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Financial Accounting Minute: 0004/2024

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

Subject: Procedures and guidelines for handling financial documents (payments, receipts, and journals)

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 handle payments and vouchers processed on the Basic Accounting System (BAS), Basic Accounting System Interface System (BASIS) and the Logistical Information System (LOGIS).
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:
 - (a) National Treasury Regulations (NTR) Chapter 17, issued on 15 March 2005, in terms of section 76 of the PFMA; as well as
 - (b) Western Cape Provincial Treasury Instructions (WCPTI) Chapter 8.1, issued on 02 November 2009, in terms of section 18(2)(a) of the PFMA.
3. **Background**
 - 3.1 Chapter 17.2 of the NTR regulates the availability of financial information. According to Chapter 17.2.1, accounting officers of institutions must, subject to the provisions of the relevant national or provincial legislation, retain all financial information in its original form as follows:
 - (a) **information relating to one financial year** – for one year after the audit report for the financial year in question has been tabled in Parliament or the provincial legislature; or
 - (b) **information relating to more than one financial year** – for one year after the date of the audit report for the last of the financial year/s to which the information relates.

3.2 Furthermore, Chapter 17.2.2 of the NTR regulates the retention periods of financial information as follows:

After the expiry of the retention periods referred to in 3.1, the information may, if required, be secured in an alternative format that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law.

3.3 Chapter 8.1 of the WCPTI regulates payments and vouchers and must always be adhered to. According to Chapter 8.1.8, the person verifying a voucher for payment must be authorised by delegation. The delegated official must also ensure that the requirements indicated in Chapter 8.1.8 (a)–(g) have been complied with before proceeding with the payment.

3.4 Financial Accounting Minute 0004/2012, dated 06 September 2012, is hereby repealed and replaced in its totality owing to new financial reporting requirements.

4. **Annexures**

4.1 The following updated annexures provide guidance on payments, completion of input forms, and supporting documents:

NB: It is compulsory to use **updated forms** when making payments according to the WCED branding changes.

4.1.1 Annexure A: Checklist for payments

4.1.2 Annexure B: Forms and supporting documents for payments

4.1.3 Annexure C1: Input forms WCG013 and WCG015

4.1.4 Annexure C2: Completion of input forms WCG013 and WCG015

4.1.5 Annexure D: Common errors on vouchers

4.1.6 Annexure E: Document Control Report download procedures

4.1.7 Annexure F: Request for vouchers template

4.1.8 Annexure GA: Sundry Payments Basis WCG013

Annexure GB: BASIS Payment Upload Spreadsheet

Annexure GC: BASIS checklist

Annexure GF: BASIS application form

5. Supervisors are responsible for ensuring that BAS authorisers comply with the requirements spelled out in this minute.
6. **Completion of vouchers**
 - 6.1 Officials allocated the function of BAS authorisers must ensure that completed BAS input forms support every payment processed on the system. All fields on the input forms are compulsory and must be completed.
 - 6.2 BAS authorisers must ensure that the correct BAS and BASIS input forms are used. **(Refer to Annexure B – forms and supporting documents.)**
 - 6.2.1 **For BAS**
 - (a) WCG001 (Travel and subsistence sundry advance payment) – To apply for authorisation of a travel and subsistence advance
 - (b) WCG002 (BAS allocation attachment) – Summary of the applicable allocations; must be attached to the WCG013 and WCG015 forms
 - (c) WCG003 (BAS debt: Agreement maintenance) – For dealing with debtors
 - (d) WCG004 (BAS journal entry processing maintenance) – For journals
 - (e) WCG013 (BAS sundry/recurring payment maintenance) – For sundry payments
 - (f) WCG015 (BAS purchase order payment) – For the payment of orders placed
 - 6.2.2 **For BASIS**
 - (a) All relevant annexures must be completed to ensure compliance with the requirements (WCG013 – BAS sundry/recurring payment maintenance)
 - (b) Checklist for BASIS – All relevant detail must be completed on the checklist (Annexure GC – BASIS checklist)
7. All input forms, invoices and other supporting documents must be stamped **“Paid”** once the transaction has been authorised on the financial system to prevent the recapturing of transactions, except for electronic payment vouchers.
8. **Cancellation of payment**
 - 8.1 When a payment is cancelled and a new payment is prepared as a replacement payment, the cancelled voucher should be attached to the new voucher. This is applicable only when a payment is cancelled owing to an “unpaid” payment and when it is returned by the bank.
 - 8.2 A new payment is prepared as a replacement, with the cancelled voucher number appearing on it, thus creating a link between the cancelled voucher, the replacement voucher, and the supporting documentation.

9. **Elimination of irregular, fruitless, and wasteful expenditure**
- 9.1 A completed and verified **Checklist for payments (Annexure A)** must be attached to every payment voucher to form part of the supporting documentation. This is to ensure that payments to creditors comply with statutory requirements and to **eliminate irregular, fruitless, and wasteful expenditure**.
- 9.2 No checklist needs to be completed for the following payment types:
- (a) Salary payments
 - (b) Transfer payments
 - (c) Travel and subsistence payments
 - (d) Entertainment allowance payments
 - (e) Petty cash payments
10. It is necessary for supervisors who authorise journals to add the stamp **“Processed”** on the cover of the journal and supporting documentation to indicate that it has been posted to the books. This is to prevent the recapturing of journals and creating duplication in the process. Supervisors should also ensure that supporting documents are attached to journals before authorising and signing it off.
11. **Submission of vouchers**
- 11.1 The delegated BAS, BASIS and LOGIS authorisers are responsible for the safekeeping of their vouchers and all the necessary supporting documentation must be securely attached to BAS, BASIS and LOGIS input forms which are to be submitted, together with their Document Control Reports (DCRs) drawn from BAS at the beginning of every new month (**Annexure E**), to the Directorate: Financial Accounting: Batch Control Unit at:
- Alfred Street Facility Complex**
2nd Floor, Block B
29 Alfred Street
De Waterkant
Entrance via 19 Chiappini Street
- 11.2 Authorisers of electronic payment vouchers are responsible for ensuring that all supporting documents are scanned as part of the payment batch for audit purposes. All electronic payment vouchers must be securely uploaded and saved on the **MyContent platform** for Batch Control Unit officials to verify and validate against the DCRs.
- 11.3 Every **LOGIS/BAS/BASIS authoriser** must draw a monthly DCR from the first to the last day of every month. In cases where there is more than one authoriser per directorate, **each LOGIS/BAS/BASIS authoriser** must draw a DCR for their own user ID. The purpose of the report is to indicate all the transactions that have been processed for that particular month. Please see **Annexure E** for procedures.

- 11.4 LOGIS and BAS authorisers must ensure that all the vouchers listed on the DCR are in their possession.
- 11.5 The vouchers must be sorted and listed according to the DCR and submitted together with the relevant supporting documentation. Supporting documentation must be securely attached to vouchers. It is important to make a booking before submitting vouchers to the Batch Control Unit to avoid delays for the required verification process.
- 11.6 An official from the Batch Control Unit and the official submitting the vouchers will validate that all vouchers are submitted according to the DCR. A Batch Control Unit official will then certify that all vouchers have been received. Both parties must sign the DCR and keep copies of the certified DCR for record purposes. This check must be done by the Batch Control Unit official present. In the absence of a signed DCR, the official submitting the vouchers bears the risks associated with informal arrangements; therefore, the official making informal arrangements must take full responsibility to put measures in place to prevent vouchers from getting lost.
- 11.7 Should there be any outstanding documents in the batch of vouchers left unchecked, the Batch Control Unit will request the outstanding vouchers to be recreated if necessary, and it must then be submitted urgently.
- NB:** This is brought to your attention, in particular, as vouchers are important for post audit purposes by the Directorate: Internal Control and the Auditor General of South Africa (AGSA); the inability to submit these vouchers for auditing when requested, will result in a **limitation of scope**.
- 11.8 DCRs with incomplete vouchers will not be accepted and will be referred back to the relevant LOGIS/BAS/BASIS authoriser for the submission of the complete batch, as stated on the DCR.
- 11.9 A list of all outstanding vouchers will be issued monthly to LOGIS/BAS authorisers and will be escalated to the relevant director for intervention, if the vouchers are not received by the Batch Control Unit by the 7th of every month.
- 11.10 **Failure to submit vouchers** will be seen as a non-compliance to this minute. The non-submission of vouchers was previously raised as a matter of concern by the AGSA in management reports. Should the vouchers not be submitted, the expenditure incurred could be regarded as irregular expenditure and will be reported as such.
- 11.11 Where payment vouchers are not submitted to the Batch Control Unit within 30 days after month end, the BAS authorisers will be reported for consequence management in a submission that will be reviewed by the Director: Financial Accounting, Chief Director: Financial Management, Deputy Director-General: Corporate Services and the Head: Education.

12. Requesting payment vouchers from the Batch Control Unit

- 12.1 Officials who require access to the original vouchers previously submitted to the Batch Control Unit, must complete and sign a request form which must indicate the payment details, such as the payment voucher number, BAS authoriser and month in which the voucher had been authorised. The request form must clearly indicate the name and contact details of the person requesting the voucher(s) and the date of request. **(Refer to Annexure F.)**
- 12.2 Request forms can be submitted manually or via email to Batch Control Unit officials and they must be given at least three working days to handle a request for vouchers.
- 12.3 Urgent requests will be handled at the discretion of the Batch Control Unit supervisor and are subject to operational requirements.
- 12.4 Original vouchers will be issued for a period not exceeding five working days only, thereafter the vouchers must be returned to the Batch Control Unit. Exceptions to this rule will only be allowed for vouchers issued for:
- (a) the office of the AGSA;
 - (b) a forensic audit;
 - (c) an internal audit; or
 - (d) the South African Revenue Service.
- 12.5 Any requests from the AGSA must be made on the prescribed formal request for information form. The formal request for information form must also accompany any requests issued to the AGSA from other departments.
- 12.6 **Internal control**
- 12.6.1 Internal control requests for payment vouchers will only be accepted if all the following criteria are fulfilled:
- (a) Requests can only be submitted after all the previously issued payment vouchers have been returned, checked, and filed back.
 - (b) Requests can only be made on an official internal control request form outlining the district and type of payment (e.g. LOGIS, BAS, BASIS) as well as the payment number, date, and BAS authoriser.
 - (c) BAS requests must be numerically grouped as per BAS authoriser and the month.
 - (d) BASIS request must be numerically grouped as per BASIS authoriser and the month.
 - (e) LOGIS requests must be categorised as per LOGIS folio numbers (use monthly monitoring of invoices report).
 - (f) Requests must be submitted alphabetically per month.
 - (g) Vouchers must be returned in the same numerical format they were issued.

- 12.6.2 Failure to adhere to the above instructions could cause delays in the issuing of requested documentation and outstanding payments will be reported at director level.
13. It is essential that the contents of this minute are brought to the attention of all officials dealing with the preparation, processing, and authorising of payments and journals on the financial system.

SIGNED: LJ ELY
DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES
DATE: 2024-03-19