparation of AFS	40(1)(b) & 55(1)(b)	1 April 2014	Accounting Officer/Accounting Authority
Submit prepared AFS to the Auditor General/independent auditor. Also submit the following to the <b>relevant Treasury</b> : Completed AFS Template issued by the NT as follows: <ul style="list-style-type: none"> <li>▪ Electronic copy on a compact disc</li> <li>▪ Hard copy, duly signed off by the AO/AA or Chief Financial Officer (CFO)</li> </ul>	40(1)(c) & 55(1)(c)	30 May 2014	Accounting Officer/Accounting Authority
Submit <b>the audited</b> AFS template, after the finalisation of the audit, to the <b>Relevant Treasury</b> as follows: <ul style="list-style-type: none"> <li>▪ Electronic copy on a compact disc(<b>updated</b>)</li> <li>▪ Hard copy, duly signed off by the AO/AA or CFO (<b>updated</b>)</li> </ul> The public entity AFS template must be reviewed by the AGSA before being submitted and a letter indicating this review should accompany the reviewed template.	41 & 51(1)(f) & 76 To finalise consolidation on audited figures as per Sec 8.	31 July 2014	Accounting Officer
Submission of the Annual Report (including performance information and report of Accounting Officer) to AGSA for final review	41 & 51(1)(f) & 76 (Per the Modified Cash Basis)	30 May 2014	Accounting Officer
Submission of the Audited AFS to the Audit committee for final evaluation	Treasury Regulation 3.1.13(c)	Preferably by 15 July 2014	Accounting Officer/Accounting Authority
Submission of Annual report, audited AFS & AGSA's report to <b>relevant treasury</b> and the executive authority	40(1)(d) & 55(1)(d)	29 August 2014	Accounting Officer

**FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES**

<b>SUBMISSION DATES – PUBLIC INSTITUTIONS WITH 31 MARCH YEAR END</b>			
<b>ACTION</b>	<b>PFMA/ TR</b>	<b>DATE</b>	<b>RESPONSIBILITY</b>
Tabling of Annual report and AFS to Parliament or Relevant Legislature	65(1)(a) & 65(2)	29 August 2014 (Within 1 month after the accounting officer received the audit report)  30 September 2014 <b>(Final date)</b> (Within 6 months of the year end)	Executive Authority
Where the Executive Authority fails to table the annual report by 30 September 2014 – Executive Authority must table an explanation to Parliament or Relevant Legislature	65(2)(a)	Immediately after 30 September 2014	Executive Authority



## Annexure B

ACTION	PFMA	DATE	RESPONSIBILITY
Submit to the National Treasury: <ul style="list-style-type: none"> <li>Trial Balance for the period 1 April 2013 – 31 March 2014</li> <li>12 months' management accounts information, as at 31 March 2014, using the AFS template for Entities.</li> </ul> <p>The 12 months' management accounts information, must be reviewed by the AGSA before being submitted and a letter indicating this review (Annexure D) should accompany the template.</p>	41 & 51(1)(f) & 76 To prepare consolidated AFS as per Sec 8.	30 May 2014          31 July 2014	Accounting Authority
Commence preparation of AFS	55(1)(b)	1 July 2014	Accounting Authority
Submit prepared AFS to the AGSA independent auditor.	55(1)(c)	29 August 2014	Accounting Authority
Submit the Audited AFS to the Audit Committee for final evaluation	Treasury Regulation 3.1.13	Preferably by 15 October 2014.	Accounting Officer/accounting authority
Submission of the Annual Report to AGSA for final review	n/a	29 August 2014	Accounting Officer
Annual report, audited AFS & AGSA's report submitted to <b>relevant treasury</b> and the executive authority	55(1)(d)	28 November 2014	Accounting Authority
Tabling of Annual report and AFS to Parliament or Relevant Legislature	65(1)(a) & 65(2)	28 November 2014 (Within 1 month after the accounting officer received the audit report)  31 December 2014 <b>(Final date)</b> (Within 6 months of the year end)	Executive Authority

**SUBMISSION DATES – PUBLIC INSTITUTIONS WITH FINANCIAL YEAR END OTHER THAN 31 MARCH (30 JUNE)**

ACTION	PFMA	DATE	RESPONSIBILITY
Where the Executive Authority fails to table the annual report by 31 December 2014 – Executive Authority must table an explanation to Parliament or Relevant Legislature	65(2)(a)	Immediately after 31 December 2014	Executive Authority

## Annexure C

Departments and Entities can access the specimen AFS, Excel Template and the Preparation guide by following the links on the Office of the Accountant General's Website as illustrated below:

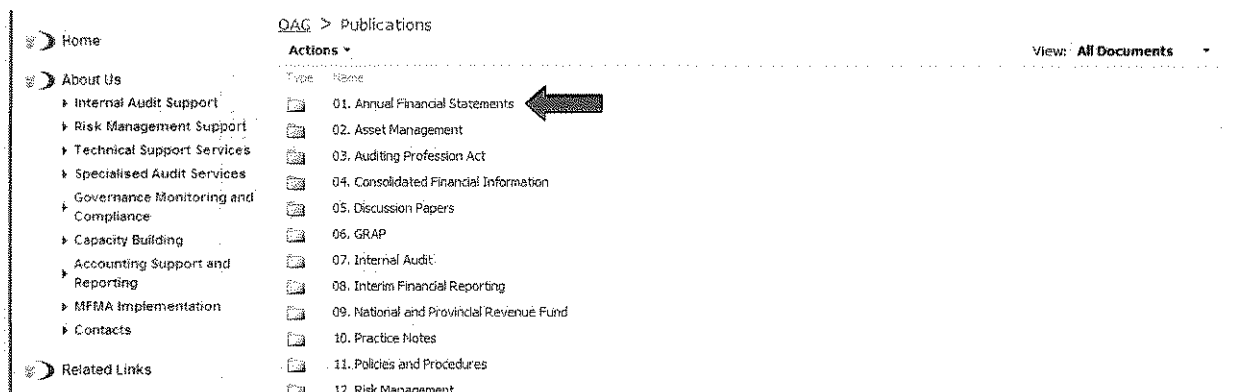
### (i) National and Provincial Departments

Step 1, Go to <http://oag.treasury.gov.za> and then select "Publications" from the menu

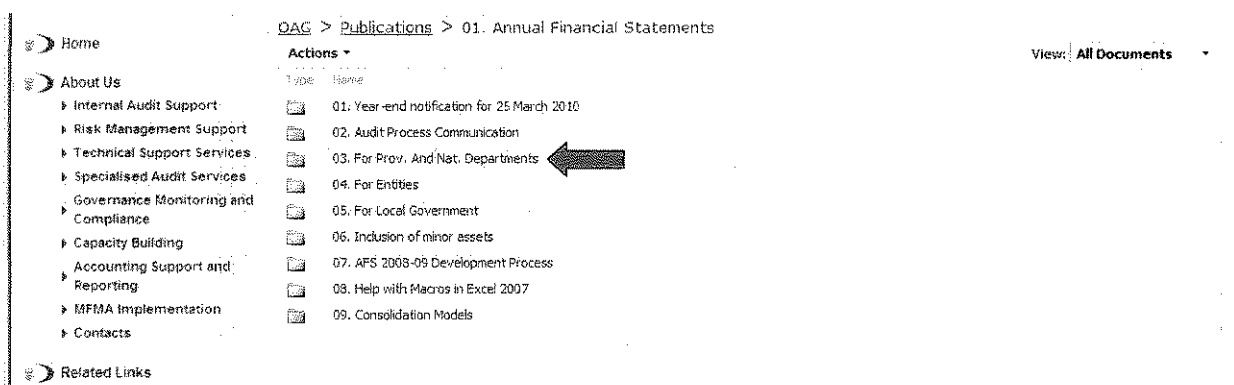
The screenshot shows the website of the Office of the Accountant-General, Republic of South Africa. The header includes the South African coat of arms and the text 'REPUBLIC OF SOUTH AFRICA'. Below the header, there is a navigation menu on the left with items: Lists, Home, About Us, Related Links, Events Calendar, Publications (highlighted with a red arrow), What's new, FAQ's, and FMCMM. The main content area is titled 'Welcome to the Office of the Accountant-General' and contains a paragraph about the office's responsibilities. Below this, there are three sections: 'Contacts & Support Structure', 'Event Documentation', and 'Latest Publications'. The 'Event Documentation' section lists several forums and their dates. The 'Latest Publications' section lists various reports and documents. At the bottom, there is a 'Disclaimer' and a URL: <http://oag.treasury.gov.za/Pages/default.aspx?RootFolder=%2FContent%2FDocumentation%2F20121031%20National%20Government%20Risk%20M>.

## FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES

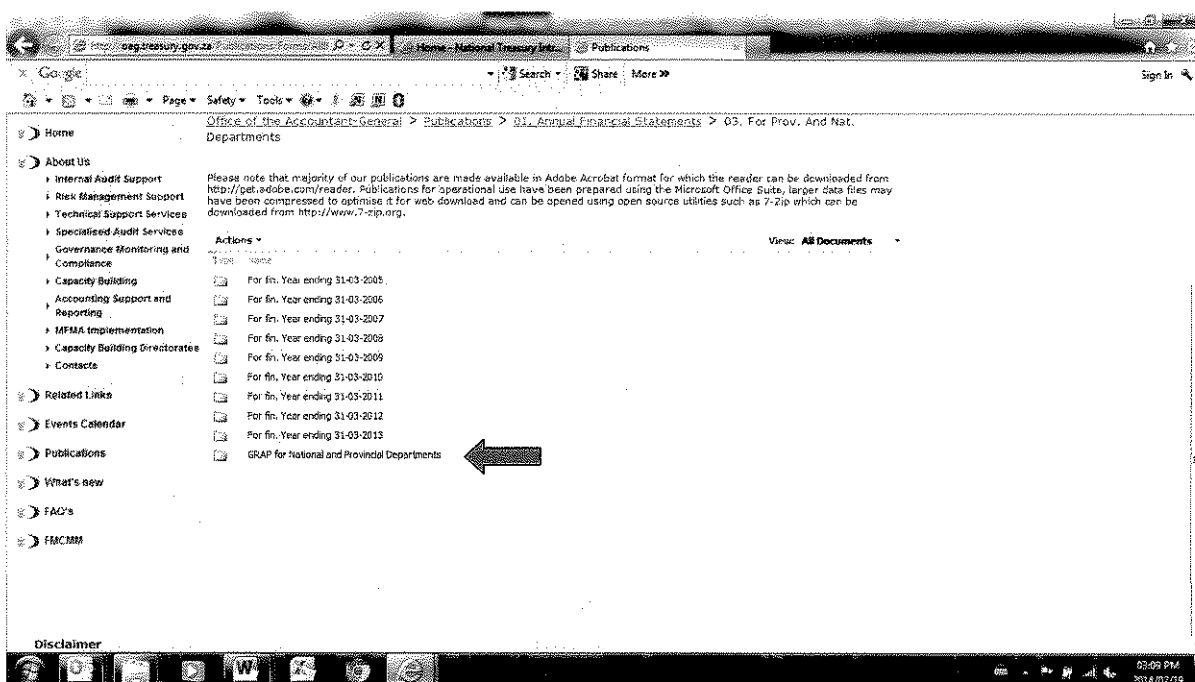
Step 2, Select "01. Annual Financial Statements" from the available options



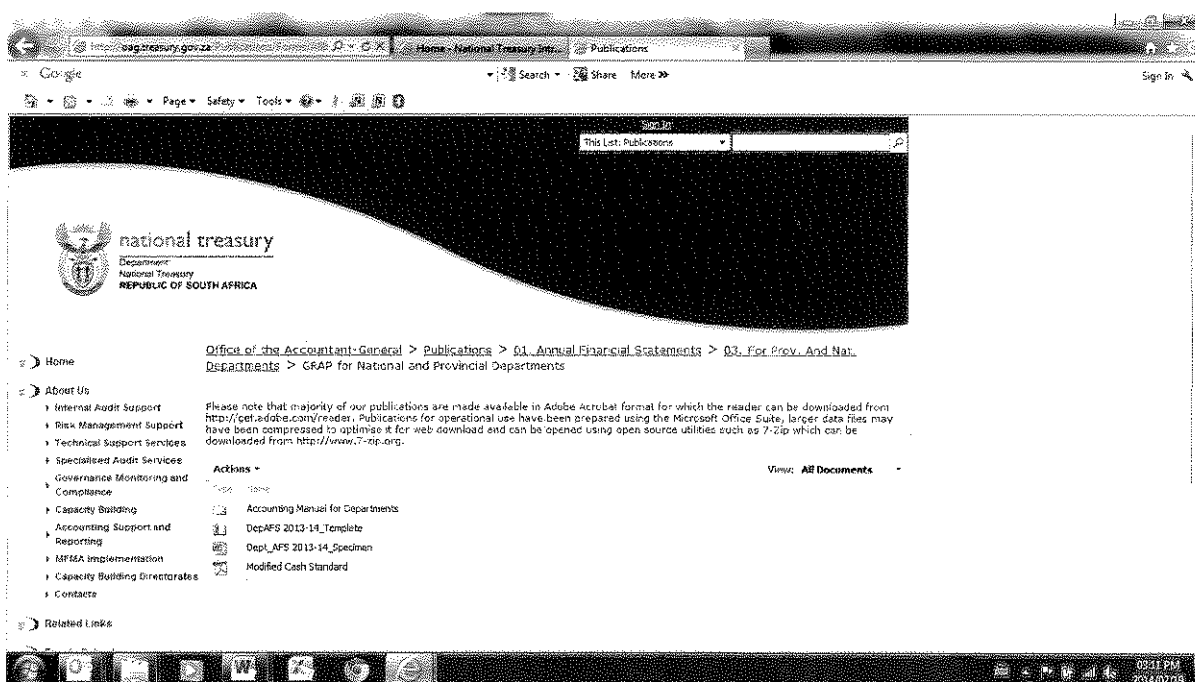
Step 3, Select "03. For Prov. And Nat. Departments" from the available options



Step 4, Select "GRAP for National and Provincial Departments" from the available options.



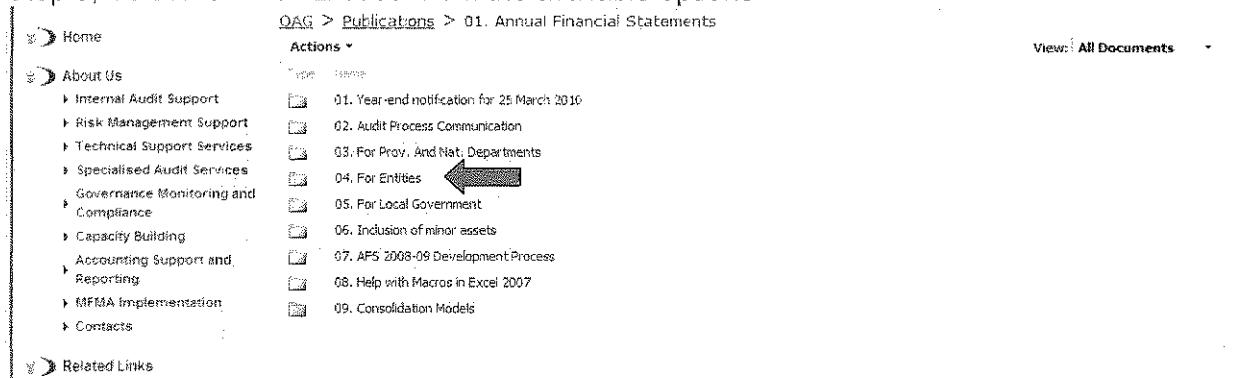
Step 5, Then click on the document



## (ii) Public Entities, Constitutional Institutions and Trading Entities

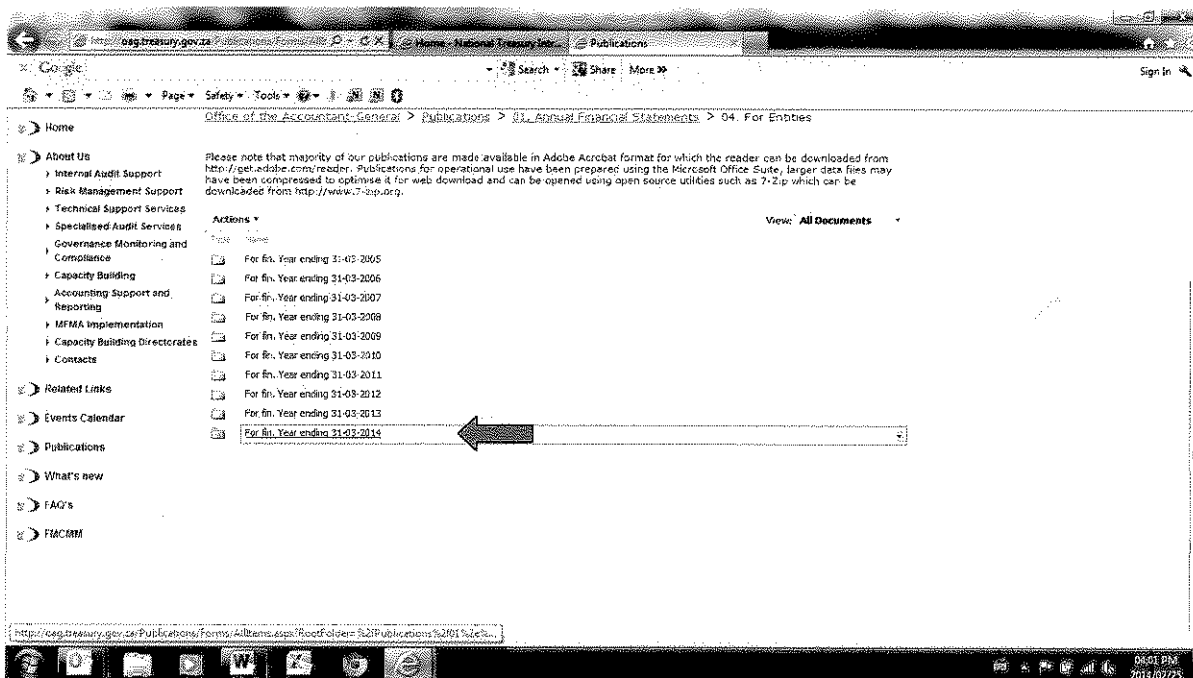
Step 1, Follow steps 1 and 2 as for National and Provincial Departments above, then.

Step 3, Select "04. For Entities" from the available options



## FINANCIAL YEAR END PROCEDURES, CLOSURE AND SUBMISSION DATES

Step 4, Select "For fin. Year ending 31-03-2014" from the available options



Step 5, Then click on the document

