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File no.: 4/2/P
Enquiries: HC Burger

Financial Accounting Minute: 0002/2020

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

Subject: Uniform procedures for reporting on accruals and payables

1. The purpose of this minute is to provide guidelines and procedures with regards to the critical aspects and steps that must be taken by all the relevant role players throughout the Western Cape Education Department (WCED) to report on accruals and payables.
2. **Legislative framework**
 - 2.1 This minute is issued in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), and must be read together with:
 - 2.2 Regulations 8.1 and 8.2 of the National Treasury Regulations (NTR), issued on 15 March 2005, in terms of section 76 of the PFMA; as well as
 - 2.3 Provincial Treasury Circular 0035/2014, dated 27 August 2014, with regard to financial reporting on late payments, unpaid invoices and reporting on accruals and payables.
3. **Background**
 - 3.1 Financial Accounting Minute 0004/2012, dated 06 September 2012, is hereby repealed and replaced in its totality owing to new financial reporting requirements.
 - 3.2 Provincial Treasury Circular 0036/2010, dated 23 September 2010, requires departments to report **quarterly** on commitments and accruals.

4. **Annexure**

4.1 **Annexure A:** Accruals register provides guidance on payments, completion of input forms and supporting documents.

5. **Delegated officials are responsible for ensuring that BAS authorisers comply with the requirements spelled out in this minute.**

6. **Reporting on accruals**

6.1 **Accruals** represent goods or services that have been received or supplied but have not been paid and have not been invoiced or formally agreed on with the supplier, including amounts due to employees.

6.2 **Payables** represent goods or services that have been received or supplied and have been invoiced or formally agreed on with the supplier.

6.3 Offices dealing with invoices and/or payments must keep standardised accruals and payables registers (refer to **Annexure A**) for reporting purposes.

6.4 Accruals must be reported on quarterly by electronically submitting a fully completed and up-to-date standardised accruals register to the Batch Control Unit within **five calendar days after every quarter end**. In case of zero accruals, a nil return must still be submitted for control purposes.

6.5 Information on accruals is used by the DFA to compile summarised quarterly reports for submission to Provincial Treasury and is included in the disclosure notes of the financial statements.

7. It is essential that the contents of this minute is brought to the attention of all officials dealing with the preparation, processing and authorising of payments and journals on the financial system. Your cooperation is appreciated.

SIGNED: LJ ELY

DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES

DATE: 2020-02-25