

All Accounting Officers

OFFICE OF THE ACCOUNTANT-GENERAL PRACTICE NOTE 3 OF 2005/06

COMPLIANCE WITH THE DIVISION OF REVENUE ACT (DORA), 1 OF 2005

Purpose

The purpose of this practice note is to facilitate the implementation of and compliance with DORA by clarifying the requirements and implications of certain sections of the Act.

Withholding of allocations and payment schedules

In terms of section 33 of DORA a national transferring officer may withhold an allocation or a portion thereof for a period of 30 days or for a period longer than 30 days up to 120 days on the instruction or approval of the National Treasury.

When withholding a Schedule 5 allocation (specific-purpose allocations to provinces) or a Schedule 6 allocation (specific-purpose allocations to municipalities) and/or a Provincial or Municipal Infrastructure allocation it may be necessary to amend the payment schedule of that allocation to give effect to the withholding.

To facilitate the implementation of an amended payment schedule it is recommended that the transferring national officer –

- when giving a receiving officer written notice of this intention in accordance with section 33(2), send a copy of the notice to the National Treasury on the **same day** as it is sent to the receiving officer; and
- submit a revised payment schedule to the National Treasury **three days** after the withholding of the allocation or a portion thereof.

The National Treasury will inform provincial treasuries of the intended withholding or actual withholding of an allocation referred to above by forwarding a copy of the following on receipt thereof to the relevant provincial treasury –

- any notice given by a national transferring officer in terms of Section 33; and
- any revised payment schedule submitted in terms of Section 32.

Quarterly reports

National departments administering conditional grants are required to table quarterly performance reports (including both financial and non-financial information) with the Select Committee on Finances (SCOF) in the National Council of Provinces (NCOP) at the end of each quarter in line with the requirements of Sections 19(1)(c) and 21(2)(d) of the Act, Grant Frameworks and Treasury Regulation 5.3.

Departments are required to provide the National Treasury with copies of the reports tabled at SCOF in NCOP. The quarterly reports for each quarter should be tabled by the dates provided below. The discussion on the content of these reports will however be determined by the NCOP's programme.

The dates are as follows:

- First Quarter: 08 August 2005;
- Second Quarter: 07 November 2005;
- Third Quarter: 07 February 2006;
- Fourth Quarter: 08 May 2006;

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Effective date

This policy will be effective on 1 August 2005, and must be applied thereafter by all Accounting Officers.

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