



dhsps&l

Department:
Human Settlements, Public Safety & Liaison
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL ACCRUAL PROCEDURE MANUAL

2012-13 Financial Year

1.1 INTRODUCTION

The procedure manual outlines the identification, treatment and recognition of accruals in the department according to the requirements of the PFMA

The accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal control should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.

Definition of accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorization for payment has not been effected on the system.

1.2 LEGISLATIVE REQUIREMENTS

Responsibility of the accounting officer (section 38(1)(a)(i) of the PFMA and Treasury Regulations 8.1.1

2 Purpose

The purpose of this document is to inform all officials of the DPS about the procedures and rules for managing accruals.

3 PROCEDURE / PROCESS FLOW

3.1 Contractual obligations

The directorate Supply Chain Management must compile a register of all invoices for contractual obligations that are not paid at the end of the reporting period. (Labour saving devices, cellphones, telephones, rented buildings,

3.2 Open orders

The directorate SUPPLY CHAIN MANAGEMENT must compile a register of all open orders for which goods / services have been rendered but invoices have not been received. The order amount will be used as amount to be paid.

3.3 The directorate financial management must compile a register of all invoices received that could not be paid as at the reporting date, that belong to that particular reporting period, and then consolidate together with the accrual lists from SUPPLY CHAIN MANAGEMENT.

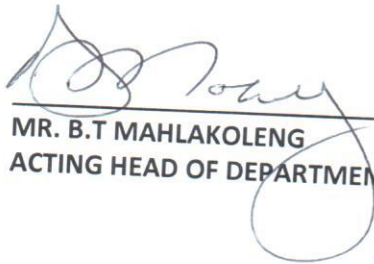
3.4 The directorate financial management consolidates and analyses information from SCM and Financial Management for inclusion into the IFS and AFS.

3.5 APPLICATION SCOPE

This procedure manual will apply to all employees of the Public Safety and Liaison Branch of the department of Human Settlement, Public Safety and Liaison.

3.6 PROCEDURE MANUAL REVIEW

The procedure manual will be reviewed when the need arises or in case of the occurrence of extenuating circumstances.



MR. B.T MAHLAKOLENG
ACTING HEAD OF DEPARTMENT