



TREASURY INSTRUCTION NOTE NO. 2 OF 2023/24: SUBMISSION OF IYM REPORT – 2023/24 FINANCIAL YEAR.

THE PREMIER
THE MEC FOR EDUCATION
THE MEC FOR AGRICULTURE
THE MEC FOR PROVINCIAL TREASURY
THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
THE MEC FOR HEALTH
THE MEC FOR PUBLIC WORKS, ROADS AND INFRASTRUCTURE
THE MEC FOR TRANSPORT AND COMMUNITY SAFETY
THE MEC FOR COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
THE MEC FOR SOCIAL DEVELOPMENT
THE MEC FOR SPORT, ARTS AND CULTURE
THE SPEAKER: PROVINCIAL LEGISLATURE
THE DEPUTY SPEAKER: PROVINCIAL LEGISLATURE
ALL OTHER MEMBERS OF PROVINCIAL LEGISLATURE

For noting

THE ACCOUNTING OFFICER: VOTE 01: DIRECTOR GENERAL
THE ACCOUNTING OFFICER: VOTE 02: SECRETARY, PROVINCIAL LEGISLATURE
THE ACCOUNTING OFFICER: VOTE 03: EDUCATION
THE ACCOUNTING OFFICER: VOTE 04: AGRICULTURE AND RURAL DEVELOPMENT
THE HEAD OF DEPARTMENT: VOTE 05: PROVINCIAL TREASURY
THE ACCOUNTING OFFICER: VOTE 06: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
THE ACCOUNTING OFFICER: VOTE 07: HEALTH
THE ACCOUNTING OFFICER: VOTE 08: TRANSPORT AND COMMUNITY SAFETY
THE ACCOUNTING OFFICER: VOTE 09: PUBLIC WORKS, ROADS AND INFRASTRUCTURE
THE ACCOUNTING OFFICER: VOTE 10: SPORT, ARTS AND CULTURE
THE ACCOUNTING OFFICER: VOTE 11: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT
THE ACCOUNTING OFFICER/CHIEF EXECUTIVE OFFICER: ROAD AGENCY LIMPOPO
THE CHIEF EXECUTIVE OFFICER: LIMPOPO GAMBLING BOARD
THE CHIEF EXECUTIVE OFFICER: LIMPOPO TOURISM AGENCY
THE CHIEF EXECUTIVE OFFICER: GATEWAY AIRPORT AUTHORITY LIMITED
THE MANAGING DIRECTOR: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

THE CHIEF FINANCIAL OFFICER: VOTE 01: OFFICE OF THE PREMIER
THE CHIEF FINANCIAL OFFICER: VOTE 02: LIMPOPO LEGISLATURE
THE CHIEF FINANCIAL OFFICER: VOTE 03: EDUCATION
THE CHIEF FINANCIAL OFFICER: VOTE 04: AGRICULTURE AND RURAL DEVELOPMENT
THE CHIEF FINANCIAL OFFICER: VOTE 05: PROVINCIAL TREASURY
THE CHIEF FINANCIAL OFFICER: VOTE 06: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
THE CHIEF FINANCIAL OFFICER: VOTE 07: HEALTH
THE CHIEF FINANCIAL OFFICER: VOTE 08: TRANSPORT AND COMMUNITY SAFETY
THE CHIEF FINANCIAL OFFICER: VOTE 09: PUBLIC WORKS, ROADS AND INFRASTRUCTURE
THE CHIEF FINANCIAL OFFICER: VOTE 10: SPORT, ARTS AND CULTURE
THE CHIEF FINANCIAL OFFICER: VOTE 11: COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT
THE CHIEF FINANCIAL OFFICER: ROAD AGENCY LIMPOPO
THE CHIEF FINANCIAL OFFICER: LIMPOPO GAMBLING BOARD
THE CHIEF FINANCIAL OFFICER: GATEWAY AIRPORT AUTHORITY LIMITED
THE CHIEF FINANCIAL OFFICER: LIMPOPO TOURISM AGENCY
THE CHIEF FINANCIAL OFFICER: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

THE PROVINCIAL AUDITOR-GENERAL

1. PURPOSE

To inform Head of Departments and CFO of departments and Public Entities, of the financial reporting requirements in order to standardise the reporting in the Province that meet the requirements of National Treasury.

To inform the Accounting Officers of Departments and Accounting Authorities of Public Entities of the financial reporting requirements in order to standardise the reporting in the province that meet the requirements of National Treasury.

2. BACKGROUND

- 2.1** In terms of chapter 5, section 40 (4) (a) of the PFMA ,1999 as amended the accounting officer of a department must - at the beginning of a financial year provide the relevant Treasury in the prescribed format with a breakdown of the anticipated revenue and expenditure of that department for that financial year.
- 2.2** In terms of section 52 of the PFMA, the accounting authority of a public entity listed in schedule 2 and 3 must submit to the accounting officer of a department designated by the executive authority responsible for that public entity or government business enterprise, and to the relevant treasury, at least one month or another period agreed with the national treasury, before the start of the financial year – projection of revenue, expenditure for that financial year in the prescribed format; and
- 2.3** Section 40 (4) (b) states that the accounting officer of the department must each month submit information in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of paragraph (a). Section 40 (4) (c) provides that the accounting officer of a department must within 15 days of the end of each month submit to the provincial treasury and executive authority responsible for that department the information for that month, projected expenditure and revenue collection for the remainder of the current financial year and the explanation for variances and the summary of steps to be taken to ensure that the projected expenditure and revenue remain within the budget.
- 2.4** Section 41 of the PFMA prescribes that - an accounting officer for department, trading entity or constitutional institution must submit to the relevant treasury such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury may require.
- 2.5** Section 51 (1) (f) of the PFMA requires that an accounting authority for a public entity is responsible for the submission by the public entity all reports, returns notices and other information as may be required by the act. Furthermore, section 54 of the PFMA prescribes that - an accounting authority for a public entity must submit to the relevant treasury such information, returns, documents, explanations, and motivations as may be prescribed or as the relevant treasury may require.

3. REPORTING REQUIREMENTS Budget capturing

3.1 Departments and public entities' 2023/24 budget must be captured in a financial management system in line with the tabled Estimates of Provincial Revenue and Expenditure (EPRE).

3.2 Any deviation to the EPRE will require prior approval from treasury, and in the case of a public entity, prior approval from provincial treasury through the shareholder.

3.3 National Treasury IYM report provides for reporting as follows: -

- **All expenditure** must be captured as per economic classifications and must be in line with the approved budget and the projection for the remaining financial year.
- **Conditional grants expenditure** must be captured for each grant indicating the actual amount received from the Provincial Treasury, the actual expenditure for the month and the projections for the remaining month for each grant.

3.4 Departments must ensure that the cash flow focus (projections) reflected on the IYM is aligned to and exactly the same as information submitted to the Provincial Treasury in terms of Section 40 (4) (a) of the PFMA.

3.5 Infrastructure Reporting Model (IRM)

3.5.1 All infrastructure departments are required to submit monthly and quarterly infrastructure reports using the prescribed Infrastructure Reporting Model (IRM). Projects as at the IRM should be the same as projects captured in table 5 of the EPRE and the budget should also be the same.

3.5.2 All public entities that have infrastructure budget/projects must report as per 3.5.1 to their respective parent department.

3.5.3 IRM must be accompanied by a report on expenditure detailing the expenditure versus the budget on each funding source (equitable share, infrastructure conditional grants) capital versus current, challenges, root causes and proposed interventions, the reason for under/overspending must be clearly stated, the projected expenditure must be followed by motivations and all deviations from planning IRM (table B5) must be highlighted.

3.6 Revenue Reporting

3.6.1 All departments and public entities are required to submit monthly revenue reports in the prescribed format. Variations must be explained per economic classification outlining the main revenue sources / items contributing to the over or under collection of revenue. **Management interventions should be**

explained per each economic classification and main revenue sources in ensuring that the annual target is attained.

Realistic projections towards the remainder of the financial year should be provided monthly in consideration of the collection trends and the anticipated future revenue.

- 3.6.2** 3.3.2 All departments and public entities with Revenue Enhancement Allocation are required to submit monthly output and expenditure progress report in the prescribed format. Variations must be explained in terms of each allocation with management interventions.

3.7 Compensation of Employees Processes Report.

All departments/ public entities should submit on a monthly basis together with the IYM a report on the number of vacant budgeted posts for 2023/24 financial year, number of advertised post, number of filled posts, number of remaining vacant posts and reasons for non-filling of advertised posts as per the attached template.

3.8 Explanations for variances on expenditure

- 3.8.1** All variances must be explained in detail and the variance report must be per economic classification. Executive summary must also be provided.
- 3.8.2** Conditional grants must be explained in detail per grant and per economic classification.
- 3.8.3** Earmarked allocations must be reported on a monthly basis on a separated sheet. This should include narrations which outline progress made in terms of delivering outputs.
- 3.8.4** Reasons (root causes) for underspending / overspending should be clearly stated with management intervention to curb underspending and over expenditure.

NB. Projections towards the remainder of the financial year should be realistic.

4. Reporting Dates

- 4.1** Accounting officer of a department must **within 15 days** of the end of each month submit to the Provincial Treasury and Executive Authority the information for that month, projected expenditure and revenue collection for the remainder of the current financial year **and the explanation for any variances and the summary of steps to be taken to ensure that the projected expenditure and revenue remain within the budget.**

- 4.2** Public Entities are also required to submit on 15th of each month to the Provincial Treasury and Executive Authority the information for that month,

projected expenditure and revenue collection for the remainder of the current financial year and the explanation of variances **and the summary of steps to be taken to ensure that the projected expenditure and revenue remain within the budget.**

4.3 In case where the 15th falls within a weekend, monthly reports submission should be on a **Friday before the 15th.**

4.4 For the purpose of earlier submission by National Treasury to Government Printers for publishing of the Quarterly Section 32 Reports, Provincial Departments and Public Entities are requested to comply to the reporting dates as follows:

Departments should note these dates for the submission of the quarterly reports.

REPORTING PERIOD	Preliminary IYM (data file only)	Submission by Department/Entity to Provincial Treasury	Submission by Provincial Treasury to National Treasury
31 March 2023		14 April 2023	18 April 2023
30 April 2023	8 May 2023	15 May 2023	22 May 2023
31 May 2023	8 June 2023	15 June 2023	22 June 2023
2022/23 Pre- Audit IYM			
30 June 2023 (1 st Quarter)	7 July 2023	13 July 2023	19 July 2023
31 July 2023	8 August 2023	15 August 2023	22 August 2023
31 August 2023	7 September 2023	15 September 2023	22 September 2023
2022/23 Audited outcome		18 September 2023	21 September 2023
30 September 2023(2 nd quarter)	6 October 2023	12 October 2023	18 October 2023
31 October 2023	7 November 2023	15 November 2023	22 November 2023
30 November 2023	7 December 2023	13 December 2023	19 December 2023
31 December 2023 (3 rd quarter)	8 January 2024	12 January 2024	18 January 2024
31 January 2024	7 February 2024	15 February 2024	22 February 2024
29 February 2024	7 March 2024	15 March 2024	22 March 2024
31 March 2024(4 th quarter)	8 April 2024	12 April 2024	18 April 2024

4.5 If an Accounting Officer / Accounting Authority is unable to comply with any of the responsibilities as outlined in the Instruction Note the responsible Accounting Officer **must** promptly report the non-compliance and reasons thereof to the Provincial Treasury and the Executive Authority together with action plans and timeframes to address the non-compliances.

5. Action required

The Accounting Officers, Accounting Authorities, and CFOs are required to:

5.1 Take note of the content of this instruction note, and

5.2 Ensure that the Monthly In Year Monitoring (IYM) report that are **duly signed off by the Accounting Officer** are submitted to the Provincial Treasury as per the stipulated dates above.

6. Applicability

The Instruction Note is applicable to all Provincial Departments and Public Entities. Failure to comply with the Instruction Note shall be regarded as financial misconduct in terms of Treasury Regulations Chapter 10.

Effective date

This instruction note take effect from the date of approval.

CONTACT INFORMATION

Ms. Masekoameng RC
Chief Director: Budget and Public Finance Management
Provincial Treasury
Tel: 015 298 7000



Pratt GC/CA (SA)
Head of the Department
Provincial Treasury