



PROVINCIAL TREASURY

TREASURY INSTRUCTION NOTE NO. 3 OF 2020/21: SUBMISSION OF IYM REPORT – 2020/21 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 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
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THE CHIEF FINANCIAL OFFICER: LIMPOPO TOURISM AGENCY
THE CHIEF FINANCIAL OFFICER: LIMPOPO ECONOMIC DEVELOPMENT AGENCY

THE PROVINCIAL AUDITOR-GENERAL

1. PURPOSE

- 1.1. To inform Head of Departments and Chief Financial Officers 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.

2. BACKGROUNDS

- 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. Due to COVID-19 Pandemic, The President declared a national state of disaster which then required the Minister of Cooperative Governance and Traditional Affairs to issue Regulations under section 3 of the Disaster Management Act of 2002 (Act 57 of 2002) on 15 March 2020, with further regulations issued on April 2020.
- 2.2. During this period of uncertainty due to COVID-19 pandemic, provincial departments and public entities are still expected to comply with the PFMA, Treasury Regulations and National Treasury Instructions, except were formal extension was issued by the National Treasury.
- 2.3. Relevant accounting officers and accounting authorities are required in terms of section 38(1) (a) (i) and 51(1)(i) of the PFMA to ensure effective, efficient and transparent systems of financial risk management and internal controls.
- 2.4. Section 40 (4) (b) states that the designated accounting officer of the department must submit information to the provincial treasury in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of section 40 (4) (a).
- 2.5. Section 40(4) (c) stipulates that accounting officer of a department must ensure to submit within 15 days of the end 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 for variances and the summary of steps to be taken to ensure that the projected expenditure and revenue remain within the budget.
- 2.6. Section 51 (1) (f) of the PFMA requires that the accounting authority(ies) of the public entity be responsible for the submission by that entity all reports, returns notices and other information as may be required by the act.
- 2.7. Section 54 (1) further states that the accounting authority for the public entity must submit to the relevant treasury or the Auditor General information, returns,

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documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor General may require.

- 2.8. The accounting officer for a department 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

3.1. Budget capturing

- 3.1.1. Department's and/or public entity's budget must be captured as indicated in the tabled Estimates of Provincial Revenue and Expenditure (EPRE).
- 3.1.2. Any deviation to the EPRE will require prior approval from treasury or the board of the entity.
- 3.1.3. 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 months and the projections for the remaining month for each grant.
- 3.1.4. Departments must ensure that the cash flow focus reflected on the IYM is aligned to and exactly the same as submitted to the Provincial Treasury in terms of Section 40 (4) (a) of the PFMA.

3.2. Infrastructure Reporting Model (IRM)

- 3.2.1. 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 at the table 5 of the EPRE and the budget should also be the same.
- 3.2.2. All public entities that have infrastructure budget/projects must report as per 3.2.1 to their respective parent department.
- 3.2.3. 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/over spending must be clearly stated, the projected expenditure must be followed by motivations and all deviations from planning IRM (table B5) must be highlighted.

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3.3. Revenue Reporting

- 3.3.1. 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.
- 3.3.2. Realistic projections towards the remainder of the financial year should be provided monthly in consideration of the collection trends and the anticipated future revenue.
- 3.3.3. 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.

3.4. Compensation of Employees Processes Report

All departments/ public entities are requested to submit on a monthly basis together with the IYM a report on the number of vacant budgeted posts for 2020/21 financial year, number of advertised post, number of filled posts, number of remaining vacant posts and reasons for non-filling of advertised posts.

3.5. Contractual obligation and Transfers

All departments/ public entities are required to submit, on a monthly basis, a report in the prescribed format all contractual obligations spending and transfers to Non Profit Organisations(NPOs), Non-Government Organisations (NGOs) and Public Entities.

3.6. Explanations for variances

- 3.6.1. All variances must be explained in detail and the variance report must be per economic classification.
- 3.6.2. Conditional grants must be explained in detail per grant and per economic classification.
- 3.6.3. Earmarked allocations must be reported on a monthly and quarterly basis on a separated sheet. This should include narrations which outline progress made in terms of delivering outputs.

4. Reporting Dates

- 4.1. Section 40(4) (c) stipulates that 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 material variances and the summary of steps to be taken to ensure that the projected expenditure and revenue remain within the budget.
- 4.2. In terms of the current arrangement within the Province, Public Entities are also required to submit on 15th of each month.
- 4.3. In terms of the current arrangement within the Province, 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:

Table 1: Submission Dates

Reporting period	Preliminary IYM (data file only)	Submission by Department/ Entity to Provincial Treasury	Submission by Provincial Treasury to National Treasury
30 April 2020	06 May 2020	25 May 2020	01 June 2020
31 May 2020	08 June 2020	15 June 2020	22 June 2020
2019/20 Pre- audit IYM		02 June 2020	08 June 2020
30 June 2020 (1 st quarter)	03 July 2020	10 July 2019	17 July 2020
31 July 2020	05 August 2019	14 August 2020	21 August 2020
31 August 2020	08 September 2020	15 September 2020	22 September 2020
2019/20 Audited outcome		28 August 2020	07 September 2020
30 September 2020 (2 nd quarter)	05 October 2020	09 October 2020	16 October 2020
31 October 2020	06 November 2020	13 November 2020	20 November 2020
30 November 2020	07 December 2020	11 December 2020	15 December 2020
31 December 2020 (3 rd quarter)	06 January 2021	12 January 2021	18 January 2021
31 January 2021	05 February 2021	15 February 2021	22 February 2021
28 February 2021	05 March 2021	15 March 2021	22 March 2021
31 March 2021 (4 th quarter)	06 April 2021	14 April 2021	19 April 2021 (preliminary outcome)

N.B. Provincial Institutions should note these dates are for submission of both quarterly and monthly reports.

- 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 and CFOs of departments/Public Entities are required to:

- Take note of the content of this instruction note; and
- 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

This 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.

7. Effective date

This instruction note take effect from the date of approval.

8. Contact Information

Enquiries related to this instruction note may be directed to:

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Head of the Department
Provincial Treasury
Date 22/05/2020

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