



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

MEMORANDUM

Civic Centre
12 Hertzog Boulevard
Cape Town 8001
P O Box 655, Cape Town 8000
Ask for: Mr D A Valentine

Tel: 021 400-3800
Cell: 084 888 0709
Fax: 021 400-5367

E-mail: david.valentine@capetown.gov.za
Webmail: <http://www.capetown.gov.za>
Ref:
Filename: <http://citymysites.capetown.gov.za/personal/rschamrel/Personal Documents/My Documents/Novell/MsWord/Fin Stats 2011/AFS 2011 Closing yearend dates.docx>

Civic Centre
12 Hertzog Boulevard
Cape Town 8001
P O Box 655, Cape Town 8000
Cela: Mnu D A Valentine

Umnxeba: 021 400-3800
Cell: 084 888 0709
Ifeksi: 021 400-5367

Burgersentrum
Hertzog Boulevard 12
Kaapstad 8001
Posbus 655, Kaapstad 8000
Vra vir: Mnr D A Valentine

Tel: 021 400-3800
Sel: 084 888 0709
Faks: 021 400-5367

FINANCE — Treasury

DATE 2011.05.24
TO Directors, Managers and Heads (Top 500)

ANNUAL FINANCIAL STATEMENTS 2010/2011 Closing dates for year-end processes

As you are aware the financial year for the City ends on **30 June** every year.

In terms of the Municipal Finance Management Act (No 56 of 2003) the City's Financial Statements must be completed and signed by 31 August 2011, for submission to the Auditor General.

A draft set of financial statements must be submitted to the Audit Committee at its meeting of **25 August 2011**. To achieve this, the draft financial statements must be completed by **17 August 2011**.

This target deadline of **17 August 2011** can only be achieved if all the different role players fully commit themselves to the process. The respective functional areas which are implicated in the year-end closing are tabled below with dates by which their particular processes must be complete.

	Completion date
Closing of Cash Book	30/06/2011
Closing Date of Service Entry Sheet Capturing (expenditure relating to services)	13/07/2011
Inventory (Stock Sheets)	05/07/2011
Verification of Moveable Assets	31/05/2011
Closing Date of GRN Capturing(excl stock)	13/07/2011
Closing Date Manual Journals	22/07/2011
Closing Date of GRN Capturing (stock items)	30/06/2011
Closing Date of Leave Forms Capturing	21/07/2011
Releasing or refusal of sundry payment invoices	14/07/2011
Closing of Foreign exchange transactions	24/06/2011

For the closing of creditors by **13 July 2011**, via the GRN system, it will be necessary for the Purchase Department to close well in advance of **30 June 2011** for capital purchases. The stores will be closed for issues on **30 June 2011**.

In order to achieve these deadlines the following procedures must be noted and strictly adhered to:

1. Stores/procurement/accounts payable

Stores

- 1.1 Stock issues close for the financial year on **30 June 2011**.

Procurement

- 1.2 The Procurement Department will close for placing of purchase orders relating to the **2010/11** financial year on **24 June 2011**. The delivery of goods must take place on or before **30 June 2011** and the relevant documentation must reach the Procurement Department by this date for processing.
- 1.3 Purchase orders on the Capital Budget close for the financial year on **27 May 2011** and all requirements bearing reference to construction and or repairs and maintenance with an estimated value of **less than R200 000.00** not greater than must reach the Procurement offices by latest **6 May 2011**. **Orders** can still be placed on a particular service/project providing it forms part of the following year's Capital Budget.

Accounts Payable

- 1.4 For progress payments on contracts to be made in the current financial year the relevant documentation must reach the Accounts Payable office by **30 June 2011**. Only fully motivated exceptions of an extraordinary nature will be considered by the Accounts Payable section after this date.
- 1.5 Departments must take note that only invoices in respect of goods/services that are received/rendered on or before **30 June 2011** (that is in Council's possession) must be taken into account as creditors. Furthermore, it must be noted that the goods received notes/service entry sheets in respect of the aforementioned goods/services must be dated on or prior to **30 June 2011** in order to be reported as creditors.
- 1.6 It must be noted that if goods/services have not been received/completed on or before **30 June 2011**, it will be taken into account in the **2011/12** budget year.
- 1.7 In the light of above, it is clear that no fictitious creditors must be created and also no projects can as such be carried over into the new financial year, unless provision has been made as per the stipulation of the MFMA in the **2011/12** budget.
- 1.8 Cost Centre Owners are responsible for the release or the refusal of sundry invoice payments and must ensure that the refusal or release is executed on or prior to **14 July 2011** for transactions relevant to **2010/11** financial year.
- 1.9 The responsibility to adhere to these dates lies entirely with the departments and no exceptions will be considered. Please note that under no circumstances will the sundry payment method be used at year-end for any purchase orders placed during the year.
- 1.10 It must be noted that invoices for foreign exchange transactions must reach the Account Payable department on or before **24 June 2011**.

2. Capturing of Goods Received Notes (GRN'S) and service entry sheets

The capturing of GRN'S (goods received notes) and service entry sheets to update expenditure records closes on **13 July 2011**, and stock records by **30 June 2011**.

PLEASE NOTE: Directorates to ensure that for all goods received up to **30 June 2011** the GRN's are captured in the **2010/11** financial year.

3. Cash takings

All cash takings up to the last day, i.e. **30 June 2011** and banked after this date must be brought into account for the year ending **30 June 2011**.

4. Petty cash advances

Departments must ensure that all petty cash floats are replenished prior to **17 June 2011**.

5. Internal billing

The raising and settlement (reconciliation) of internal billing transactions via ISU-SD must be completed by **30 June 2011**. No **2010/11** transaction may be accounted for in **2011/12**.

6. Asset registers

6.1 Asset verification (closed)

In order to finalise the verification of assets all Directorates must submit fully motivated detailed lists of missing assets to Corporate Asset Control by **31 May 2011** for writing off with the relevant asset movement forms attached.

6.2 Impairment losses

The information regarding impairment losses must be forwarded to the corporate asset section on or before **15 July 2011**.

The impairment loss per asset needs to be determined as the difference between the net realisable value and the carrying value of the asset.

7. Costing

7.1 Activity based costing

Activity Based Costing inputs via Co-module (Controlling), PM-module (Plant Maintenance) or PS-module (Project Systems for Capital or Operational projects) have to be finalised and captured (including repostings and reversals) on the SAP system before **13 July 2011** (secondary cost).

The basis for Activity Based Costing input is the timesheets for cost recovery purposes for labour/vehicle/plant utilisation. Other inputs will be the activities based on the number of units produced by e.g. Printing & Reproduction services who produced photocopies for various internal clients/cost centers. (also include uploads for office rental, telephone calls, radio trunking, electronics, CCTV maintenance and CCTV inspections).

No current year transactions should be captured in the next financial year. This will also include corrections of **2010/11** transactions.

7.2 Reposting of primary cost/secondary cost

Reposting of primary cost for 2010/11 has to be finalised and captured on the SAP system before **15 July 2011**.

Reposting of secondary cost can only be done in period 12 – due date **13 July 2011**.

7.3 Plant maintenance confirmation

Any secondary cost to be finalised and captured and confirmed/released/reversed/approved on or before **13 July 2011**.

7.4 Correction of settlement errors

*All settlement errors (PS & PM objects) have to be corrected by **15 July 2011**.*

(PLEASE NOTE: All corrections pertaining to secondary cost must have been corrected by **13 July 2011**).

7.5 Settlement of cost objects

Settlement of cost objects (PS and PM objects) have to be completed by **18 July 2011**. This entails the responsibility of completing the settlement rules, sufficient funding on WBS, correction of incorrect material groups and cost elements used in the PM-orders and WBS.

8. Inventory

8.1 Purified water

Purified water stored in reservoirs as at **30 June 2011** must be measured and the result submitted to Corporate Finance on or before **15 July 2011**.

8.2 Nursery stock

The value of nursery stock as at **30 June 2011** must be calculated and submitted to Corporate Finance on or before **15 July 2011**.

8.3 Recycling compost stock

The value of recycling compost stock as at **30 June 2011** must be calculated and submitted to Corporate Finance on or before **15 July 2011**.

9. Leave application forms

The Director: HR Management and Development needs to prepare and send out a circular to all Executive Directors/ Directors/Managers, informing them to ensure that all leave forms have been authorised and submitted to the relevant personnel office before **15 July 2011**.

Leave application forms for all leave taken up to **30 June 2011** must be captured on the SAP system by no later than **21 July 2011**.

10. Manual journal capturing

The capturing of manual journals for **2010/11** has to be finalised on the SAP system on or prior to **22 July 2011** and the original documents must reach the accounting department on/or before **22 July 2011**.

11. Additional information required

Information on the following is required and will be requested under a separate memorandum:


- Provisions
- Impairment losses
- Contingent Liabilities
- Capital Commitments
- Unauthorised, irregular, fruitless and wasteful expenditure
- Operating Leases (City as Lessor and Lessee)
- Investment Properties
- Guarantees held in lieu of retentions
- Intergovernmental Grants

- Events after reporting date
(PLEASE NOTE: Preliminary figures to be submitted by **5 August 2011** and final figures on **25 August 2011**)

In order to ensure departmental buy-in, it will be appreciated if you could stress the importance of these issues in your functional area.

Attached is an annexure of the applicable contact persons should you require further information.

Your cooperation with regard to the financial year-end procedures will be greatly appreciated.



DA Valentine
Director: Treasury

**ANNUAL FINANCIAL STATEMENTS 2010/2011
CLOSING DATES**

Contact persons

Functional area	Contact person	Telephone number
Accounting	Patrick Lekay Philip Dorfling Andre Huysamer Yolande Zeelie	400-2371 400-3271 400-2999 400-4050
Assets	Chrisna Towsen	400-5441
Procurement	Mark Giger	400-2917
Tenders and Contracts	Ian Bindeman	400- 3715
Petty Cash	Mark Giger	400-2917
Material Management (Stores issues)	Tinus de Vos	400-4200
Accounts Payable		
(a) Sundry Payments	Stephanie Venter	918-2095
(b) Trade Creditors Payments	Andre Swart	918-2457
(c) Project Payments	Suzie Haasbroek	918-2441
(d) Foreign exchange payments	Petro Smith (Jessie)	918-2464
Costing	Chrisna Pretorius	400-2271