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Enquiries: SDD van Wyk

Financial Accounting Minute: 0001/2019

To: Superintendent-General, Deputy Directors-General, Chief Directors, Directors (Head Office and district offices), Heads of all subdirectorates and divisions and finance personnel

Subject: Basic Accounting System (BAS) – Closing procedures for the 2018/19 financial year

1. Introduction

In terms of section 40(1)(c) of the Public Finance Management Act, 1999 (Act 1 of 1999), the Western Cape Education Department (WCED) must submit annual financial statements to the Auditor-General by 31 May 2019. For the 2018/19 financial year, which ends on 31 March 2019, it is necessary to close the WCED's books before 30 April 2019. The envisaged closing date is 24 April 2019. Forced closure will be activated by the National Treasury in the event that a department fails to close its books on time. For this reason, an urgent appeal is made to all parties to take note of the following arrangements to ensure that the requirements are met.

2. Payments on BAS for March 2019

The Directorate: Management Accounting, in conjunction with the BAS Systems Controller, is currently managing the process in respect of payments on BAS for the 2018/2019 financial year. These offices have already disseminated information to users for payments on BAS and Logis.

3. Transport and subsistence (T&S) advances and claims

T&S advances do not affect the closing of the financial year, but the normal BAS payment run dates will still apply. However, because T&S expenditure is charged against voted funds only once the claim has been processed, it is important that all claims outstanding for the 2018/19 financial year must be submitted immediately. Any late claims will be charged to the 2019/20 financial year. No further advances will be

captured for the 2018/19 financial year. All differences, in the event of a claim being less than the advance, must also be repaid immediately.

4. Receipts (districts and Directorate: Financial Accounting)
All offices responsible for issuing BAS receipts must ensure that receipts for March 2019, irrespective of deposit date, are accounted for in the accounting month March (03) and that all pending receipts have been allocated on BAS. Authorisers must also ensure that all cancelled receipts are duly authorised.
5. Petty cash expenditure (districts and Directorate: Financial Accounting)
All petty cash expenditure up to 31 March 2019 must be accounted for during March 2019.
6. Accounting month March (districts, Directorates: Financial Accounting and Procurement Management)
It is imperative that the correct posting date is used on BAS at all times, especially when journal entries i.r.o. corrections for the 2018/19 financial year are being captured during April 2019. All authorisers must also ensure that journals captured for March 2019 are authorised timeously within their workflows.
7. Outstanding transactions on BAS
All outstanding transactions with a status of *open reject*, *to be rejected*, *incompl*, *tobeact*, *tobeau* and *rejauth* must be maintained, authorised or cancelled. An outstanding transactions report per functional area (payment, journals, etc.) can be requested on BAS at the reporting function (*Other Reports*). The responsible users can be identified from this report for the purposes of finalising the outstanding transactions. Alternatively, an outstanding transaction enquiry dialogue can be viewed for outstanding transactions in the Creditor Management and Creditor Payment functional areas. The due date for the clearance of outstanding transactions is 26 March 2019.
8. BAS interfaces and exceptions (Directorate: Financial Accounting)
The responsible officials must ensure that all bank and PERSAL interface exceptions are cleared before final closure. The BAS Systems Controller must ensure that all PERSAL runs have interfaced with BAS and that the bank interfaces have taken place.
9. Assets and liabilities accounts (Directorate: Financial Accounting)
In order to disclose assets and liabilities accounts correctly in the financial statements, it is imperative that the necessary steps are taken to clear these accounts to reflect the correct balances, e.g. credit balances on debt accounts. In instances where debit amounts do not relate to credit amounts (and vice versa), these debits and credits must be specified and aged separately by the responsible officials for the purpose of the financial statements. In this respect, the necessary supporting

documentation must also be submitted. In the case of investment accounts for special funds, the balances must be reconciled for final statement purposes.

10. Claims payable and claims receivable (Directorate: Financial Accounting)
 - 10.1 In respect of amounts owing by and to other departments, it is a requirement that certificates of confirmation of amounts outstanding are submitted for audit purposes for each department with whom the WCED has transacted.
 - 10.2 The confirmation letters must be sent out immediately after year-end (24 April 2019) and returned by no later than 30 April 2019, so as to enable departments to submit this information to the Provincial Government Accounting Services of the Provincial Treasury by 15 May 2019 and to disclose the correct balances in their financial statements. See PT Circular 09 of 2019, dated 08 March 2019, in this respect.
11. Revenue pay-overs (Directorate: Financial Accounting)

All revenue received for the 2018/19 financial year should be allocated and paid over to the Provincial Revenue Fund by 31 August 2019.
12. Closure of the financial year (Directorate: Financial Accounting)

The closure of the workflows for the 2018/19 financial year, ending 31 March 2019, will take place on 23 April 2019. This means that only the Accounting Control Section of the Directorate: Financial Accounting will be able to process further adjustments (journals) for March 2019 before final closure, which will take place on 24 April 2019. All BAS users are requested to ensure that all the necessary adjustments are authorised by 22 April 2019. The audit final closure will take place only after the auditing of the WCED's financial statements have been completed by the Office of the Auditor-General.

Your cooperation in regard to the requirements of this minute will be appreciated.

SIGNED: LJ ELY
DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES
DATE: 2019-03-15