



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO : ALL ACCOUNTING OFFICERS

NATIONAL TREASURY PRACTICE NOTE 5 OF 2008/09

COMPLIANCE WITH SECTION 28 OF THE DIVISION OF REVENUE ACT, 2007 (ACT NO. 1 OF 2007) – DORA

1. PURPOSE

- 1.1 The purpose of this practice note is to give effect to Sections 28(1) and 28(2)(a) of the Division of Revenue Act (DORA), 2007 (Act No. 1 of 2007).

2. POLICY

- 2.1 In terms of section 28(1) of DORA, any conditional allocation (including the Further Education and Training College Sector Recapitalisation Grant) that is not spent at the end of the financial year must be surrendered to the National Revenue Fund (NRF).

3. PROCEDURES

- 3.1 To give effect to the above the following procedures must be applied:
- 3.1.1 Each Provincial Treasury must by 18 April 2008, indicate to the National Treasury and the transferring national officer in writing the projected amount of unspent funds not committed as at 31 March 2008 to identifiable projects per schedule 5 grant.
- 3.1.2 As soon as the relevant provincial department has completed the preliminary year end closure it must surrender any unspent schedule 5 allocations through the provincial treasury to the relevant national department. The final date for this initial surrender of unspent funds is 28 May 2008.
- 3.1.3 National departments must, upon receipt of these funds transfer the money to the National Revenue Fund. The final date for all transfers to the National Revenue Fund is 31 May 2008.

3.1.4. If a department has determined, after the finalisation of the audit and the final system audit close, that the initial surrender was too much or too little it must notify the relevant national department as well as the National Treasury.

3.1.5. Any money due to the National Revenue Fund must be surrendered to the national department within 1 week after the submission of the annual financial statement. Where money is due to the provincial department, any transfers must be done in consultation with the National Treasury within 1 week after the submission of annual financial statements for auditing.

4. REQUEST FOR ROLL-OVERS

4.1 The normal rules relating to requests for rollovers in terms of the Treasury Regulations 6.4 and 6.6 will apply to conditional grants.

4.2 Given the fact that selective national departments administer Conditional Grants, it is proposed that those departments submit a coordinated request for rollovers to the National Treasury for consideration accompanied by an appropriate motivation arguing the case on behalf of the sector and the provinces.

5. CONCLUSION

5.1 This Practice Note is intended to provide a general understanding regarding the responsibilities of the various role-players. It is not a substitute for the requirements of the Division of Revenue Act, 2007 nor does it in any way detract from the responsibilities placed upon the various role-players as articulated in the DORA and the published grant frameworks (Government Gazette No. 29797 on 14 April 2007).

5.2 Directives relating to the recording of accounting procedures will be issued by the Office of the Accountant-General.

6. APPLICABILITY

6.1 This practice note applies to all national and provincial departments.

7. EFFECTIVE DATE

7.1 The procedures contained in this practice note takes effect from 1 April 2008 and must be adhered to by all accounting officers.

8. AUTHORITY FOR THIS PRACTICE NOTE

- 8.1 This practice note is issued in terms of sections 76(1) to 76(4) of the PFMA which empowers the National Treasury to issue instructions applicable to all institutions to which this Act applies concerning any matter that may be prescribed for all institutions in terms of this Act.

9. CONTACT PERSON:

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