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Reference: 20240206-1507

Financial Accounting Minute: 0001/2024

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 2023/24 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 (AG) by 31 May 2024. For the 2023/24 financial year, which ends on 31 March 2024, it is necessary to close the WCED's books before 30 April 2024. The envisaged closing date is **12 April 2024**. Forced closure will be activated by the National Treasury if 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/LOGIS/BASIS for March 2024

The Directorate: Management Accounting will confirm to all role players, via email, that it will manage the process in respect of payments for BAS, LOGIS and BASIS interfaces for the 2023/24 financial year, with effect from 15 March 2024.

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 2023/24 financial year be submitted before 15 March 2024. Any late claims will be charged to the 2024/25 financial year. Advances requested after 07 March 2024 are discouraged but will be considered in exceptional circumstances where service delivery will be adversely affected. 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 2024, irrespective of deposit date, are accounted for in the accounting month (March), 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 2024 must be accounted for during March 2024. Before this date, all petty cash transactions must be concluded and reimbursed in full. The use of petty cash as a procurement method will **not** be accessible during the period 15–31 March 2024.

6. **Accounting month: March (districts and Directorates: Financial Accounting and Procurement Management)**

It is imperative that the correct posting date is always used on BAS, especially when journal entries in respect of corrections for the 2023/24 financial year are being captured during April 2024. All authorisers must also ensure that journals captured for March 2024 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 outstanding transactions. Alternatively, an outstanding transaction enquiry dialogue can be viewed for outstanding transactions in the Creditor Payment functional areas. The due date for the clearance of outstanding transactions is **15 March 2024**.

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 owed 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 after year end (12 April 2024) and returned by no later than 23 April 2024, to enable departments to submit this information to the Provincial Government Accounting Services of the Provincial Treasury by **10 May 2024** and to disclose the correct balances in their financial statements. See National Treasury Instruction 3 of 2022/23, dated 14 December 2022, in this regard.

11. **Revenue pay-overs (Directorate: Financial Accounting)**

All revenue (over collection) received for the 2023/24 financial year should be allocated and paid over to the Provincial Revenue Fund by the date that the AG signs off on the WCED's annual financial statements.

12. **Closure of the financial year (Directorate: Financial Accounting)**

The closure of the workflows for the 2023/24 financial year ending 31 March 2024, will take place on **11 April 2024**. This means that only the Accounting Control Section of the Directorate: Financial Accounting will be able to process further adjustments (journals) for March 2024 before final closure, which will take place on **12 April 2024**. All BAS users are requested to ensure that all the necessary adjustments are authorised by **11 April 2024**. The audit final closure will take place only after the auditing of the WCED's financial statements has been completed by the Office of the AG.

13. Your cooperation regarding the requirements of this minute will be appreciated.

SIGNED: LJ ELY

DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES

DATE: 2024-02-09