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Enquiries: A Smit

Financial Accounting Minute: 0001/2016

To: Chief Directors, Directors (Head Office and district offices), Heads: IMG Co-ordination and Advice, Circuit Managers, Curriculum Advisers and Principals

**Subject: Return, safekeeping and control of paysheets/payroll reports**

1. Financial Accounting Minutes 0011/2007, 0002/2008 and 0007/2009 refer.
2. The Western Cape Education Department (WCED) needs to enhance the current situation regarding paysheet certification. Currently a dual system is applied through the manual certification as well as the PMPs-CPS electronic system.
3. The value of payroll transactions constitutes a significant portion of the WCED's budget and certification is critical in the prevention and detection of possible fraud and errors. Furthermore, paysheet control minimises the risk of losses through irrecoverable overpaid salaries. This minute articulates the management and control of payrolls.
4. All paymasters are requested to submit all certified paysheets in the prescribed manner. The WCED must ensure that paysheets received are verified/certified and that they comply with the provisions of National Treasury Regulations (Chapter 8.3.4 and 8.3.5), in conjunction with the Western Cape Provincial Treasury Instructions (Chapter 8.6.4 and 8.6.5), which read as follows:

**National Treasury Regulations - Chapter 8.3.4 and 8.3.5**

*"For all employees, the persons in charge at the respective pay points must certify on the date of payment that all persons listed on the payroll report are entitled to payment."*

and

*"Within ten (10) days of being certified, the payroll report must be returned to the Chief Financial Officer. The Accounting Officer must ensure that all pay point certificates have been received on a monthly basis."*

**Western Cape Provincial Treasury Instructions - Chapter 8.6.4 and 8.6.5**

*“Payroll reports, certifying that the persons listed in them are in fact entitled to receive the salaries or wages as indicated, must be filed in chronological order by the person responsible for this and must be available for audit and inspection purposes.”*

and

*“Where **computerised systems** are used, the following certification must be printed at the bottom of the last page of the payroll report in respect of each pay point and signed by the person in charge of the respective pay point **before pay date**:*

*‘I hereby certify that, unless otherwise indicated, all persons listed on the payroll report are entitled to payment.’”*

5. Paysheets are analysed for comments and action is taken on the notes made by the paymasters. In order for the WCED to react to notes made by paymasters the paysheet on the electronic Control Paysheet (CPS) must be signed off at least **two working days** before the pay date.
6. Paymasters are responsible and accountable for the following:
  - Verifying and certifying that the employees appearing on the paysheet are employed at the pay point and are entitled to their salaries **before the pay date**.
  - Ensuring that employees paid by electronic fund transfer sign the payroll report (hard copy) when collecting their salary advices.
  - Cases such as resignations, death, transfers of employees and/or any other discrepancies must be indicated on the paysheet (PMPS-CPS and hard copy) for the necessary adjustments to be effected on PERSAL.
  - In the absence of the paymaster, the seconded paymaster must verify and certify the paysheet.
  - In the event of paymaster resignation, transfer or retirement the Directorate Financial Accounting must immediately be informed in order to appoint a new paymaster.
  - Certified manual payroll reports, must be returned to the Director Financial Accounting within ten (10) days after the pay date.
7. Disciplinary action will be taken for non-compliance with the above or false declarations on returned paysheets.
8. Your co-operation will be appreciated.

**SIGNED:** L J ELY

**DEPUTY DIRECTOR GENERAL: FINANCE**

**DATE:** 2016-02-08